

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

MD 11.6	FINANCIAL ASSISTANCE PROGRAM	DT-11-13
<i>Volume 11</i>	Procurement	
<i>Approved By:</i>	R. William Borchardt Executive Director for Operations	
<i>Date Approved:</i>	September 16, 2011	
<i>Expiration Date:</i>	September 16, 2016	
<i>Issuing Office:</i>	Office of Administration Division of Contracts	
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EXECUTIVE SUMMARY		
Directive and Handbook 11.6 are being revised to ensure the NRC has consistent policies, standards, and procedures for all NRC financial assistance programs.		

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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.** NRC administers the program in conformance with the following:
1. The Federal Grant and Cooperative Agreement Act of 1977, as amended;
 2. The Atomic Energy Act of 1954, as amended;
 3. The Energy Policy Act of 2005; and
 4. Related guidance from the Office of Management and Budget (OMB).

II. OBJECTIVES

- Directive and Handbook 11.6 provide the foundation and framework for the NRC financial assistance process, implementing various authorizing legislation. They create consistent policies, standards, and procedures for the NRC financial assistance programs, ensuring that NRC awards and administers Federal funds across every program in a fair and equitable manner.
- These policies and procedures shall be followed 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)

Approves proposed financial assistance topics.

B. Office of the Chief Financial Officer (OCFO)

1. Records obligations against the financial assistance award executed by the NRC Grants Officer (GO).
2. Ensures the use of valid accounting citations, e.g., job code, budget object classification code, and budget and reporting number.
3. Maintains official obligating documents of NRC awards.
4. As recommended by appropriate grants officials, processes requests and documentation for disbursement of funds through a centralized electronic payment and information system that allows organizations to draw from accounts pre-authorized by the NRC.
5. Assists the GO and program office, as appropriate.

C. Office of the General Counsel (OGC)

1. Reviews the following:
 - (a) All financial assistance applications and supporting documentation valued at greater than the simplified acquisition threshold as defined in the Federal Acquisition Regulation (FAR), Part 2.101 (currently \$150,000); and
 - (b) 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.

2. Reviews modifications, regardless of the dollar value, if the modification proposes substantial changes to the program description.
3. Reviews proposed rules, interim rules, final rules, and *Federal Register* notices.
4. Reviews the following:
 - (a) Funding Opportunity Announcements (FOA) that do not adhere to an NRC FOA template; and
 - (b) Non-responsibility and high-risk determinations regarding proposed applicants selected for funding, if requested by the GO.
5. Reviews packages that summarize the competitive review of discretionary funds prior to approval of awards.
6. Reviews notices of suspension, terminations, debarments, and settlements.
7. Reviews novation agreements and recipient name changes.
8. Provides advice on disputes relating to the terms of the award.
9. Coordinates and manages compliance with regulatory requirements, including the coordination, clearance, and submission of items proposed for publication in the *Federal Register*.
10. Provides legal representation, advice, and support to the following:
 - (a) The GO,
 - (b) Financial assistance officials,
 - (c) Program officials, and
 - (d) The non-procurement Debarring and Suspending Official.
11. 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.
12. Assists Department of Justice in representing the NRC before the District Courts regarding any challenges or actions lodged against NRC in connection with the award and administration of financial assistance relationships.
13. 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.
14. Reviews interagency agreements (IAAs) that execute the transfer of funds. IAAs can transfer funds from one party to the other, bind one or both parties to commit funds

or resources to a grant or cooperative agreement, or not involve any resources but describe specific responsibilities under the grant or cooperative agreement.

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. Provides annual fraud awareness briefings to all NRC project officers.
4. 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. Notify the EDO of the program areas selected for funding by the office.
3. Ensure review of applications valued at or less than the simplified acquisition threshold as defined in the FAR, Part 2.101 (currently \$150,000), 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 FOA.
5. As the selecting official, 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 non-procurement Debarring and Suspending Official.
2. Convenes an intra-agency Appeal Board to review a grantee appeal of an agency action, if required, which will consist of the program office director, the Deputy Director of ADM, and OGC.

G. Director, Office of Congressional Affairs (OCA)

Notifies the relevant congressional office of new financial assistance awards.

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

Conducts compliance reviews of applicants for, and recipients of, financial assistance from 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, D, and E. Compliance review ensures non-discriminatory practices in programs or activities, as defined in the following civil rights statutes and NRC regulations:

1. Title IV of the Energy Reorganization Act of 1974;
2. Title VI of the Civil Rights Act of 1964, including Limited English Proficiency;
3. Section 504 of the Rehabilitation Act of 1973;
4. Title II of the Americans with Disability Act;
5. Age Discrimination Act of 1975;
6. 10 CFR Part 5, “Non-discrimination on the Basis of Sex in Education Programs or Activities Receiving Federal Financial Assistance,” imposed under Title IX of the Education Amendments of 1972, as amended; and
7. Requirements imposed under other applicable civil rights laws, regulations, and Executive orders.

I. 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, the PO 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 financial and performance or technical reports 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, no later than 30 calendar days from receipt.
 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 the PO monitors the following:
 - (a) The recipient's purchase of the property;
 - (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.

J. Director, Division of Contracts (DC), Office of Administration (ADM)

1. Develops and implements policies, standards, and procedures for the award and administration of NRC financial assistance programs.
2. Confers with the appropriate program office (e.g., Office of Research [RES], Office of Human Resources [HR]) and establishes programmatic policy within the scope of authorizing legislation and agency goals and objectives.
3. Approves or denies requests for waivers to the provisions of the financial assistance directive and handbook, as permitted by governing statutes and regulations.
4. Develops and coordinates comments to OMB and other Federal agencies about proposed Governmentwide policies and procedures related to financial assistance.
5. Develops, prepares, coordinates, and submits the following to OGC:
 - (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.
6. 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.
7. 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.
8. Responsible for collecting and submitting financial assistance information to USAspending.gov.

K. NRC Grants Officer (GO), DC, 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;
 - (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 competitively 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 (GSA's) "Excluded Parties List System" 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";
 - (f) Selection of the appropriate funding instrument to be used, i.e., grant, cooperative agreement, or contract, and development of appropriate special award conditions defining the role of 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 in awards, as well as any special award conditions.
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 OMB Circular A-89, "Federal Domestic Assistance Program Information."

4. Develops the NRC FOA template for each NRC financial assistance program.
5. Approves the following:
 - (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 de-obligation 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 non-responsibility and 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 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 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 Debarring and Suspending Official.

IV. APPLICABILITY

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

V. HANDBOOK

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

VI. REFERENCES

Code of Federal Regulations

2 CFR Part 215 (formerly OMB Circular A-110), "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and other Non-Profit Organizations."

2 CFR Part 220, (formerly OMB Circular A-21), "Cost Principles for Educational Institutions."

2 CFR Part 225 (formerly OMB Circular A-87), "Cost Principles for State, Local and Indian Tribal Governments."

2 CFR Part 230 (formerly OMB Circular A-122), "Cost Principles for Non-Profit Organizations."

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 202, "Depositaries and Financial Agents of the Federal Government."

31 CFR Part 205, "Rules and Procedures for Efficient Federal-State Funds Transfers."

48 CFR Chapter 2, Federal Acquisition Regulation.

Nuclear Regulatory Commission

Management Directives—

3.1, "Freedom of Information Act."

3.53, "NRC Records and Document Management Program."

7.4, "Reporting Suspected Wrongdoing and Processing OIG Referrals."

11.1, "NRC Acquisition of Supplies and Services."

11.8, "NRC Procedures for Placement and Monitoring of Work With Agencies Other Than the U.S. Department of Energy."

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

Office of Management and Budget (OMB)

OMB Circular A-89, "Federal Domestic Assistance Program Information."

OMB Circular A-102, "Grants and Cooperative Agreements with State and Local Governments."

OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations."

United States Code

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

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

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

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

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.).

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

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.

Federal Financial Assistance Management Improvement Act of 1999 (Pub. L. 106-107).

Rehabilitation Act of 1973, Section 504 (29 U.S.C. § 794).

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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 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;
 - (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 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 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 and provide the list to the Executive Director for Operations (EDO) for approval.
8. After EDO approval, the sponsoring office shall provide the approved program area topics to the Division of Contracts (DC), Office of Administration (ADM), for posting of the announcement at the Grants.gov Web site.
9. 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 Office of Management and Budget (OMB) Circular A-89, 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, DC 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.
10. Grants.gov was established as a governmental resource named the E-Grants Initiative, part of the President's 2002 Fiscal Year Management Agenda to improve government services to the public. It is the central storehouse for information on federal grant programs.

B. Types of Financial Assistance Funds and Awards

1. At present, NRC awards discretionary grants and cooperative agreements. Funding for grants and cooperative agreements is either discretionary or mandatory.
 - (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) Mandatory Grant

Under a mandatory 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. 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 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 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, and
 - (d) The nature and extent of NRC's planned technical direction and management control.
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 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 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 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 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 (that is, 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 (FOA)

1. To maximize opportunities for the public participation in NRC assistance programs, NRC solicits 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 NRC, as well as applications with innovative ideas, methods, and approaches submitted on the initiative of the applicant.
2. This announcement is NRC's formal written notification of the availability of funds 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 request 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. The FOA—
 - (a) Shall be prepared in draft by the program office using the template provided by the grants officer;

- (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 30 days to prepare their application;
- (e) Shall be reviewed and approved by the grants officer;
- (f) Shall be reviewed by the Office of the General Counsel (OGC) and the Office of Small Business and Civil Rights (SBCR) if it deviates from the FOA template; and
- (g) Shall be posted at Grants.gov by the grants officer.

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 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 DC. However, if the program office receives the application, it should forward the application to DC for further processing in accordance with Section II of this handbook.
- (b) Noncompetitive applications for discretionary funds shall only be approved by the grants officer in unusual and extraordinary circumstances and only after the project officer and the grants officer determine that—
 - (i) A noncompetitive award of discretionary funds is warranted by the facts;

- (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. The Office of Nuclear Regulatory Research (RES) and the 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 and approved by the grants officer 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 grants officer.
 - (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 up to 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 grants officer, 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 Institution-Wide Increased Costs
 - (a) A recipient request for supplemental funding may be submitted to cover organization-wide 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 grants officer 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.

II. PROCESSING APPLICATIONS

A. Receipt of Applications

1. A grants officer is designated within DC, ADM, to ensure the processing, award, and administration of all financial assistance actions. The grants specialist works with the grants officer to perform these functions.
2. Applications shall be submitted to DC through Grants.gov.
 - (a) Grants.gov automatically acknowledges receipt of the application and sends a confirmation e-mail.

- (b) Following the FOA closing date, DC downloads the applications into a shared Grants folder that is available to DC and program staff.
 - (c) Inquiries relative to an application shall be directed to DC.
3. After downloading the application, DC 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. DC resolves issues of incompleteness or inaccurate data before further processing.
 5. DC notifies the program office when the applications are ready for review.

B. Overview of the Application Review and Award Process

1. It is NRC policy to seek full and open competition for award of discretionary funds. In addition, 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 by three qualified reviewers 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 which 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 grants officer 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 which 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 valued at or less than the simplified acquisition threshold as defined in the FAR, Part 2.101 (currently \$150,000), are the following:
 - (a) The project officer 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 and budget considerations.

- (e) The office director shall ensure the following:
 - (i) Office-level review for appropriateness of technical assistance funding;
 - (ii) Office-level review for the potential for conflicts of interest; and
 - (iii) Identification of budget issues to be further pursued by the grants officer, DC.
 - (f) Subsequent to review, the program office will forward the applications recommended for award and documentation on the review and selection process directly to DC with a Request for Procurement Action (RFPA) for execution of award documents.
 - (g) DC shall then forward copies of the applications and supporting documentation to SBCR to conduct a pre-award review to ensure compliance with applicable civil rights statutes and regulations.
 - (h) Upon completion of SBCR's pre-award review, SBCR will notify the grants officer on whether or not the potential awardee complies with applicable civil rights statutes and regulations.
 - (i) Pre-award reviews shall be completed by SBCR within 20 business days following SBCR's receipt of the pre-award package.
 - (j) 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.
4. Program office procedures for applications valued at greater than the simplified acquisition threshold as defined in the FAR, Part 2.101 (currently \$150,000), are the following:
- (a) The project officer will 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, will appraise technical merit and budget considerations.

- (e) Subsequently, the program office will forward recommended applications and documentation on the review and selection process to DC with a RFPA for execution of the award documents.
- (f) DC shall then forward copies of the applications and supporting documentation to OGC for legal review in accordance with Section III of this handbook.
- (g) Once OGC has completed its review, it will forward its comments back to DC 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) DC shall also forward a copy of the applications 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 grants officer whether or not the potential awardee is in compliance 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.
- (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 proposals 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 grants officer 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 for the avoidance of 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 office director 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 kind 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.
 - (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. Applications Valued at the Simplified Acquisition Threshold or Less

1. Once applications have been selected for award of financial assistance, the office director will ensure an office-level review takes place for applications valued at or less than the simplified acquisition threshold as defined in the FAR, Part 2.101 (currently \$150,000).

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

B. Office of the General Counsel Review

1. For applications valued at greater than the simplified acquisition threshold (currently \$150,000), DC shall forward the applications recommended for award to OGC for review. OGC will review the applications 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 grants officer.
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, 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 DC. The grants officer shall not proceed with an application if it is not legally supportable.

C. Office of Small Business and Civil Rights Review

1. Regardless of the dollar value of the financial assistance, DC shall provide a copy of the applications and supporting documentation to SBCR to conduct pre-award compliance reviews.
2. SBCR conducts compliance reviews of applicants for, and recipients of, financial assistance from NRC as required by Title 10 of the *Code of Federal Regulations* (CFR) Part 4, "Non-discrimination in Federally Assisted Programs or Activities Receiving Assistance From the Commission," Subparts A, B, C, D, and E.

3. The reviews ensure non-discriminatory practices in programs or activities, as defined in the following civil rights statutes and NRC regulations:
 - (a) Title IV of the Energy Reorganization Act of 1974;
 - (b) Title VI of the Civil Rights Act of 1964, including Limited English Proficiency;
 - (c) Section 504 of the Rehabilitation Act of 1973;
 - (d) Title II of the Americans with Disability Act;
 - (e) Age Discrimination Act of 1975;
 - (f) 10 CFR Part 5, "Non-discrimination on the Basis of Sex in Education Programs or Activities Receiving Federal Financial Assistance," imposed under Title IX of the Education Amendments of 1972, as amended; and
 - (g) Requirements imposed under other applicable civil rights laws, regulations, and Executive orders.

D. Division of Contracts Review

1. Before execution of award documents, the grants officer, DC, 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 grants officer 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 grants officer evaluates other known factors that may affect the organization's financial capabilities to operate under the award.
3. The grants officer 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 grants officer has any reason to doubt the capability of the applicant to adequately administer federal funds on the basis of information in the application, the grants officer shall obtain additional information and/or take other steps to ensure 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 grants officer, prior to award (regardless of dollar value), will ensure that SBCR has notified DC in writing regarding whether or not the potential awardee has met the requirements under applicable civil rights statutes and regulations.

E. Notification of Award Recipients and Others

1. The grants officer will notify prospective awardees of their selection by issuance of an award document or by a letter.
2. 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.
3. The grants officer 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.
4. The grants officer will notify the Office of Congressional Affairs prior to issuing the award document to the prospective awardee.

F. Files and Records

1. The DC maintains the official grant or cooperative agreement file. The grants officer 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 DC.
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) 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 DC 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 215.22(a) and 21(b), 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 implements this electronic funds transfer requirement, in collaboration with DC, after award of the grant or cooperative agreement.
4. Expanding on these Governmentwide policies, it is NRC policy to use electronic commerce, to the maximum extent practicable, in the portions of the payment process for grants and cooperative agreements for which grants officers are responsible. Using electronic methods will improve timeliness and accuracy of payments and reduce 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) will be allowable for payment by the Government.
 - (a) However, the grants officer 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 grants officer 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 and valued at less than \$5,000 shall vest in the recipient.
2. If the program office and the grants officer jointly determine that equipment 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 NRC.

3. Title to expendable personal property shall be vested in accordance with the guidelines in OMB Circular A-102, 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 215 (OMB Circulars A-102 and A-110) 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 220 (OMB Circular A-21) provides 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 225 (OMB Circular A-87) establishes 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 230 (OMB Circular A-122) is 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 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 NRC, the grants officer 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 NRC. The specific requirements and procedures for obtaining approval of these costs are described below:
 - (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 grants officer 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 grants officer 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 grants officer 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 PROCESS

A. Description of Closeout Process

Closeout is the process by which the grants officer determines that all administrative actions and work have been completed by the recipient.

B. Timing of Closeout Process

1. It takes approximately 120 days after the project end date to closeout a grant or cooperative agreement.
2. The grantee has 90 days to invoice or access payments from the NRC centralized electronic payment and information system.
3. 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 NRC;
- (b) The final report(s) is reviewed by the grants specialist and project officer;
- (c) If there are no remaining funds, the grant or cooperative agreement is closed out;
- (d) If there are remaining funds less than \$300, the grants specialist prepares an amendment to closeout the grant or cooperative agreement;
- (e) If remaining funds are greater than \$300, the PO submits a RFPA to the grants specialist requesting the de-obligation of funds;
- (f) The grants officer issues an amendment to de-obligate the funds, and the grant or cooperative agreement is closed out.

EXHIBIT**Exhibit 1 Abbreviations and Acronyms**

ADM	Office of Administration
CFDA	Catalog of Federal Domestic Assistance
DC	Division of Contracts
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
HR	Office of Human Resources
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
RFPA	Request for Procurement Action
SBCR	Office of Small Business and Civil Rights