

# Reclamation Manual

## Directives and Standards

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**United States  
Department of the Interior  
Policy Regarding Financial Status Reporting Requirements  
Related to Grants  
(As Amended, May 2004)**

**Reclamation-Specific Definitions:** For implementation of this Department policy, the following clarifications to this policy apply:

- (1) The “appropriate bureau official” referenced in this policy is the Reclamation Grants Officer.
- (2) The “Bureau Director” referenced in this policy is a Regional Director or the Director, Management Services Office. This assures that waivers to the suspension and termination actions required by this policy are approved by the Reclamation official with the primary delegation of signature authority for financial assistance agreements within the Region.

1. **Purpose.** The purpose of this policy issuance is to reiterate and implement Governmentwide policy regarding financial status reporting requirements related to grants in order to ensure that recipients are held accountable for the timely submission of accurate and complete financial status reports to better enable Department of the Interior bureaus and offices to record grant-related expenses in the proper period and de-obligate funds at the end of the grant period.

For the purpose of this policy, grants are defined as all Federal financial assistance that provides support or stimulation to accomplish a public purpose. Use of the term “grant” includes grants, cooperative agreements, and other agreements in the form of money or property in lieu of money, by the Federal Government to eligible recipients.

2. **Authorities.** Office of Management and Budget (OMB) Circular A-102, *Grants and Cooperative Agreements with State and Local Governments*, OMB Circular A-110, *Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and Non-Profit Organizations*, and Title 43 Code of Federal Regulations (CFR), *Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, sections 12.81 and 12.83, and *Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations*, sections 12.951, 12.952, and 12.962.
3. **Responsibilities.** Bureau/Office Directors are responsible for coordinating data collection and reporting for all financial assistance programs (i.e., grants and cooperative agreements) within their bureaus; ensuring that this policy is distributed to all of their bureau’s/office’s

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grant-making programs; preparing supplementary guidance to include Financial Status Reporting frequency for *each* grant project or program sponsored by the bureau, as appropriate; and implementing the policy's requirements. They are also responsible for ensuring that financial reporting requirements are clearly stated in applicable grant notices and award documentation; grants are actively monitored to ensure recipient compliance with conditions of the grants; timely and effective action is taken by grant programs to correct non-compliance on the part of recipients; grant reporting requirements are properly implemented; and that grant files are properly documented and maintained.

Bureau/Office Directors have the authority to waive requirements for the Standard Form (SF) 269 or SF 269A Financial Status Reports when data provided in SF 270 or SF 272 are determined to be adequate for grant program needs. They may approve requests for extensions of Financial Status Report due dates; suspend and terminate grant awards and payments, as appropriate; and waive grant terminations in the interest of the Government.

The above responsibilities and authorities may be delegated to appropriate bureau/office officials.

4. **Effective Date.** This policy is effective upon issuance and applies to all future and active grants awarded under OMB Circulars A-102 and/or A-110.
5. **Applicability.** This policy applies to all Department of the Interior grant programs and grant recipients. Grantees are not required to apply the forms identified in this policy (i.e., SF 269 and SF 269A) in dealings with their subgrantees.
6. **Policy.**
  - A. **Financial Status Report.** Each Department of the Interior bureau/office grant program shall require recipients to use the SF 269, Financial Status Report (Long Form) (Appendix A) or SF 269A, Financial Status Report (Short Form) (Appendix B) to report the status of funds for all non-construction projects or programs. SF 269, SF 269A, or SF 271 Outlay Report and Request for Reimbursement for Construction Programs (Appendix C), are required for construction projects for State and local government recipients.

Bureau/Office Directors or their designees (hereafter referred to as "appropriate bureau official") have the option of not requiring the SF 269 or SF 269A when the SF 270, Request for Advance or Reimbursement (Appendix D), or SF 272, Report of Federal Cash Transactions (Appendix E) is determined in writing to provide adequate information to meet short-term program or interim financial reporting needs. A final SF 269 or SF 269A shall be required at the completion of the grant project when the SF 270 is used only for advances.

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Supplementary or other forms may be used, provided OMB authorizes the information collection. A copy of the written determination/waiver must be maintained.

- B. Accounting Basis.** Grant recipients will report program outlays and program income on a cash or accrual basis, as prescribed by the grant awarding bureau/office. If the bureau/office requires accrual information and the recipient's accounting records are not normally kept on the accrual basis, the recipient is not required to convert its accounting system. Rather, they shall develop the necessary accrual information through an analysis of documentation on hand.
- C. Financial Status Reporting Frequency.** In supplementary bureauwide policy, the appropriate bureau official shall determine Financial Status Reporting frequency for *each* grant project or program sponsored by the bureau, considering the size and complexity of the particular project or program.

A Financial Status Report shall not be required more frequently than quarterly or less frequently than annually.

However, if a recipient:

- (1) has a history of poor performance,
- (2) is not financially stable,
- (3) has a management system that does not meet the standards prescribed in the applicable OMB Circular,
- (4) has not conformed to the terms and conditions of a previous award, or
- (5) is not otherwise responsible, bureau's/office's may impose additional requirements as needed, provided that such applicant or recipient is notified in writing as to the:
  - a. nature of the additional requirements;
  - b. reason why the additional requirements are being imposed;
  - c. nature of the corrective action needed;
  - d. time allowed for completing the corrective actions; and
  - e. procedure for requesting reconsideration of the additional requirements imposed.

Any special conditions shall be promptly removed once the conditions that prompted their application have been corrected. Bureaus may require a monthly report from State, local and tribal recipients receiving advances totaling \$1 million or more per year.

A final Financial Status Report shall be required when a grant is completed/expires or is terminated.

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Grant recipients will not be required to submit more than the original and two copies of the Financial Status Report to the grant-making bureau per reporting period.

- D. Financial Status Reporting Due Dates.** When reports are required on a quarterly or semiannual basis, they will be due to the grant-making bureau/office 30 calendar days after the reporting period. When required on an annual basis, they will be due 90 calendar days after the grant year (i.e., 12 months after the approved effective date of the grant agreement and every 12 months thereafter until the expiration date of the grant agreement). Final Financial Status Reports will be due 90 calendar days after the expiration or termination of grant support.
- E. Reporting Requirement Notice to Recipients.** Grant project or program financial status reporting requirements, e.g., report forms, reporting frequency, due dates, and notices of sanctions for noncompliance with financial reporting requirements, must be clearly stated in applicable pre-award and award notices, and post-award grant documents/notices so that recipients are given ample notice of reporting requirements, due dates, and sanctions for noncompliance with reporting requirements.
- F. Monitoring by Recipients and Bureau/Office Grant Administrators.** Grant recipients are responsible for managing the day-to-day operations of grant and subgrant supported activities. As such, they must monitor their activities to assure compliance with applicable Federal requirements, e.g., financial status and other reporting.
- Appropriate bureau officials are also required to provide sufficient monitoring and oversight to ensure that recipients submit reports in a timely manner. Proper monitoring includes, but is not limited to:
- (1) Tracking report due dates;
  - (2) Reviewing reports for completeness and accuracy, and returning incomplete or inaccurate reports in a timely manner with adequate description of why the information provided appears to be incomplete or inaccurate;
  - (3) Using reports to determine whether award requirements are met; and
  - (4) Taking effective action to provide timely notice and obtain overdue reports, with due concern for recipient rights and program needs.
- G. Requests for Extensions.** Appropriate bureau officials may extend the due date of a financial status report upon receipt of a justified request from the recipient, provided that the request for extension is received by the bureau/office *prior to* the financial report's original due date. Requests must be submitted in writing and include the requested revised report due date and a justification for the extension.

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H. **Overdue Reports.** If a Financial Status Report is not received by the due date identified in the grant or the agreed upon due date (refer to section G., above) an appropriate bureau official shall contact the recipient to:

- (1) Notify them that the due date has passed and that the required Financial Status Report has not been received;
- (2) Inform them that failure to submit reports in a timely manner renders them noncompliant and may result in the imposition of sanctions including the
  - (a) withholding of cash payments pending receipt of the required reports;
  - (b) denying both use of funds and matching credit for all or part of the cost of the activity or action not in compliance;
  - (c) whole or partial suspension or termination of the current award for the grantee's or subgrantee's program;
  - (d) withholding of further awards for the program until the required reports are received; or
  - (e) other legal remedies.
- (3) Request immediate receipt of the report; or
- (4) Negotiate a proposed extension date (in cases where an extension has already been granted, this will be an additional extension) not to exceed 30 calendar days. The proposed extension date must be approved by the appropriate bureau official before being implemented. Notification to the grant recipient that an approved extension has been granted must be issued in writing, and reiterate the warning regarding remedies for noncompliance identified in H.(2), above.

Grant files must be documented to reflect the issuance of notifications of overdue reports and the results.

### I. Remedies for Noncompliance.

#### (1) Warning Notice Issuance, Suspension, and Termination.

If neither the Financial Status Report nor an acceptable explanation is received by the grant-making bureau/office by the agreed upon extension date (refer to section H.(4), above), the appropriate bureau official will issue a written warning notice to the recipient stating that the grant recipient is noncompliant with the terms of the grant award regarding financial status reporting, and that unless the required report(s) are received by the grant-making program within the next 10 calendar days, the program shall make no further payments and the grant award will be suspended until all required Financial Status Reports are received. The notice shall also state that:

- (a) the bureau/office grant program reserves the right, without further notice, to convert the suspension to a termination of the grant award if the required report(s) are not received by the bureau/office grant program within 30 calendar days of implementation of the suspension; and

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- (b) further grant awards will be withheld by the grant program until all Financial Status Reports have been received.

If the report or an acceptable explanation is not received by the end of the 10 calendar-day period cited in the notice, the grant award and payments shall be suspended. If the report or an acceptable explanation is not received by the end of 30 calendar days of implementation of the suspension, the suspension shall be converted to a termination, and the grant program will withhold further grant awards until all Financial Status Reports have been received. The Bureau Director or his/her designee, may provide a waiver from termination if he/she determines in writing that it is in the best interest of the Government.

No commitment of funds incurred by the grant recipient during the period of suspension will be allowable under the suspended grant, except that the appropriate bureau official may, at his/her discretion, allow necessary and proper costs in accordance with 43 CFR 12.83(c) or 12.962(c), as applicable.

**(2) Final Financial Status Report.**

As noted in section 6.D., above, final Financial Status Reports are due to the grant-making program 90 calendar days after the expiration or termination of grant support. Upon written request by the grant recipient, the appropriate bureau/office official may extend this timeframe. Bureau/office agreement to extend the timeframe for receipt of the final Financial Status Report must be made in writing and include a notice that if the final Financial Status Report is not received by the agreed upon extension date, the grant recipient shall be considered to be non-compliant and Section I. Remedies for Noncompliance (noted above) will apply.

If the final Financial Status Report is not received by the agreed upon extension date, the appropriate bureau official will issue a written notice to the grant recipient notifying them that they are considered to be non-compliant with the reporting conditions of their grant award, and that the grant program will withhold further grant awards to the recipient until final Financial Status reporting requirements have been met.

Upon receipt of delinquent final Financial Status reports, the recipient's final Financial Status reporting requirements have been met, and further awards to the recipient from the grant program need no longer be withheld.

- J. **Retention and Access Requirements for Records.** All recipient financial and programmatic records submitted by recipients, supporting documents, statistical records, and other grants-related records shall be maintained in accordance with 43 CFR 12.82 or 12.953, as applicable.