

# Nuclear Regulatory Commission

## Grants Process Overview

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- NRC Award Types
- Compliance: Roles, Responsibilities and Training
- Pre Award Activities
- Budget Considerations
- Award and Post Award Administration
  - Notice of Award
  - Prior Approvals
  - Reporting requirements – Closeout and Audit

# Grant or Cooperative Agreement?

- **Grant** – Federal government is a patron of the project
- **Cooperative agreement** – Federal government is a partner on the project – has substantial involvement
- **Substantial Involvement:** Substantial involvement occurs when NRC scientific or program staff provides technical assistance, advice, coordination, and/or other functions above and beyond the usual level of program stewardship for grants. This level of staff involvement does not alter the awardee's dominant role and prime authority in conducting the activity.



# What's the difference?

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## ■ Contract

Acquisition instrument  
Benefits Gov't directly  
Gov't is purchaser  
Gov't initiated  
Purpose to purchase goods  
& services for the Gov't

## ■ Grant/CA

Assistance mechanism  
Benefits public purpose  
Gov't is patron/partner  
Investigator initiated  
projects/research  
Purpose to support and  
stimulate research and  
development activities

# Roles and Responsibilities

## ~ Segregation\* of Duties

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- Program Official
- Grants Management Officer
- Grants Management Specialist
- Grantee Institution
- Authorized Organization Official
- Principal Investigator

\*segregation complies with OMB A-123, Agency Management Guidance



# Program Official (PO)

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- Responsible for all scientific and technical matters dealing with the administration of the grant
- Program Official identified in the Notice of Grant Award, following federal standards of ethical conduct, provides an objective independent evaluation of the progress of the award in meeting its objectives.



# Grants Officer (GO)

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- Responsible for the business management of the grant, including:
  - Budgets and administrative issues
  - Negotiation
  - Award Administration
  - Interpretation of policies and provisions
- The only person authorized to obligate monies and permit changes to approved projects on behalf of the Federal Government





# Grants Specialist (GS)

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- Evaluates grant applications for administrative content and compliance with statutes, regulations and guidelines
- Responsible for the business management and other non-programmatic aspects of the grant
- Negotiates grant awards
- Serves as the *mandatory focal point* for all formal communications or contacts that, if approved, would result in changes to an award, including its terms and conditions.



# Grantee Institution

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**The award is made to the *institution*, not an *individual***

## The Institution:

- Is legally responsible for the proper conduct and execution of the project
- Provides fiscal management of the project
- Provides oversight on allocation decisions
- Ensures compliance with Federal laws and regulations, and Federal agency policies and procedures



# Authorized Organization Official/Representative (AOO/AOR)

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- Designated representative of the grantee organization in matters related to the award and administration of NRC grants
- In signing a grant application, this individual certifies that the institution will:
- **Comply with all applicable assurances and certifications**
  - Be held accountable for the funds awarded and for the performance of the grant-supported project or activities
  - Ensure that the organization complies with applicable Federal laws and regulations



# Principal Investigator (PI)

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- The individual, designated by the grantee, responsible for the scientific and/or technical aspects of the grant and for day-to-day management of the project
- By drawing funds from the ASAP for the project, the PI agrees to accept responsibility for the scientific/technical conduct of the project and to provide the required progress reports

# Who is Accountable for Compliance?

- **The Institution** is accountable for the finances and the administration of the grant
  - Awards are made to the **Institution**, not **PI**
- **The PI** is accountable for the project activities
- **The PI** makes allocation decisions
- **The Institution** exercises oversight on allocation decisions
  - **The PI** must understand how, what, **WHEN**, and why compliance is vital, not an obstruction



# Why is Compliance Important?

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- It strengthens the relationship of trust that exists between sponsor and recipient
- It suggests a presence of the stewardship necessary to properly safeguard the Federal investment in educational training and research

**2 CFR 215.41 Recipient Responsibilities**

**2 CFR 215.42 Standards of Conduct**

# Compliance is...

- The effective management of public funds to maximize research/training outcomes
- The avoidance of fraud, institutional mismanagement, and poor management of Federal funds
- It's about risk-management!

**2 CFR 215.41 through 215.48**

# What Can Go Wrong?

## Types of Issues

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- Misuse of funds
- Unallowable costs
- Allocation of costs
- Acceleration expenditures
- Unobligated balances
- Cost transfers
- Conflict of interest

# Common Contributors to Compliance Problems

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- Inadequate resources
- Lack of understanding of roles and responsibilities of institutional staff
- Outdated or nonexistent policies and procedures
- Inadequate staff training and education
- Inadequate systems
- Perception that internal control systems are not necessary

# Ways Non-Compliance is Discovered

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- News media
- Non-Federal Audits (A-133) and reviews
- Whistleblowers or anonymous complaints
- Grants Specialist/Program Official oversight
- NRC site reviews
- Office of Inspector General oversight
- GAO audits
- DOJ investigations
- Institutional internal audits



# Why should you be concerned?

## Adverse Actions

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- Special (restrictive) terms & conditions of awards
- Loss of carryover authority
- Co\$t di\$allowance\$
- Designation as “high-risk” grantee
- Suspension/termination of award
- Improved systems and policies



# So, Who's Watching?

## OIG Subject Matter Focus

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- **Non-Regulatory:**
  - Roles and Responsibilities
  - Training and Education
  
- **Regulatory:**
  - Financial Conflict of Interest
  - Invention Reporting/Bayh-Dole
  - Financial Management of Sponsored Projects

# Federal Perspective on Compliance

- **Roles and Responsibilities**

*Expectation:* Roles and responsibilities of Principal Investigators, and other Institution Officials who have responsibility in the areas of grant compliance and institutional oversight should be clearly defined and communicated to all employees.

# Federal Perspective on Compliance

- Roles and responsibilities of individuals should be described by functional area and by position. The description should include:
  - A comprehensive description of each role and responsibility
  - Clearly established lines of reporting and reporting responsibilities
  - Identification of the individual(s) with signatory authority who can act on behalf of the Institution



# Training and Education

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- ***Expectation:*** The Institution should have a program of ongoing Institution-wide training and education for all staff involved in Federally-supported research training activities.
- Institutions should also provide uniform guidance on policy interpretation and information on sound grants management practices. A Code of Conduct should be incorporated as an important component of these activities.



# Conflict of Interest (COI)

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- **Notify NRC Grants Officer if COI is identified**
  - Assure that the conflicting interest is being managed, reduced, or eliminated
- Provide additional information, if requested
- Conflict of interest requirements should be addressed in consortium, consultant and contractual agreements



# Financial Management of Federal Assistance Programs

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**Regulations:** 2 CFR 215 Subpart C; Appendix A to Part 220 (A-21); Appendix B to Part 225 (A-87); Appendix B to Part 230 (A-122)

- **Accounting**
- **Procurement**
- **Personnel**
- **Equipment/Property Management**
- **Travel**

# Assurances/Certifications

## SF-424B Application form

As the duly authorized representative of the applicant, I certify that the applicant:

- Will comply, or has already complied
  - Has the legal authority to apply...
  - Will cause to be performed
  - Will give the awarding agency...
  - Debarment and suspension
  - Drug-free workplace
  - Lobbying
  - Research misconduct
  - Financial conflict of interest
  - Equal Employment Opportunity
  - Smoke free workplace
  - Government use of information under the privacy act
  - Information available to the PI
  - Information available to the general public
    - Freedom of Information Act (FOIA)
  - Civil Rights
  - Environmental Protection...
- 18. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.*





# Pre-Award and Basic Cost Analysis

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- **Cost Principles and Organizations**
- **The Four “Tests”**
- **Budget Cost Elements**



# Cost Principles

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- Office of Management & Budget (OMB):
  - Establish standards for allowability of costs
  - Provides detailed guidance on the cost accounting treatment of costs as direct or F&A (indirect) costs
  - Sets forth allowability principles for selected items of cost
- Non-Profit organizations – OMB Circular A-122  
(2 CFR 230)
- Academic/University-- OMB Circular A-21  
(2 CFR 220, Appendix A)



# The Four “Tests”

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- **Reasonableness**
- **Allocability**
- **Allowability**
- **Consistency**



# Reasonableness

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- Whether the cost is generally necessary to operations or the grant's performance
- Whether the recipient complies with their own established policies
- Whether individuals expending Federal funds acted with due prudence



# Allocability

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A cost is allocable to a grant if:

- The cost is incurred solely in order to advance work under the grant
- It benefits both the grant and other work of the organization (including other grant-supported projects)
- It is necessary to the overall operation of the organization and is deemed to be assignable, at least in part, to the grant



# Allowability

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- Applicable cost principles establish standards
- Applicability of a particular set of cost principles depends on the type of organization making the expenditure
- In order to be allowable, costs must also conform with Awarding Agency specific limitations and exclusions as contained in the terms and conditions of the award



# Consistency

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- Grantees must be consistent in assigning costs to cost objectives.
- Although costs may be charged either as direct or indirect, depending on their identifiable benefit to a particular program, they must be treated consistently for all work of the organization under similar circumstances, regardless of the source of funding

# Budget Elements – Part 1



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- Direct Costs - Who, What, Why & How

Personnel & FB - Employees & Grad Students

Travel – purpose and destination

Equipment – items >\$5,000

Supplies – categorize

Consortium/Contractual – subawards, including

Consultants

Other Direct costs – publication costs, lab fees



# Budget Elements - Part II

## Indirect Costs – a.k.a. (F&A)

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- Costs incurred for common or joint objectives.
- HHS and DOD are cognizant agencies for Universities and Colleges
- Act on behalf of All Federal Agencies
- Responsible for Audits, Audit Resolutions and all indirect cost rate negotiations
- See [www.rates.psc.gov](http://www.rates.psc.gov) for rate agreements

# Award Actions

**“It’s free money, but it’s not easy”**  
--anonymous grantee





# Notice of Award

## What Every PI Needs to Know

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- Award Terms and ‘flow-down’
- Policies, procedures and how-to information
- Financial recovery (getting your money on time and keeping it)
- Progress Reports, Final reports and deliverables

# What the PI needs to Know Is in the Notice of Award

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- A legally binding contract
- Official notice that an award has been made
- Includes Grant Number NRC-38-09-123
  - **Periods of support**
  - **Funding level**
  - **Terms and conditions (footnotes)**
  - **Sponsoring Agency contact information**
    - **Program Official for Scientific/Technical issues**
    - **Grants Specialist for administrative/cost issues**



# Notice of Award (NoA)

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- Identifies recipient organization, Principal Investigator, issue date, title of project
- Specifies that the *award terms* are accepted by the grantee *once funds are drawn down* or otherwise obtained from the Automated Standard Application for Payment (ASAP)

(2 CFR 215.22)



# Notice of Award - MORE

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- May reference the information provided in a negotiation or in the original or revised application
- Reflects recommended future year support (total costs)
  - Future year funds always dependent on grant progress and availability of funds
- Includes the grantee's fiscal information ~ grantee's DUNS

# Notice of Award - Payment OIG Hotline Information

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- **Grant Payment Information**

- Contact ASAP ([www.ASAP.gov](http://www.ASAP.gov)) for information about:
  - **Requesting Funds**; **Request Formula**; **Returning Funds**

- **Office of Inspector General (OIG) Hotline  
Information – there's an OIG for every agency**

**USNRC**

***OIG Hotline 1-800-233-3497***



# Post Award Administration

## Agency Prior Approval Required

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- Change of PI
- Change of Grantee Organization
- Change of Scope
- Rebudgeting more than 10-25% of the total award between direct cost budget categories – check terms of award
- Carryover of unobligated balance to the next budget period without Federal Sponsors approval (see terms of NOA)



# Change in Scope



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- Change in scope is defined as a change in direction, type of training, or other area that constitutes a significant change from the aims, objectives, or purposes of the originally approved project
- This requires action beyond the PI talking with the Program Manager. If changes are not approved by the Grants Officer, there may be audit disallowances or other punitive actions.



# Other Organization Changes

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Notify the Grants Officer **IMMEDIATELY**  
*PRIOR* to the following:

- Successor-in-Interest
- Name Change
- Merger

Awards or payments may be delayed after these changes.

# Submitting prior approval requests to Agency

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- Requests for project changes that require Grants Officer approval must be submitted to the Grants Specialist in writing or by email, from the PI through the authorized organization official.
- Rebudgeting requests? How much from what category to what category, and explain why it is necessary to reallocate the funds.



# No-cost Extensions

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Grantee must request extension at least 10 days prior to the project performance end date.

- Request should include:
  - **Length of the request**
  - **An estimate of funds remaining**
  - **A brief progress report and the goals to be attained during the extended period**
- NRC may not honor requests submitted after the project period ends.
- Agency will issue revised NOA.



# Progress Reports – OMB SF-PPR

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- **ACF pilots OMB Program Performance Report (SF-PPR) in 2008**

<http://www.acf.hhs.gov/programs/ofs/grants/ACF-OGM-SF-PPR.doc>

- OMB anticipates approval of this format for use for non-research related grants in Fall 2009.
- Progress reports due semi-annually, 30 days after quarter ending March 31 and October 31, submit to Program Officer



# Close Out Requirements

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- Three reports are due within 90 days of the end of the project period:
  - Final Progress Report (SF-PPR...)
  - Final Financial Status Report – SF425
  - Invention Report\*
- Refer to the terms and conditions on the Notice of Grant Award

**\*positive or negative results (not required for education and training)**



# Audit Requirements

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- An A-21 organization is required to have a non-Federal audit if, during its fiscal year, the grantee expended a total of \$500,000 or more under one or more Federal awards
- A non-profit organization must have a non-Federal audit that meets the requirements of OMB Circular A-133

**2 CFR 215.26 – Non-Federal Audits**



# Audit Requirements

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Federal Audit Clearinghouse, Bureau of the Census

## Scope of audit -

- Financial Statements
- Internal Controls
- Compliance with Federal regulations and policies as stipulated in the Notice of Award
- Audit reports are posted at [www.harvester.census.gov](http://www.harvester.census.gov)

**2008 Submissions Now Being Accepted Online Only!**



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