

U.S. NUCLEAR REGULATORY COMMISSION MANAGEMENT DIRECTIVE (MD)

MD 11.6 FINANCIAL ASSISTANCE PROGRAM DT-17-222	
<i>Volume 11:</i>	Procurement
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EXECUTIVE SUMMARY Management Directive 11.6, “Financial Assistance Program,” is being revised to ensure that the U.S. Nuclear Regulatory Commission has consistent policies, standards, and procedures for all NRC financial assistance programs.	

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For updates or revisions to policies contained in this MD that were issued after the MD was signed, please see the Yellow Announcement to Management Directive index ([YA-to-MD index](#)).

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I. POLICY

- A.** It is the policy of the U.S. Nuclear Regulatory Commission to provide authority and procedures for the NRC financial assistance program.
- B.** The NRC administers the program in conformance with the following:
1. The Federal Grant and Cooperative Agreements Act of 1977, as amended;
 2. The Atomic Energy Act of 1954, as amended;
 3. The Energy Policy Act of 2005;
 4. Title 2 of the *Code of Federal Regulations* (CFR) Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards"; and
 5. Related guidance from the Office of Management and Budget (OMB).

II. OBJECTIVES

- Provide the foundation and framework for the NRC financial assistance process, implementing various authorizing legislation.
- Create policies, standards, and procedures for the NRC financial assistance programs, ensuring that the NRC awards and administers Federal funds across every program in a fair and equitable manner.
- Follow policies and procedures to carry out the financial assistance functions of planning, application review and selection, award, and administration; partnership and accountability; sharing results; and closeout. A variety of legislative authorities, governing regulations, policies, and procedures delegate the authority to administer and monitor financial assistance awards to the program office.
- NRC staff with financial assistance-related responsibilities shall ensure that—
 - NRC grants and cooperative agreements achieve measurable results and accomplish strategic performance goals and objectives;
 - Management and internal controls permit effective monitoring of programs and processes;
 - Organizational structures, policies, and procedures support NRC programs to allow the achievement of intended results;
 - Monitoring and accountability procedures are developed for recipient activities;

- The financial assistance review and award processes are efficient, transparent to the public, and consistent with applicable laws, Executive orders, regulations, NRC policies, and published priorities;
- The financial assistance review process is fair, objective, and sufficient funds are available for obligation;
- The financial assistance award process allows for the broadest participation of interested parties in all NRC programs;
- Both competitive and noncompetitive grants and cooperative agreements are conducted in a consistent manner in all NRC financial assistance programs;
- Assistance is available to applicants to answer questions regarding the preparation and submission of applications;
- Recipients of awards receive impartial, fair, and equitable treatment;
- Knowledge gained from the grant or cooperative agreement is used to further the objectives of the financial assistance programs and NRC in general; and
- Closeout of grants and cooperative agreements are timely, and in accordance with applicable regulations.

III. ORGANIZATIONAL RESPONSIBILITIES AND DELEGATIONS OF AUTHORITY

A. Executive Director for Operations (EDO)

Has been delegated authority from the Chairman to execute and modify acquisitions involving financial assistance relationships and settle claims and terminations thereof (see ADAMS Accession No. [ML110540470](#)). The EDO has redelegated this authority to the Senior Procurement Executive (SPE) (see ADAMS Accession No. [ML110540450](#)).

B. Office of the Chief Financial Officer (OCFO)

1. Ensures the use of valid accounting citations, e.g., cost activity code, budget object classification code, and budget and reporting number.
2. Works with U.S. Treasury systems, once obligations have been established, to allow grantees to draw down funds and receive payment.
3. Assists the NRC Grants Officer (GO) and program office, as appropriate.

C. Office of the General Counsel (OGC)

1. Reviews all financial assistance applications and supporting documentation.
2. Reviews matters of interest, e.g., service agreements, regarding the suitability of using an assistance instrument and the potential for organizational or other conflicts of interest.
3. Reviews modifications, regardless of the dollar value, if the modification proposes substantial changes to the program description.

4. Reviews proposed rules, interim rules, final rules, and *Federal Register* notices pertaining to financial assistance awards.
5. Reviews non-responsibility and high-risk determinations regarding proposed applicants selected for funding, if requested by the GO.
6. Reviews packages that summarize the competitive review of discretionary funds prior to approval of awards.
7. Reviews notices of suspension, terminations, debarments, and settlements.
8. Reviews novation agreements and recipient name changes.
9. Provides advice on disputes relating to the terms of the award.
10. Coordinates and manages compliance with regulatory requirements, including the coordination, clearance, and submission of items proposed for publication in the *Federal Register*.
11. Provides legal representation, advice, and support to the following:
 - (a) The GO,
 - (b) Financial assistance officials,
 - (c) Program officials, and
 - (d) The non-procurement Suspension and Debarment Official.
12. Advises the GO, financial assistance officials, and program officials on the following:
 - (a) Proposed legislation,
 - (b) Authorizing statutes and appropriations acts, and
 - (c) The implementing regulation.
13. Assists the Department of Justice in representing the NRC before the District Courts regarding any challenges or actions lodged against the NRC in connection with the award and administration of financial assistance relationships.
14. Participates in compliance reviews, task force groups, or other assessments to ensure that the NRC financial assistance programs comply with all laws, Executive orders, regulations, and policies.

D. Office of the Inspector General (OIG)

1. Investigates allegations of fraud, waste, or abuse within the financial assistance process.
2. Audits financial assistance processes.
3. Investigates reported violations of NRC organizational conflict of interest rules under active financial assistance awards.

E. Office Directors

1. Select which program areas to support by providing funds through financial assistance.
2. Upon request, notify the EDO of the program areas selected for funding by the office.
3. Ensure review of applications regarding the appropriateness of assistance funding and the potential for conflicts of interest.
4. Ensure that the conduct of the application review, evaluation, and selection processes are in accordance with evaluation criteria stated in the Funding Opportunity Announcement (FOA).
5. As selecting officials, provide the GO with a complete and accurate funding recommendation package. This includes a summary of the results of the competitive review process, as well as the review and evaluation panel's written evaluation of each application, comparing it against the established evaluation criteria.
6. Provide the GO with the draft written justification for proposed noncompetitive awards and the basis for the justification.

F. Director, Office of Administration (ADM)

1. Serves as the agency's Senior Procurement Executive (SPE).
Has been redelegated the authority to serve as the SPE to execute and modify acquisitions involving financial assistance relationships and to settle claims and terminations thereof (see ADAMS Accession No. [ML110540450](#)).
2. Serves as the agency non-procurement Suspension and Debarment Official.
3. Convenes an intra-agency appeal board to review a grantee appeal of an agency action, if required, which consists of the program office director, the Deputy Director of ADM or designee, and OGC.
4. Serves as Senior Accountable Official for Suspension and Debarment.
Serves as the Senior Accountable Official for Suspension and Debarment (see ADAMS Accession No. [ML120270393](#)). The EDO has delegated authority for the responsibilities listed below to (1) the Senior Accountable Official for Suspension and Debarment; and (2) the Deputy Director, ADM when he/she is acting for the Senior Accountable Official (see ADAMS Accession No. [ML120270393](#)). Any re-delegation of this authority must be in writing.
 - (a) Assess the agency's suspension and debarment program, including the adequacy of available training and resources (including, where appropriate, full-time staff).
 - (b) Ensure that the agency maintains effective internal controls and tracking capabilities, taking into consideration the agency's mission, organizational structure, and level of procurement and grant-making activities.

- (c) Ensure that the agency participates regularly on the Interagency Suspension and Debarment Committee (note that OGC attends committee meetings).
 - (d) Ensure the review of internal policies, procedures, and guidance to confirm that the agency is protecting the Government's interests and taxpayer funds by effectively using suspension and debarment when appropriate, as well as other remedies available to the agency that are designed to ensure, before an award is made, that potential grantees and recipients have the requisite business integrity.
 - (e) Ensure that the agency's award officials review relevant databases and other information sources before awarding any Federal grant to prevent an award from being made to an entity that is suspended or debarred or is otherwise nonresponsible.
 - (f) Take prompt corrective action when the agency determines that it improperly made an award to a suspended or debarred entity. Appropriate action includes addressing the specific award and the establishment of systemic controls and procedures to prevent recurrence.
5. Serves as the agency's single audit accountable official and performs the following functions:
- (a) Ensures that the agency fulfills all the requirements of 2 CFR 200.513(c) and effectively uses the single audit process to reduce improper payments and improve Federal program outcomes.
 - (b) Improves the effectiveness of the single audit process based upon metrics as described in 2 CFR 200.513(c)(3)(iv).
 - (c) Redesignates the Director of AMD as the Federal agency's key management single audit liaison (see ADAMS Accession No. [ML17032A060](#)).

G. Deputy Director, ADM

- 1. Serves as the SPE to execute and modify acquisitions involving financial assistance relationships and to settle claims and terminations thereof, when the SPE is absent or unavailable (see ADAMS Accession No. [ML11341A088](#)).
- 2. Serves as the Senior Accountable Official for Suspension and Debarment when acting for the Director, ADM (see ADAMS Accession No. [ML120270393](#)). Any redelegation of this authority must be in writing.

H. Director, Office of Congressional Affairs (OCA)

Notifies the relevant congressional office of new financial assistance awards.

I. Director, Office of Small Business and Civil Rights (SBCR)

Conducts compliance reviews of applicants for, and recipients of, financial assistance from the NRC as required by 10 CFR Part 4, "Non-discrimination in Federally Assisted Programs or Activities Receiving Assistance From the Commission," Subparts A, B, C, and D; and 10 CFR Part 5, "Non-discrimination on the Basis of Sex in Education

Programs or Activities Receiving Federal Financial Assistance.” Compliance review ensures non-discriminatory practices in programs or activities as defined in the following civil rights statutes and NRC regulations:

1. Title IX of the Education Amendments of 1972;
2. Title IV of the Energy Reorganization Act of 1974;
3. Title VI of the Civil Rights Act of 1964, including Limited English Proficiency;
4. Sections 504 and 508 of the Rehabilitation Act of 1973;
5. Title II of the Americans with Disabilities Act;
6. Age Discrimination Act of 1975;
7. Requirements imposed under other applicable civil rights laws, regulations, and Executive orders.

J. NRC Project Officer (PO)

1. In consultation with the GO, prepares the funding announcement package for the financial assistance program, including any requests for OMB clearance of information collection activities that may be required by—
 - (a) The program; or
 - (b) Individual financial assistance awards under the program.
2. Establishes measurable criteria for evaluating project performance.
3. Provides the GO with the draft FOA that shall be prepared in accordance with the template provided by the GO, and collaborates regarding any required changes due to changes in laws or regulations.
4. Develops draft evaluation criteria and weights or relative values used for competitively selecting applications.
5. Ensures compliance with all relevant programmatic statutes, regulations, Executive orders, and policies, which shall be considered at an early stage in the application review process.
6. Develops and coordinates the competitive and noncompetitive review process. This may include the following:
 - (a) Selecting qualified reviewers without conflicts of interest;
 - (b) Ensuring that each application receives the appropriate (independent or technical) and objective review; and
 - (c) Verifying that the ranking or selection of applications is based on the published selection criteria.

7. Through the selecting official, provides the GO with a complete and accurate funding recommendation package. This package includes the following:
 - (a) A summary of the results of the competitive review process; and
 - (b) The review and evaluation panel's written evaluation of each application against the established evaluation criteria.
8. Provides the GO with all internal memoranda and correspondence regarding specific award files, recipient performance reports, written evaluations of performance reports, and on-site visits.
9. Is responsible for programmatic monitoring and oversight of work conducted under a financial assistance award, such as tracking the recipient's progress and comparing the actual accomplishments with the goals and objectives established in the award.
10. Provides programmatic guidance and assistance to the recipient, GO, and financial assistance officials, as necessary.
11. Provides the GO written, comprehensive recommendations on programmatic issues, such as requests to modify the program description or budget.
12. Reviews performance (technical) progress reports (Standard Form-Performance Progress Report (SF-PPR), SF-PPR-B, SF-PPR-E) for consistency with approved project.
13. Notifies the GO if the recipient is not in compliance with the terms of the award.
14. Evaluates all performance, property, and patent reports submitted by the recipient and provides a copy to the GO as soon as practicable.
15. Reports the following to the GO no later than 5 business dates from discovery:
 - (a) Any potential or existing problems,
 - (b) Financial inconsistencies, and
 - (c) Situations of noncompliance.Any such report shall include appropriate recommendations.
16. When property is purchased with award funds or furnished by the Federal Government under a grant or cooperative agreement, then, as applicable by office, the PO monitors the following:
 - (a) The recipient's purchase of the property, and
 - (b) The recipient's use of the property.The PO also assists the GO to ensure compliance with NRC property management regulations and any other applicable legal requirements.
17. Reviews, analyzes, and comments on audit reports provided by the GO, as well as the recipient's response to audit reports and audit determination appeals.

18. Ensures that any Freedom of Information Act (FOIA) request for documents in the program office files is—
 - (a) Coordinated with the GO and the NRC FOIA office, and
 - (b) Processed in accordance with NRC Management Directive (MD) 3.1, “Freedom of Information Act.”
19. Recommends any suspension or termination of the award to the GO.

K. Director, Acquisition Management Division (AMD), Office of Administration (ADM)

1. Has been redelegated the authority to serve as the SPE to execute and modify acquisitions involving financial assistance relationships and to settle claims and terminations thereof (see ADAMS Accession No. [ML17032A060](#)).
2. Confers with the appropriate program office (e.g., Office of Research (RES) and SBCR) and establishes programmatic policy within the scope of authorizing legislation and agency goals and objectives.
3. Approves requests for waivers to the provisions of the financial assistance directive and handbook, as permitted by governing statutes and regulations.
4. Delegates, as appropriate, responsibility for approving waiver requests from students receiving funds under the NRC Scholarship, Fellowship, and Trade School and Community College grant programs to the AMD GO or other designee. These delegations are recorded in the Warrants issued to the AMD GO or other designee and are located in the Federal Acquisition Institute Training Application System (FAITAS).
5. Develops and coordinates comments to OMB and other Federal agencies about proposed Governmentwide policies and procedures related to financial assistance.
6. Develops, prepares, coordinates, and submits the following to OGC (for legal sufficiency) and ADM (for publication):
 - (a) Proposed rulemaking notices,
 - (b) Interim final rules,
 - (c) Final rules, and
 - (d) Other *Federal Register* notices on financial assistance matters.Material submitted to OGC shall include copies of comments and clearances received during coordination.
7. Conducts or participates in reviews, task force groups, or other assessments to ensure compliance with policies and procedures established for the administration of NRC financial assistance programs.
8. Serves as the point of contact with OMB, the U.S. Government Accountability Office, the Department of the Treasury, and other agencies on financial assistance matters.

9. Responsible for collecting and submitting financial assistance information to USAspending.gov or its successor system as required by 2 CFR 200.211(a).
10. Redelegates the authority to the GO to execute and modify financial assistance awards, including terminating and closing out grants and cooperative agreements. As explained in Section III.4 of this directive, the delegation of this authority to the GO is recorded in their Warrants, which is located in FAITAS.
11. As stated in Section III.F.4(c) of this directive, The SPE has redelegated to the Director of AMD the authority to serve as the Key Management Single Audit Liaison and perform the functions identified in 2 CFR 200.513(b)(6) (see ADAMS Accession No. [ML17032A060](#)).

L. NRC Grants Officer (GO), Acquisition Management Division (AMD), Office of Administration (ADM)

1. Reviews and approves all materials prepared pursuant to the requirements of this MD for conformance to financial assistance regulations, policies, standards, and procedures. These reviews will cover all financial assistance programs and will include, but not be limited to, the following documents:
 - (a) Proposed *Federal Register* and funding opportunity notices related to the administration of financial assistance programs, including announcements of funding availability, information collection activities, and program regulations;
 - (b) Application packages that contain any program-specific forms or requirements; and
 - (c) Proposed publications that include financial assistance award management or administration procedures or instructions with respect to individual programs or groups of programs.
2. Ensures that pre-award administrative procedures are carried out, including, but not limited to, the following:
 - (a) Assurance that the recipient was appropriately selected through the appropriate independent or technical review process or that the appropriate noncompetitive selection procedures were followed;
 - (b) Assurance that the official award file contains the required documentation with respect to selection procedures;
 - (c) Verification concerning an outstanding delinquent receivable or debt;
 - (d) Review of the General Services Administration's "System for Award Management" (SAM) to determine if the applicant is debarred, suspended, or otherwise excluded from receiving financial assistance;
 - (e) Assurance that the applicant has submitted a completed "Certification Regarding Lobbying" and "Disclosure of Lobbying Activities" if applicable;

- (f) Selection of the appropriate funding instrument to be used, i.e., grant or cooperative agreement, and development of appropriate special award conditions defining the role of the NRC when the level of involvement is determined to be substantial and award of a cooperative agreement is warranted; and
 - (g) Inclusion of standard NRC terms and conditions specific to a given program office in awards.
- 3. Coordinates, with the appropriate program office, the establishment of program numbers and updating of the financial assistance information in the Catalog of Federal Domestic Assistance, in accordance with the requirements of 2 CFR Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards."
- 4. Develops the NRC FOA template for each NRC financial assistance program.
- 5. Approves the following as applicable:
 - (a) Evaluation criteria developed by the program office, and
 - (b) Weights or relative values used for competitively selecting applications.
- 6. Approves the FOA, posts the FOA to Grants.gov, and collaborates with the program office to respond to applicant questions.
- 7. Retrieves application packages from Grants.gov and provides them to the program office for evaluation.
- 8. Performs a final review of all applications recommended for funding by the selecting official and makes the final decision on whether to award the assistance instrument.
- 9. Notifies unsuccessful applicants of the decision not to fund an application.
- 10. Performs a detailed financial and business analysis of application packages to ensure that proposed costs are reasonable, allowable, and allocable, and in accordance with applicable cost principles.
- 11. Ensures that each grant or cooperative agreement is prepared in accordance with applicable statutes, regulations, OMB guidance, Executive orders, and NRC policies.
- 12. Executes the grant or cooperative agreement and ensures its administration in accordance with the terms of the assistance instrument.
- 13. Makes the final decision on the acceptability of the justification for award without competition and whether to fund a noncompetitive application.
- 14. Executes modifications to grants and cooperative agreements.
- 15. Ensures the maintenance of the official record file relative to all actions required to fund the grant or cooperative agreement.
- 16. Ensures the closeout and deobligation of funds upon completion of the project.

17. Notifies the recipient when the award is close to completion and provides guidance for closeout of the award.
18. Suspends or terminates individual awards, excluding debarment or suspension of a recipient.
19. Makes determinations of high-risk recipients.
20. Provides guidance and support to program offices, recipients, and others on the award and administration of the grant or cooperative agreement.
21. Reviews and approves the following as necessary:
 - (a) Subcontracts and subgrants by the recipient to determine compliance with applicable administrative requirements,
 - (b) Requests for foreign travel, and
 - (c) Requests for extensions of reporting periods.
22. Receives and reviews financial reports (SF-425) submitted by the recipient to ensure that—
 - (a) Recipients are expending funds at an appropriate rate and meeting matching requirements,
 - (b) Recipients draw down funds in accordance with the terms of the grant or cooperative agreement,
 - (c) Recipients are not maintaining excess cash on hand,
 - (d) Reports submitted by the recipient agree with NRC accounting records of disbursements,
 - (e) Reports contain information on indirect costs and program income if these items are included in the approved budget, and
 - (f) Recipients complete reports correctly.
23. Provides proper notice to recipient in advance of suspending payments, including information on how to remedy the suspension and ensure the resumption of payments once the recipient meets the requirements.
24. Reviews requests for no-cost modification (which include, but are not limited to, budget revisions, time extensions to the award period, or changes in the work schedule or key personnel) and approves or notifies the program office and recipient of reason for disapproval.
25. Manages disposition of Federally owned property by notifying the NRC property officer of the existence, nature, value, and location of property purchased under the grant or cooperative agreement.
26. Reviews the audit report, the recipient's response, and the program office's comments and prepares the audit resolution proposal.

27. Notifies recipient of the establishment of any accounts receivable and provides information on how to make payment, or the consequences of non-payment.
28. Reviews and processes appeals of financial assistance audit resolution determinations.
29. Monitors open financial assistance audit recommendations and ensure proper implementation.
30. Refers proposed nonprocurement suspension and debarment actions to the NRC Suspension and Debarment Official.

IV. APPLICABILITY

The policy and guidance in this directive and handbook apply to all NRC employees.

V. DIRECTIVE HANDBOOK

Handbook 11.6 contains guidance for establishing, processing, and closeout of financial assistance programs.

VI. REFERENCES

Code of Federal Regulations

2 CFR Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards," Subparts A-E.

10 CFR Part 4, "Non-discrimination in Federally Assisted Programs or Activities Receiving Federal Financial Assistance From the Commission," Subparts A, B, and C.

10 CFR Part 5, "Non-discrimination on the Basis of Sex in Education Programs or Activities Receiving Federal Financial Assistance," Subparts C, D, and E.

31 CFR Part 205, "Rules and Procedures for Efficient Federal-State Funds Transfers" (Cash Management Improvement Act).

Nuclear Regulatory Commission

Management Directive—

3.1, "Freedom of Information Act."

3.53, "NRC Records and Document Management Program."

NUREG-0910, "NRC Comprehensive Records Disposition Schedule," March 31, 2005.

Delegations of Authority

Memorandum from G. Jaczko, Chairman, to R.W. Borchardt, EDO, "Delegation of Contractual Authority," March 23, 2011 ([ML110540470](#)).

Memorandum from R.W. Borchardt, EDO, to K.O. Greene, Director, ADM, "Delegation of Contractual Authority," March 31, 2011 ([ML110540450](#)).

Memorandum from K.O. Greene, Director, ADM, to S. Stewart-Clark, Deputy Director, ADM, "Delegation of Senior Procurement Executive and Chief Acquisition Office Authority," December 28, 2011 ([ML11341A088](#)).

Memorandum from R.W. Borchardt, EDO, to K.O. Greene, Director, ADM, "Designation of the Senior Accountable Official to Assess the U.S. Nuclear Regulatory Commission's Suspension and Debarment Program," March 12, 2012 ([ML120270393](#)).

Memorandum from C. Carpenter, Senior Procurement Executive, to J. Corbett, Director, Acquisition Management Division, ADM, "Delegation of Contractual Authority," February 2, 2017 ([ML17032A060](#)).

USA Spending Web Site:

<https://www.usaspending.gov/ContactUs/Pages/default.aspx>.

United States Code

Age Discrimination Act of 1975, as amended (42 U.S.C. 6101 et seq.).

Atomic Energy Act of 1954, as amended, Sections 31(a) and (b), 141(b), 243, and 244 (42 U.S.C. 2051, 2161, 2015b, and 2015c).

Energy Policy Act of 2005, Pub. L. 109-58.

Federal Advisory Committee Act, Pub. L. 92-463, October 6, 1972 (5 U.S.C. App.).

Federal Grant and Cooperative Agreement Act of 1977, as amended by Pub. L. 95-224, 92 Stat. 3, re-codified with minor changes, Pub. L. 97-258, September 13, 1982 (31 U.S.C. 6301 et seq.) 96 Stat. 1083.

Rehabilitation Act of 1973, Sections 504 (29 U.S.C. 794 and Pub. L. 93-112) and 508 (29 U.S.C. 794(d) and Pub. L. 105-220).

Title II of the Americans with Disabilities Act (42 U.S.C. 12101).

Title IV of the Energy Reorganization Act of 1974 (42 U.S.C. 5801).

Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.).

Title IX of the Education Amendments of 1972, as amended (20 U.S.C. 1681 et seq.).

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<i>Issuing Office:</i>	Office of Administration Acquisition Management Division
<i>Contact Name:</i>	Jordan Pulaski 301-415-8190
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I. PROGRAM IDENTIFICATION

A. General

1. The U.S. Nuclear Regulatory Commission may enter into legal instruments to provide financial assistance to accomplish a public purpose of support or stimulation, pursuant to the following:
 - (a) Sections 31a and 141b of the Atomic Energy Act of 1954, as amended;
 - (b) Sections 31b, 243, and 244 of the Energy Policy Act of 2005; and
 - (c) The Federal Grant and Cooperative Agreement Act of 1977, as amended.
2. Awards of financial assistance shall be made through grants or cooperative agreements. Financial assistance may be provided to educational institutions; non-profit organizations, including international non-profit organizations; State or local governments; or professional organizations.
3. A “grant” is a legal instrument for transferring money, property, or services to a recipient to accomplish a public purpose of support or stimulation where there will be no substantial involvement between the Federal agency and the recipient during performance.
4. A “cooperative agreement” is a legal instrument for transferring money, property, or services to a recipient to accomplish a public purpose of support or stimulation and substantial involvement between the Federal agency and the recipient is anticipated during performance. Examples of involvement which may be substantial, depending upon the circumstances, are listed below. These examples are not meant to be a

checklist, nor does the presence of a single factor necessarily constitute substantial involvement. Instead, the examples listed below illustrate concepts that, in varying degrees or combinations, could suggest the use of a cooperative agreement.

- (a) Stipulation that the recipient shall meet or adhere to specific procedural requirements before subsequent stages of a project may continue.
 - (b) Involvement in the selection of key recipient personnel.
 - (c) Requirement that an NRC official collaborate with the recipient by working jointly with a recipient scientist in carrying out the program description.
 - (d) Specific direction or redirection of the program description due to inter-relationships with other projects, such as requiring recipients to achieve a specific level of cooperation with other projects.
 - (e) Limitation on recipient discretion with respect to program description, organizational structure, staffing, mode of operations, and other management processes, coupled with close monitoring of operational involvement during performance.
5. Grants or cooperative agreements awarded under the Atomic Energy Act of 1954 have unique guidelines. Offices wishing to sponsor programs will identify, typically on an annual basis, those program areas suitable for the agency to engage in assistance as authorized by Federal statute. The Atomic Energy Act specifies that any assistance provided by the NRC shall be within one of six specific technical areas:
- (a) Nuclear processes;
 - (b) The theory and production of atomic energy;
 - (c) Special nuclear material and radioactive material for medical, biological, agricultural, health, or military purposes;
 - (d) Special nuclear material, atomic energy, and radioactive material and processes entailed in the use or production of atomic energy or such material for other purposes;
 - (e) The protection of health and the promotion of safety during research and production activities; or
 - (f) Contributions to the cost of construction and operation of reactors and other facilities and other equipment to colleges, universities, hospitals, and eleemosynary or charitable institutions for the conduct of educational and training activities relating to the areas listed above.
6. Additionally, the Energy Policy Act of 2005 authorizes the NRC to—
- (a) Establish and participate in partnership programs with institutions of higher education, including Historically Black Colleges and Universities, Hispanic Serving Institutions, and Tribal Colleges and Universities, to enhance their capacity to train students in fields the NRC deems critical to its mission.

- (b) Implement a scholarship and fellowship program to enable students to study or pursue education in science, engineering, or another field of study that the Commission determines is in a critical skill area related to its regulatory mission.
 - (c) Provide grants, loans, cooperative agreements, contracts, and equipment to institutions of higher education to support courses, studies, training, curricula, and disciplines pertaining to nuclear safety, security, or environmental protection, or any field the NRC determines to be critical to the regulatory mission of the agency.
7. The office director will determine the topics to be announced. Thereafter the sponsoring office shall provide the approved program area topics to the Acquisition Management Division (AMD), Office of Administration (ADM), for posting of the announcement on the Grants.gov Web site.
 8. The Catalog of Federal Domestic Assistance (CFDA) is a listing of Federal programs available to all levels of Government; public and private, profit and non-profit organizations; and other institutions and individuals. The Federal Program Information Act (31 U.S.C. 6101 through 6106), as implemented through the Office of Management and Budget (OMB) (see Title 2 of the Code of Federal Regulations (CFR) Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards"), requires Federal agencies to provide certain information about their domestic assistance programs to OMB and the General Services Administration (GSA).
 - (a) Each NRC program is assigned a unique number that follows the program throughout the assistance lifecycle. This enables data and funding transparency. With input from the program office, AMD is responsible for the establishment of program CFDA numbers and required annual updates to CFDA program information.
 - (b) A CFDA number is required for agency financial reports, grantee audits, and posting funding opportunity announcements on Grants.gov.
 9. Grants.gov was established as a governmental resource under the E-Grants Initiative, as part of the President's 2002 Fiscal Year Management Agenda to improve Government services to the public. As an online system, Grants.gov provides one central portal where organizations and individuals can electronically find and apply for grants throughout the Federal Government. Grants.gov is the single access point for grant programs by Federal agencies that make grants. It is the central repository for information on Federal grant programs.

B. Types of Financial Assistance Funds and Awards

1. The NRC awards grants and cooperative agreements. Funding for grants and cooperative agreements is either discretionary or non-discretionary.
 - (a) Discretionary Grant

Under a discretionary grant, sometimes called a project grant, the awarding agency can exercise judgment in selecting recipients through a competitive process.

(b) Non-discretionary Grant

Under a non-discretionary grant, the awarding agency must issue the award if the recipient meets qualifying conditions; i.e., the recipient has an enforceable right to receive the assistance. These are also referred to as “Congressionally-Mandated Grants.”

2. Competitive awards are issued after posting a Funding Opportunity Announcement (FOA) at Grants.gov. To the extent possible, selection is based upon a merit review of the application in accordance with established evaluation and selection criteria that was stated in the FOA.
3. Noncompetitive awards are issued without the benefit of competition. In those instances when noncompetitive awards are recommended for funding, the program office shall submit a complete and detailed justification to the grants officer (GO) for review and approval.

C. Criteria for Selection of an Assistance Instrument

1. Selection of research support through financial assistance methodology shall normally be performed, as applicable, by the office director of the funding office, taking into account the following:
 - (a) Special needs of the technical office,
 - (b) The nature of the proposed research,
 - (c) The manner in which it will be performed,
 - (d) The nature and extent of the NRC's planned technical direction and management control, and
 - (e) Legislative mandate.
2. Research support through financial assistance methods may be issued to support basic, advanced, and developmental scientific research where the purpose is to conduct or further that research at non-profit institutions of higher education, non-profit organizations, State and local governments, and professional organizations.
3. Selection of educational assistance under the Atomic Energy Act of 1954, as amended, and/or the Energy Policy Act of 2005, shall be made, as applicable, by the office director of the funding office in support of establishing and participating in partnership programs with institutions of higher education, including Minority Serving Institutions, and supporting courses, studies, training, curricula, and disciplines pertaining to nuclear safety, security, or environmental protection, or any field the NRC determines to be critical to the regulatory mission of the agency.

4. The Federal Grant and Cooperative Agreement Act of 1977, as amended, requires executive agencies to distinguish their procurement relationships from their assistance relationships.
 - (a) In recommending the appropriate instrument, the office director shall review assistance programs essentially on the basis of whether or not the principal purpose of the work is for the direct benefit or use of the Federal Government.
 - (b) To distinguish assistance from procurement, one must determine that the NRC's benefit from the results of the assistance project is no greater than for other interested parties. For example, surveys, studies, or research that provide specific information or data necessary for the NRC to exercise its regulatory or research mission responsibilities should not be attained by financial assistance but by contract, which is the proper legal instrument for acquiring supplies or services for the direct benefit of or use by the NRC in furtherance of its mission or regulatory programs.
5. Factors generally indicating support for research efforts through financial assistance methods as opposed to funding commercial contracts are—
 - (a) The primary purpose is to aid or support the development of knowledge or understanding of the subject or phenomena under study.
 - (b) The exact course of the work and its outcome are not defined precisely, and specific points in time for achievement of significant results may not be specified.
 - (c) The nature of the proposed work is such that the recipient will bear prime responsibility for the conduct of the research. The recipient will exercise judgment and original thought toward attaining the scientific goals within broad parameters of the research areas proposed and the related resources provided.
 - (d) The research problem requires long-term support (in excess of 1 year) for the study to mature to maximum scientific effectiveness. (This estimate does not preclude shorter term assistance in special cases.)
 - (e) Meaningful technical reports (as distinguished from semiannual status reports) can be prepared only as new findings are made, rather than on a predetermined time schedule.
 - (f) Simplicity and economy in execution and administration are mutually desirable.
6. Factors generally indicating the use of a contract rather than financial assistance are—
 - (a) The primary purpose is to procure well-defined research in direct support of the NRC's licensing and regulatory mission.
 - (b) A specific service, piece of hardware, or improved performance of a specific device is the end-product or deliverable.

- (c) The work to be conducted is classified (however, access to security classified information may be given grantees where a demonstrated need exists).
- (d) The result is clearly defined and/or parameters and specifications are prepared in advance of the work.
- (e) A significant portion of the total effort will be performed by an organization other than the one submitting the application. This portion may involve the development, fabrication, or acquisition of instruments or hardware.

D. Funding Opportunity Announcement

1. To the extent possible, to maximize opportunities for public participation in NRC assistance programs, the NRC attempts to solicit applications for assistance awards from the broadest spectrum of potential recipients by posting a FOA at Grants.gov requesting applications related to each area of interest to the NRC, as well as applications with innovative ideas, methods, and approaches submitted on the initiative of the applicant.
2. An announcement is the NRC's formal written notification of the availability of financial assistance opportunities for interested educational institutions, non-profit organizations, State and local governments, and professional organizations to submit applications for the exchange and transfer of knowledge, ideas, and concepts directed toward fulfilling the needs of the funding program. It is the NRC's desire to support and develop the educational infrastructure necessary to allow the nation to safely move its nuclear energy initiatives forward.
3. Generally, announcements will invite the submission of full applications at the outset. However, some announcements may require a Letter of Intent (LOI) in advance of submission of a full application. A LOI is not required to include detailed information about a proposed project or application. Instead, a LOI is used to estimate the number of applications that may be submitted. When used in this way, potential applicants are not required to submit them, and, if a LOI is submitted, it is not binding and does not require the respondent to submit an application. A LOI is not externally evaluated or used to decide on funding. The requirement to submit a LOI will be identified in the announcement, and such letters are submitted electronically.
4. Unless otherwise determined by the Director, AMD, the FOA—
 - (a) Shall be prepared in draft by the program office using the template provided by the GO;
 - (b) Shall include all information prospective applicants need in order to apply for an award under the program;
 - (c) Shall provide the criteria by which applicants will be evaluated and selected;
 - (d) Shall establish the application due date, giving applicants a minimum of 60 days to prepare their application;

(e) Shall be reviewed and approved by the GO; and

(f) Shall be posted on Grants.gov by the GO.

E. Types of Applications

Applications for NRC assistance awards are classified as follows:

1. Competitive Applications

(a) Competitive applications are applications that have been received as a result of a FOA (or similar process) and will be reviewed based on published evaluation and selection criteria.

(b) Awards under competitive applications shall be made for the full period of support.

(c) If funding is not currently available for the entire period, the award shall state the periods that are optional and subject to the availability of funds. For example, if the full period of performance is 5 years, but there is only funding available for the first year, then the award shall state the following:

(i) That incremental funding is being provided at this time, and

(ii) That funding of subsequent years is based on the availability of funds, as well as satisfactory performance of the most recent performance period.

2. Noncompetitive Applications

(a) Noncompetitive applications are applications that have been received without the benefit of full and open competition. Noncompetitive applications may be received by either the program office or AMD. However, if the program office receives the application, it should forward the application to AMD for further processing in accordance with Section II of this handbook.

(b) Noncompetitive applications for discretionary funds shall only be approved by the GO in unusual and extraordinary circumstances and only after the project officer (PO) and the GO determine that—

(i) A noncompetitive award of discretionary funds is warranted by the facts and circumstances;

(ii) The application is consistent with NRC missions and plans; and

(iii) The official financial assistance file contains appropriate documentation, e.g., justification for a noncompetitive award.

(c) Unsolicited noncompetitive applications for a new award that fall within the scope of a competitive announcement will not be funded outside the competitive process.

3. Applications from Other than Educational Institutions

The Office of Nuclear Regulatory Research (RES) and the Office of Small Business and Civil Rights (SBCR) use a portion of their operational budgets to fund

applications received from other than educational institutions (e.g., nonprofit organizations) to support areas such as training activities and symposiums. These applications, like other applications for NRC financial assistance, are processed in accordance with the procedures in Section II of this handbook.

F. Types of Amendments

Competitive and noncompetitive financial assistance awards can be modified for the following reasons:

1. Continuation

(a) A continuation amendment extends the funding period and provides additional funding for an award period that has been previously approved, such as when multi-year funding was approved at the time of award and full funding of the award period was not available.

(b) A continuation amendment may be issued without competition.

2. Supplemental

(a) A supplemental amendment is for funding over and above the approved budget during the current funding period with no change to the award period or the funding period.

(b) Requests for these amendments shall be submitted to the GO prior to the expiration date of the award.

(c) Funding for these types of amendments is at the discretion of the program office with final approval of the GO.

(d) In addition, supplemental funding is subject to funding constraints or limitations of the program office.

(e) Requests for a supplemental amendment shall fully explain why it is necessary to provide additional funding to supplement the last approved budget. These amendments are for work that is clearly within the approved program description. A supplemental amendment shall not be funded merely to avoid competition.

3. No Cost Extension

(a) Unless restricted by statute, regulations, or the terms and conditions of an award, a recipient may request a no-cost extension to the final award/funding period for generally no longer than 12 months beyond the expiration date of the award/funding period as shown on the Financial Assistance Award notice.

(b) If recommended by the program office and approved by the GO, such an extension is made without additional funds.

(c) Requests for an extension after the expiration date of the grant or cooperative agreement will not be honored.

4. Amendments for Administrative Increases to Meet Institutionwide Increased Costs
 - (a) A recipient request for supplemental funding may be submitted to cover organizationwide increased costs, such as costs associated with salary or fringe benefit increases that were not foreseen at the time of the original application.
 - (b) The anticipated cost increase must take effect during the current funding period in order to be eligible for supplemental funding.
 - (c) Increases greater than 25 percent will not be considered for the existing award.
5. Amendments for Expansion of a Project or Cost Overrun
 - (a) A recipient request for supplemental expansion of a current project's previously approved program description or to absorb a cost overrun is generally treated in the same manner as an application for a new competitive award.
 - (b) If this type of amendment is recommended by the program office and approved by the GO as an amendment to an existing grant (as opposed to competition for a new requirement), the official award file must contain appropriate documentation to explain and justify the decision for not utilizing competition.
6. Consolidation of New and Existing Grant Awards

In cases where a recipient is selected for a grant award and has an existing grant with the NRC, the agency may, at its discretion, choose to modify the existing grant and increase the total estimated amount instead of issuing a new grant. This approach would serve to (1) create significant efficiencies in reporting and (2) streamline the grant administration process for both the recipient and the NRC.

II. PROCESSING APPLICATIONS

A. Receipt of Applications

1. A GO is designated within AMD, ADM, to ensure the processing, award, and administration of all financial assistance actions.
2. Applications shall be submitted to AMD through Grants.gov.
 - (a) Grants.gov automatically acknowledges receipt of the application and sends a confirmation e-mail.
 - (b) Following the FOA closing date, AMD downloads the applications into a shared grants folder that is available to AMD and program staff.
 - (c) Inquiries relative to an application shall be directed to AMD.
3. After downloading the application, AMD checks it for completeness and accuracy, ensuring that:
 - (a) The application has been submitted by an individual with authority to bind the applicant organization to an agreement;

- (b) The applicant submitted “Application for Federal Assistance-Discretionary” (SF 424-Discretionary);
 - (c) All required certifications are included with the application;
 - (d) The budget is accurate and free of errors and omissions;
 - (e) The application adheres to formatting specifications, e.g., page limitations;
 - (f) The application is responsive to the announcement; and
 - (g) The applicant is not debarred or suspended from entering into a nonprocurement relationship with the Government.
- 4. AMD resolves issues of incompleteness or inaccurate data before further processing.
 - 5. AMD notifies the program office when the applications are ready for review and establishes a milestone schedule.

B. Overview of the Application Review and Award Process

- 1. NRC financial assistance shall be awarded through a merit-based review and selection process whenever possible. All applications for financial assistance shall receive a fair, equitable, and objective review.
- 2. Applications shall be subject to an objective merit review by at least three professionally and technically qualified reviewers. This review is limited to technical and cost matters and shall be separate from any programmatic review of program or policy factors, which may be considered in making a selection or non-selection decision.
- 3. An objective merit review of financial assistance applications is intended to be advisory and is not intended to replace the authority of the program official with responsibility for deciding whether to recommend funding for an award.
- 4. The merit review for new competitive awards and competitive amendments for renewal shall be in accordance with stated evaluation criteria set forth in the applicable program regulations and FOA.
- 5. Amendments for noncompetitive renewals and continuations of noncompetitive awards are not subject to a merit review if there has been no substantial change in the program description of the original project.

C. Program Office Reviewers – Individual Qualification of Application

- 1. An Individual Qualification is a review in which each application is judged individually to determine its qualifications based on published criteria (e.g., the notice may stipulate that the first complete applications received that meet the minimum published requirements will be approved until the available funds are exhausted). Based on the reviewer evaluations of each complete application that was received in accordance with the requirements of the notice, the program office shall provide complete and detailed documentation in support of the selection process. The selecting official will

use the reviewer evaluations and other selection criteria published in the solicitation in making recommendations to determine the successful applicants.

2. The selecting official shall prepare a package for the GO that demonstrates that the process is in compliance with the procedures published in the FOA, or in the program regulations, and summarize the results of the review with the following documentation:
 - (a) Copy of the FOA that solicited applications,
 - (b) Copy of any review instructions and checklists and/or other review documents provided to the reviewers,
 - (c) List of reviewers,
 - (d) Evaluation of the application package and basis for selection/non-selection to include any program office comments, and
 - (e) Identification of the selecting official.
3. Program office procedures for applications are the following:
 - (a) The PO shall forward the applications to the division having primary technical responsibility for the area of the proposed program description.
 - (b) The division director shall prioritize applications from all the branches in the division and the branch chief shall prioritize applications for his or her particular branch.
 - (c) The applications receiving the highest technical merit shall be forwarded to the office director, who is the selecting official, for review.
 - (d) The office director, who determines whether an application is appropriate for financial assistance, shall appraise technical merit, conflict of interest, and budget considerations to be further pursued by the GO.
 - (e) Subsequent to review, the program office will forward the applications recommended for award and documentation on the review and selection process directly to AMD with an approved requisition in the Strategic Acquisition System (STAQS) to begin the execution of award documents.
 - (f) On awards over \$150,000.00, AMD shall then forward copies of the applications and supporting documentation to the Office of the General Counsel (OGC) for legal review in accordance with Section III of this handbook.
 - (g) Once OGC has completed its review on applications for awards over \$150,000.00, it will forward its comments back to AMD with a recommendation as to whether the subject matter of an application is appropriate for financial assistance to ensure compliance with the Federal Grant and Cooperative Agreement Act.
 - (h) AMD shall forward copies of all applications (regardless of dollar value) and supporting documentation to SBCR to conduct a pre-award review to ensure compliance with applicable civil rights statutes and regulations.

- (i) Upon completion of SBCR's pre-award review, SBCR will notify the GO and PO on whether or not the potential awardee complies with applicable civil rights statutes and regulations.
- (j) Pre-award reviews shall be completed by SBCR within 20 business days following SBCR's receipt of the pre-award package. When awards are made before completion of pre-award review, the recipient may be subjected to more frequent reporting requirements and/or other restrictions until the review process has been completed or as otherwise determined based on the outcome of the review.
- (k) SBCR conducts ongoing compliance related activities as part of the Post-Award Compliance Review Program process throughout the grant or cooperative agreement's period of performance. These activities include post-award compliance reviews (desk and field audits), information gathering data collections, monitoring of program activities, and coordinating compliance and enforcement activities.

D. Review Panels

1. Reviews of multiple applications submitted under a FOA on a competitive basis are independently evaluated and scored in accordance with the requirements of the FOA.
 - (a) The program office shall prepare a rank ordering of the applications.
 - (b) The selecting official shall use the evaluation and other selection criteria published in the FOA as the standard by which applications will be measured when making recommendations to determine successful applicants.
2. The selecting official shall prepare a package for the GO that demonstrates that the process is in compliance with the procedures published either in the FOA or in the program regulations. The package summarizes the results of the competitive review and consists of the following documentation:
 - (a) Copy of any review instructions and checklists and other review documents provided to the independent reviewers;
 - (b) List of reviewers;
 - (c) List of all applications received;
 - (d) List of all applications rejected and the reason(s) for rejection;
 - (e) List, by rank order, the results of the merit review of application packages by the independent reviewers, to include reviewers' scores and the average score of each application;
 - (f) Copies of completed reviewer's score or evaluation sheets;
 - (g) List of applications selected and recommended for funding by the selecting official and the reason as allowed by the published criteria for selection, including justification for funding application if out of rank order; and

- (h) Identification of the selecting official.
- 3. Review groups or peer review panels shall be formed soon after the FOA has been published. Reviewers shall be selected on the basis of their professional qualifications and expertise.
- 4. Reviewers may be any mixture of Federal, non-Federal, or program office experts.
 - (a) A review panel shall have at least one member who is outside the chain of command of the selecting official whenever possible.
 - (b) Reviewers shall evaluate, and in some cases score, the technical merits of applications.
 - (c) The selecting official shall not be involved in the review of applications for the purpose of determining whether to recommend the application for approval.
- 5. Reviewers shall comply with the requirements to avoid conflict of interest.
- 6. Each reviewer shall be required to certify in writing that the application information will be used for review purposes only. The information is strictly confidential and should only be shared on a “need to know” basis.
- 7. Each reviewer shall agree to comply with any notice or restriction placed on the application.
- 8. Upon completion of the review, the reviewer shall destroy all copies of the application package or return them to the NRC program official.
- 9. The reviewer shall not contact the applicant concerning any aspect of the application.
- 10. A review group may take the form of the following:
 - (a) Field Readers
 - (i) An objective merit review of applications may be performed by field readers to whom applications are sent for review and comment.
 - (ii) Field readers may also be used as an adjunct to financial assistance application review committees when, for example, the type of expertise needed or the volume of financial assistance applications to be reviewed requires such auxiliary capacity.
 - (b) Panels/Ad Hoc Committees
 - (i) Panels and ad hoc committees are used to obtain consensus advice or independent recommendations on the technical merits of applications.
 - (ii) Panels including non-Federal personnel shall not use consensus scoring unless they comply with the requirements of the Federal Advisory Committee Act.
- 11. Applications shall be stored in a secure location not accessible to individuals who do not have a need to see the application.

E. Procedures for Conducting a Budget Evaluation

1. Unless program regulations indicate to the contrary, necessity and reasonableness of costs in the proposed budget (not cost-competitiveness) are the key factors for financial review of financial assistance applications.
2. The PO shall ensure a determination is made through a budget review that the costs proposed in financial assistance applications are necessary and reasonable for the work in accordance with the evaluation criteria.
3. In this type of cost review, the following general tests of allowability apply:
 - (a) A cost shall be reasonable in nature and amount,
 - (b) A cost shall be necessary to the project work with demonstrable benefit for program objectives, either directly or indirectly, and
 - (c) A cost shall be consistently treated, irrespective of whether a cost is charged to a sponsored project or defrayed with the organization's own funds.

III. EXECUTION OF FINANCIAL ASSISTANCE ACTIONS**A. Program Office Review**

1. The program office review will encompass appropriateness of technical assistance funding, potential conflicts of interest, and identification of budget issues to be further pursued by the GO.
2. Subsequent to review, the program office will forward the applications directly to AMD with a requisition certifying funds for award of a financial assistance instrument.
3. The file will reflect all considerations and evaluations supporting the award decision.

B. Office of the General Counsel Review

1. OGC will review the applications recommended for award for the following:
 - (a) Appropriateness of the subject matter for funding by financial assistance,
 - (b) Potential organizational conflicts of interest, and
 - (c) Identification of potential budget issues to be further pursued by the GO.
2. The purpose of OGC review is as follows:
 - (a) To ensure that the subject matter of each application is appropriate for financial assistance as opposed to using a contract;
 - (b) To ensure compliance with the Federal Grant and Cooperative Agreement Act of 1977 and the Atomic Energy Act of 1954, as amended;

- (c) To review any service agreements, if applicable; and
 - (d) To evaluate any potential organizational or other conflicts of interest and issues of impropriety.
3. Once OGC has completed the review, it shall forward its comments and recommendations to AMD. The GO shall not proceed with an application if it is not legally supportable.

C. Office of Small Business and Civil Rights Review

Regardless of the dollar value of the financial assistance, AMD shall provide a copy of the applications and supporting documentation to SBCR to conduct pre-award compliance reviews, as discussed above in Section II.C.3(h).

D. Acquisition Management Division Review

1. Before execution of award documents, the GO will ensure performance of the pre-award cost analysis and will make the final determination that the costs proposed are fair and reasonable. The objective of cost analysis is to determine the following:
 - (a) That the recipient can adequately account for and safeguard Federal funds.
 - (b) That costs proposed for financial assistance awards are necessary, allocable, reasonable, and, therefore allowable under applicable Federal cost standards and necessary to achieve the objectives of the project.
 - (c) That the recipient understands the financial and management aspects of the project.
2. The extent of the cost analysis depends on past experience with the prospective recipient and the potential dollar amount of the project. In addition, the GO considers the extent to which the necessity, allocability, and reasonableness of proposed costs can be verified by supporting documentation contained in the application. Lastly, the GO evaluates other known factors that may affect the organization's financial capabilities to operate under the award.
3. The GO also determines the responsibility of the applicant by reviewing the business aspects of an application.
 - (a) The emphasis of this review is to determine the recipient's ability to manage the financial aspects of the award and to accomplish project activities with reasonable economy and efficiency.
 - (b) If the GO has any reason to doubt the capability of the applicant to adequately administer Federal funds on the basis of information in the application, the GO shall obtain additional information and/or take other steps to ensure that Federal funds will be safeguarded after award.
 - (c) The basic requirement for the financial management of a project is an adequate accounting system.

- (d) The Government agency assigned audit responsibility shall be contacted for questions regarding the adequacy of the accounting system.
- 4. The GO, prior to award (regardless of dollar value), will ensure that SBCR has notified AMD in writing regarding whether or not the potential awardee has met the requirements under applicable civil rights statutes and regulations.
- 5. The GO will ensure that the award document addresses whether it will be fully funded or subject to availability of funds.
- 6. The GO will ensure that the award document addresses information security requirements as necessary.

E. Notification of Award Recipients and Others

- 1. The GO will notify the Office of Congressional Affairs prior to issuing the award document to the prospective awardee.
- 2. The GO will notify prospective awardees of their selection by issuance of an award document or by a letter.
- 3. Notifications of award to the general public shall be made only after all negotiations are complete and an award document has been signed and executed. Generally, public notice of a selection before actual award is not encouraged.
- 4. The GO will send a letter, immediately following the award, informing each applicant who was not selected of the reasons for non-selection. More comprehensive discussions may be appropriate upon written request by an unsuccessful applicant. Unsuccessful grant or cooperative agreement application files related to rejection or withdrawn applications are destroyed 3 years after rejection or withdrawal.

F. Files and Records

- 1. AMD maintains the official grant or cooperative agreement file. The GO ensures that all materials are properly placed and maintained in that file. Documents contained in the hard file are also electronically captured in the current electronic system being used by AMD.
- 2. The official grant or cooperative agreement file is the repository for program office documentation in support of applicant selections/non-selections and all fiscal, budgetary, and performance documents pertaining to a specific grant or cooperative agreement.
- 3. All grant or cooperative agreement files will be disposed of in accordance with the following:
 - (a) Management Directive (MD) 3.53, "NRC Records and Document Management Program"; and
 - (b) NUREG-0910, "NRC Comprehensive Records Disposition Schedule."
- 4. All files pertaining to pre-award and post-award reviews shall be maintained by SBCR and destroyed 2 years after AMD closeout of the grant or cooperative agreement.

G. Payment Procedures Under a Grant or Cooperative Agreement

1. It is the policy of the Government to minimize the time elapsing between any payment of funds to a recipient and the recipient's disbursement of the funds for program purposes. (See 2 CFR 200, and the implementation of the Cash Management Improvement Act at 31 CFR Part 205.)
2. It is also a Governmentwide requirement to use a centralized electronic payment and information system for the issuance of funds for any grant or cooperative agreement.
3. The Office of the Chief Financial Officer (OCFO) implements this electronic funds transfer requirement, in collaboration with AMD, after award of the grant or cooperative agreement.
4. Expanding on these Governmentwide policies, the NRC uses electronic commerce, to the maximum extent practicable, in the portions of the payment process for grants and cooperative agreements for which GOs are responsible. Using electronic methods improves timeliness and accuracy of payments and reduces administrative burdens associated with paper-based payments.
5. Ordinarily, only those costs of grant or cooperative agreement performance incurred during the grant or cooperative agreement period (that is, from award through the stated completion date) are allowable for payment by the Government.
 - (a) However, the GO may, in concurrence with the program office on a case-by-case basis, determine that it is in the best interest of the Government to allow payment of otherwise allowable and allocable costs for grant-related activities before award.
 - (b) When a GO makes a determination to allow pre-award costs, he or she shall immediately notify recipients of the intent to include a provision in the contemplated grant or cooperative agreement and the specified date so that the recipients can plan performance accordingly.

H. Property and Assets Management Under a Grant or Cooperative Agreement

1. Title to equipment acquired by a recipient with NRC funds shall vest in the recipient in accordance with 2 CFR Part 200, Subpart D.
2. If the program office and the GO jointly determine that supplies with a current per-unit fair market value of \$5,000 or more is no longer needed for the NRC or other Federal project, then the recipient may retain the equipment for other uses provided that compensation is made to the NRC in accordance with 2 CFR Part 200, Subpart D.
3. Title to expendable personal property shall be vested in accordance with the guidelines in 2 CFR Part 200, Subpart D, as appropriate.
4. For intangible assets, unless otherwise provided in the award instrument, the recipient may copyright any books, publications, films, or other copyrightable materials developed in the course of or under the award. Any such copyrighted materials shall be subject to a royalty-free, irrevocable, worldwide, nonexclusive license in the U.S. Government to reproduce, perform, translate, and otherwise use and to authorize others to use such materials for Government purposes.

I. Program Income and Earned Interest Disposition

2 CFR Part 200, Subpart D, Subsection 200.307, sets forth standards regarding the accounting for the disposition of program income for grant or cooperative agreements made to State and local governments and institutions of higher education, hospitals, and other non-profit organizations.

J. Cost Principles for Grants or Cooperative Agreements

1. The allowability of costs for which NRC funds may be expended under NRC grants or cooperative agreements shall be determined in accordance with the following cost principles:
 - (a) 2 CFR Part 200, Subpart E and Appendix III, provide cost principles and policy guides to be applied by Federal agencies supporting research and development and training and other educational services under grants or cooperative agreements and contracts with educational institutions.
 - (b) 2 CFR Part 200, Subpart E and Appendix VII, establish principles and standards for determining costs for Federal awards carried out through grants, cost reimbursement contracts, and other agreements with State and local governments and federally-recognized Indian tribal governments (governmental units).
 - (c) 2 CFR Part 200, Subpart E and Appendix IV, are applicable to nonprofit organizations.
2. In addition to factors contained in the above-referenced Federal cost principles on the general allowability and reasonableness of costs, the following additional cost considerations apply to NRC non-educational unsolicited grants or cooperative agreements:
 - (a) The maximum obligation of the NRC for support of the project will not exceed the amount awarded in the grant instrument, as amended.
 - (b) Grant or cooperative agreement funds may not be expended subsequent to the end of the period of performance.
 - (i) An exception will be made to liquidate valid commitments that were made on or before the expiration date of the period of performance of the project. (For example, an exception would be made for minimum commitments necessary for the preparation and submission of the final report.)
 - (ii) If the action is in the best interest of the NRC, the GO will execute a formal amendment to the grant or cooperative agreement to extend the period of performance, which will have the effect of reinstating the allowability of post-expiration costs.
3. Each set of cost principles identifies certain costs that are allowable to the extent that they are approved by the NRC. The specific requirements and procedures for obtaining approval of these costs as follows:

- (a) When the costs are treated as indirect costs (or, in the case of a State or local government, are allocated pursuant to a statewide or local governmentwide cost allocation plan), approval of the costs as part of the negotiation of the organization's indirect cost rate or cost allocation plan will be deemed as having met the approval requirements. In these cases, a specific request for approval is not required.
 - (b) When the costs are treated as direct costs, the GO should approve them in advance. In these cases, if the costs requiring approval are included in the grant or cooperative agreement budget, approval of the budget will constitute approval of the costs. If they are not included in the budget, the grantee shall obtain specific prior approval from the GO before their incurrence.
- 4. Each set of cost principles includes general standards for selected items of cost. The provisions of a grant or cooperative agreement document may modify or augment the general provisions in the cost principles. The GO responsible for the grant or cooperative agreement shall not include provisions in the grant or cooperative agreement that conflict with the applicable standards, unless they are clearly justified in light of the particular circumstances involved and concurrence has been obtained from the program office.

IV. CLOSEOUT

A. Description

Closeout is the process by which the GO determines that all administrative actions and work have been completed by the recipient. It is imperative that the GO ensures the timely closeout of financial assistance awards and prompt disposition of any outstanding Automated Standard Application for Payments (ASAP) accounts.

B. Closeout Process

- 1. The grantee has 90 days to invoice or access payments from the NRC centralized electronic payment and information system.
- 2. At the end of the 90 day period, the closeout process begins as follows:
 - (a) The recipient submits the final (financial, progress, or invention) report(s) to the NRC;
 - (b) The final report(s) is reviewed by the grants officer and PO;
 - (c) If there are no remaining funds, the grant or cooperative agreement is closed out;
 - (d) If there are remaining funds, the PO submits a requisition in STAQS to the grants officer initiating the de-obligation of funds; and
 - (e) The GO issues an amendment to de-obligate the funds, and the grant or cooperative agreement is closed out.

V. ACRONYMS

ADM	Office of Administration
AMD	Acquisition Management Division
ASAP	Automated Standard Application for Payments
CFDA	Catalog of Federal Domestic Assistance
CFR	Code of Federal Regulations
DEDO	Deputy Executive Director for Operations
EDO	Executive Director for Operations
FAR	Federal Acquisition Regulation
FOA	Funding Opportunity Announcement
FOIA	Freedom of Information Act
GSA	General Services Administration
GO	Grants Officer
IAA	Interagency Agreement
MD	Management Directive
LOI	Letter of Intent
NRC	U.S. Nuclear Regulatory Commission
OCA	Office of Congressional Affairs
OCFO	Office of the Chief Financial Officer
OGC	Office of the General Counsel
OIG	Office of the Inspector General
OMB	Office of Management and Budget
PO	Project Officer
RES	Office of Nuclear Regulatory Research
SAM	System for Award Management
SBCR	Office of Small Business and Civil Rights
STAQS	Strategic Acquisition System