



**Department of Energy  
Financial Assistance Regulation**

**No. 2004-06  
Date 11/02/04**

# **FINANCIAL ASSISTANCE LETTER**

Financial Assistance Letter is issued under the authority of the Procurement Executives of DOE and NNSA

## **SUBJECT: AWARD TERMS**

### **What is the Purpose of this Financial Assistance Letter (FAL)?**

This FAL provides Contracting Officers and other grants personnel guidance relating to standard award terms and reporting requirements for financial assistance awards.

### **How will this Change My Work Processes?**

There is no major change to your work processes. Currently, each awarding activity has a set of special terms and conditions for financial assistance awards. The Contracting Officer uses this set to select the terms that are appropriate for a specific award and includes these terms in the award document. In the future, Contracting Officers will use the standard set of special terms and conditions, instead of using their office set. Contracting Officers will continue to determine which terms and conditions are appropriate for inclusion in a particular award and to negotiate additional terms if needed to address unique circumstances. In addition, Contracting Officers will use the revised Notice of Financial Assistance Award (10/04) and the revised Federal Assistance Reporting Checklist and Instructions (10/04), unless there is a program rule that specifies other reporting requirements.

### **When is this FAL Effective?**

This FAL is effective on the date of issuance. This FAL supersedes and cancels the reporting requirements for cooperative agreements contained in Attachment B of FAL 2001-04.

### **When does this FAL Expire?**

This FAL remains in effect until superseded or canceled.

### **Who is the Point of Contact?**

Contact Trudy Wood of the Office of Procurement and Assistance Policy by telephone at (202) 287-1336 or by email at [trudy.wood@hq.doe.gov](mailto:trudy.wood@hq.doe.gov).

**What is the Background?**

For several years DOE has been actively engaged in the Government-wide efforts to streamline and simplify Federal financial assistance programs and its own internal processes as required by the Federal Financial Assistance Management Improvement Act of 1999, Public Law 106-107. While DOE and NNSA awarding offices include special terms and conditions and reporting requirements in most financial assistance awards, they use different language to state the same requirements and organize the content differently. In addition, most offices do not include national policy requirements as award terms. National policy requirements arise from Federal statutes, Presidential executive orders, or regulations with government-wide effect (e.g., prohibitions against discrimination, harming the environment, and mistreating live organisms). DOE and NNSA have decided to include these requirements as award terms to assist recipients in identifying regulatory requirements and thereby help ensure post-award compliance.

In order to promote more uniformity in DOE and NNSA financial assistance awards and ensure that awards include appropriate award terms and reporting requirements, the Office of Procurement and Assistance Policy and the major grant-making offices developed standard Special Terms and Conditions for Use in Most Grants and Cooperative Agreements, National Policy Assurances to Be Incorporated as Award Terms, and standard reporting instructions.

In addition, the Notice of Financial Assistance Award has been updated and revised to include the new National Policy Assurances to Be Incorporated as Award Terms. The Federal Assistance Reporting Checklist has also been updated and revised to include reporting instructions.

**Guidance Included in this Financial Assistance Letter**

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- I. What are the responsibilities of the Contracting Officer? ..... 3**
- II. Where are the standard award terms and financial assistance forms located? ..... 3**

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## **I. What are the responsibilities of the Contracting Officer?**

Contracting Officers should implement the following requirements as soon as practicable, but they must:

- A. Use the Notice of Financial Assistance Award, DOE F 4600.1, dated 11/04, for awards issued on or after January 1, 2005.
- B. Ensure that the National Policy Assurances To Be Incorporated As Award Terms are incorporated by reference in financial assistance awards to domestic organizations issued on or after January 1, 2005. Contracting Officers, with the assistance of their legal counsel, may modify the national policy terms, if an award is made to a foreign entity.
- C. Ensure that the appropriate standard special terms and conditions are included in financial assistance awards issued on or after January 1, 2005.
- D. Negotiate additional special award terms if necessary to satisfy the mission requirements of a particular program or to address responsibility concerns (e.g., a recipient is not financially stable, has a history of poor performance, has a management system that does not meet the standards prescribed, or is not otherwise responsible).
- E. Ensure that the Federal Assistance Reporting Checklist and Instructions are included in financial assistance awards issued on or after January 1, 2005, unless there is a program rule that specifies other reporting requirements or there are no reporting requirements. Contracting Officers may add additional reporting requirements and instructions if necessary to satisfy specific program requirements or to address responsibility concerns.

## **II. Where are the standard award terms and financial assistance forms located?**

- A. The Notice of Financial Assistance Award DOE 4600.1 (11/04) is located on the Professionals Homepage at <http://professionals.pr.doe.gov/ma5/MA-5Web.nsf/FinancialAssistance/Financial+Assistance+Forms?OpenDocument>.
- B. The standard Special Terms and Conditions for Use in Most Grants and Cooperative Agreements and the National Policy Assurances To Be Incorporated As Award Terms are located on the Department's Grants Website at <http://grants.pr.doe.gov>. Program Announcements of funding opportunities must reference these documents in Part VI.B, "Administrative and National Policy Requirements." A set of the Special Terms and Conditions with a self generating table of content is located on the Professionals Homepage at <http://professionals.pr.doe.gov/ma5/MA-5Web.nsf/FinancialAssistance/Financial+Assistance+Forms?OpenDocument>. Contracting

Officers should tailor these provisions for each specific award and include them in the award document (See NFAA, Block 18.a. Special Terms and Conditions).

- C. The Federal Assistance Reporting Checklist and Instructions is located on the Professionals Homepage at <http://professionals.pr.doe.gov/ma5/MA-5Web.nsf/FinancialAssistance/Financial+Assistance+Forms?OpenDocument>.

**ATTACHMENTS:**

1. Notice of Financial Assistance Award, DOE F 4600.1 (11/04)
2. Special Terms and Conditions for Use in Most Grants and Cooperative Agreements
3. National Policy Assurances to Be Incorporated as Award Terms (OCT 2004)
4. Federal Assistance Reporting Checklist and Instructions