

Award Process Module 5

Instructor Notes:

Welcome to Module #5 in which we will discuss the Award Process that FMCSA uses to issue a notice of grant award (NGA) and to obligate funds.

Slide 2 Objective

- By the end of this module, you should be able to successfully:
 - State the primary tasks involved in the award process, including:
 - Acceptance of the Notice of Grant Award (NGA)
 - NGA Key Components including General Provisions and Assurances (aka Terms and Conditions)
 - Notifying Non-selected Applicants

Instructor Notes:

- This step of the process involves the issuance of the grant agreement to the awarded applicants, via Grant Solutions, as well as notifying those applicants which did not receive awards.
- Following this module you should understand:
 - Your role in the NGA process,
 - What the NGA looks like
 - What to look for when reviewing and signing the NGA
 - What to expect if you are an unsuccessful applicant

Slide 3 Overview of Notice of Grant Award (NGA) Issuance and Acceptance Process

Instructor Notes:

(Title Slide)

Slide 4 NGA Creation and Issuance – FMCSA

1. FMCSA Creates NGA
 2. FMCSA Reviews & Approves NGA
 3. Release to Grantee
 4. Grantee Reviews & Signs NGA
 5. SPM Signs NGA
 6. System auto-posts obligation
- Upon Secretary approval the NGA goes through Agency Approval
 - Agency Approval includes six approvers prior to issuance to the grantee

Instructor Notes:

- You are all familiar or many of your prior grantees are familiar with the NGA once it gets to you, but what happens to it at FMCSA prior to issuance.
- As referenced in the prior module, the Secretary ultimately reviews all funding recommendations from the Program Office. Once the Secretary approves the Funding Recommendations then the FMCSA Program Manager creates a Notice of Grant Award (NGA) in GrantSolutions.
- In those circumstances when the award period precedes a final appropriation from Congress, FMCSA may issue incremental awards to reflect only the funding provided through a Continuing Resolution (CR). In some cases where there are short CRs (30 days, etc.) the CR could hold up the award issuance in general as FMCSA may wait to determine the best and longest authorization, rather than amend the award multiple times.
- Once the program is fully funded, through enactment of an appropriations act and funds apportioned, the original award will be amended to reflect the full funding amount approved in the Funding Memo or the remaining portion of it that is funded through that year's appropriations.
- Once the Program Manager initiates the NGA, it has to go through six approvers within FMCSA to include legal and finance and then it goes to you to sign.

Slide 5 NGA Creation and Issuance – Grantee

1. FMCSA Creates NGA
 2. FMCSA Reviews & Approves NGA
 3. Release to Grantee
 4. Grantee Reviews & Signs NGA
 5. SPM Signs NGA
 6. System auto-posts obligation
- Grantee receives email from GrantSolutions that the NGA is ready for review and electronic signature
 - Grantee Authorizing official reviews/signs the award
 - NGA is sent to the Service Center State Program Manager (the FMCSA Authorizing Official) for final signature
 - Grant Award is then released for funds obligation to Grantee

Instructor Notes:

- This is a high level overview of the process by which FMCSA issues the grant award to the grantee and you sign the award.
- The grantee receives email from GrantSolutions that the NGA is ready for review and electronic signature.
- Presumably the Grantee Grant Manager reviews the document and then notifies the Grantee Authorizing official to sign the award
- Then the NGA is sent to the Service Center State Program Manager (the FMCSA Authorizing Official) for final signature
- Grant Award is then released for funds obligation to Grantee. (For the formula grants there can be pre-award spending, but generally for all of the discretionary grants, expenses cannot be incurred prior to final execution of the grant award).
- In the next three slides we will discuss exactly who signs and how.
- GrantSolutions has two grantee roles in the system: 1) the Grant Manager (which is often the PI/PD role), receives an email notification and can see and review the NGA; and, 2) the Authorizing Official (ADO role), who also

receives the email and can view the NGA. But there is the only person(s) who can sign the NGA.

Slide 6 Grantee Authorizing Official

Authorizing Official - Grantee representative with the authority to legally bind the organization to the award and terms & conditions

- Must be listed on the Key Contact Form submitted with application
- Applicant must notify FMCSA of changes to Grantee Authorizing Official on the Key Contact Form
- Prior to issuance of the NGA, FMCSA will attempt to confirm the appropriate authorizing official
- Grantees are obligated to ensure that the correct authorized official signs the NGA

Instructor Notes:

- As previously discussed in Module 2 and in Appendix K, pages 140-142 of the grantee manual, all application packages should include a Key Contact Form. This is where the grantee will indicate the name of their authorizing official. This form must be completed and submitted and processed by FMCSA prior to issuance of the NGA.
- The electronic signature process and the provision of Signature Authority Designation is a work in progress, the details of which are still being worked out further, but this represents the process as it now stands.
- Although FMCSA will make an attempt to verify the name of the Authorizing Official prior to issuance of the NGA it is ultimately the grantees responsibility to make sure that the correct person signs the grant.
- If the signature is incorrect, GrantSolutions will send the NGA to the wrong person. It is imperative to notify FMCSA as early as possible if the Authorizing Official has changed from the one listed on the Key Contact Form. So that the correct name can be entered into GrantSolutions and on the NGA.
- In Module 9 we will go over in more detail the exact GrantSolutions signature process.

Slide 7 NGA Electronic Signatures

- FMCSA NGAs are processed using electronic signatures
 - Exceptions are based only on grantee statute or regulatory prohibition and will be handled on a case by case basis
- Grantee will receive username and temporary password access directly from GrantSolutions

Instructor Notes:

- FMCSA NGAs are processed using electronic signatures and this has been the policy since FY11 and on-going. Exceptions are based only on grantee statute or regulatory prohibition and will be handled on a case by case basis. And our goal is to be as close to 100% electronic signatures as possible by FY13.
- FMCSA will only sign electronically, so even if you, the grantee are unable to sign electronically, FMCSA will put that manual document back in the system and register an electronic signature on our side of the document.
- Once, a Key Contact Form has indicated an Authorizing Official, that person will receive username and temporary password access directly from GrantSolutions in two separate emails.
 - Although more than one person at the grantee may receive notification of the NGA (because there can be different types of grantee GS access, only the authorizing official (ADO role) should sign in GrantSolutions. If there are more than one ADO then either one can sign.
 - Be sure to coordinate with your IT services to make sure that you will be able to receive the notification emails (won't go into spam) and be able to accept the NGA.
- Grantee should recognize that their signature, electronic or otherwise is legally binding

Slide 8 NGA Manual Signatures

- Manual signature is allowed if the grantee is prohibited from using electronic signatures
- Grantee must print out the grant agreement and sign manually
- Email the signed NGA to the FMCSA Program Manager (PM)
- SPM will accept/sign the award electronically in GS.
 - All NGA's whether signed manually or electronically by the grantee, will be signed electronically by the SPM

Instructor Notes:

- If the grantee is unable to electronically sign the award in GrantSolutions due to State/local restrictions (legislative or by regulation only), then the grantee must print out the grant agreement, have it signed manually, then email the signed application back to the FMCSA PM (or via the DA, as long as it gets to the PM). However, the grantee must have prior approval from FMCSA for handling a manual signature.
- Once the manual NGA is received, Grant Program Manager will go into GS and acknowledge grantee signature on the award, then the SPM is sent the GrantSolutions notification to accept/sign the award on FMCSA's behalf
- All NGA's whether signed manually or electronically by the grantee, will be signed off electronically in GrantSolutions by the SPM, and the manual PDF version of the NGA will be uploaded to GrantSolutions for record keeping. However, the system will show that it has been accepted manually and signed-off on by the SPM in the system.

Slide 9 Fund Obligation

- Once NGA is approved the funds will be automatically obligated in the system
- Once the obligation is established the grantee can begin to spend the awarded funds
- New grantees require submission of the ACH form prior to issuance on the NGA - critical to timely obligation of the award funds

Instructor Notes:

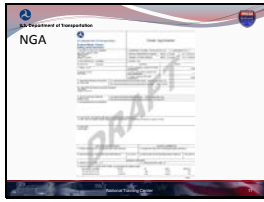
- Once NGA is approved by all parties the funds will be automatically obligated in the FMCSA financial system and once the obligation is established you can begin to spend the awarded funds (recognizing that pre-award spending is allowed for the formula programs and in other case-by-case circumstances.)
- However, prior to this point, new grantees must complete the SF-3881 Automated Clearinghouse (ACH) form, which requests payment-related information. The ACH form is used to set up the vendor/grantee for electronic fund transfer reimbursement by the U.S. Treasury.
- This form should have been submitted and verified before issuance of the NGA, as it is needed in order for FAA/ESC GS/Delphi interface to occur, as FAA will have to set them up in the system in order to have a location for the obligation.
- In FY12, the FMCSA program manager will request that the grantee submit an ACH form directly to the FMCSA's accounting services provider (FAA/ESC) once the grantee has been recommended for funding.
- If FAA/ESC has not received the ACH to date, it will contact the FMCSA Grant Manager to obtain the form from the grantee as it will be necessary before the NGA is completed.
- Lack of submission of the ACH form can delay funding. See page 41 of the manual for the discussion regarding the ACH form and the timing and criteria for fund obligation

Slide 10 NGA Key Components, Terms and Conditions

Instructor Notes:

(Title Slide)

Slide 11 NGA



Instructor Notes:

- This next section is not specifically covered in the Grantee Manual, as we are walking you through the form itself.
- As we walk you through the NGA please remember that this is a legally binding document with which you will have to live for the next two or more years and therefore should be reviewed in detail and with consideration.
- Grants are considered "binding contracts" and are interpreted as such by Federal Courts and there is a mutual obligation to comply with the terms and conditions of the award.
- Go to the next slides to discuss "what to look for" when approving the NGA

Slide 12 NGA Key Parts

- Block 1, A and B - the correct grant recipient name, IRS number and DUNS number.
- Block 2 - system generated agreement number and beginning in FY12 the PO number.
- Block 3 - populated upon issuance of an amendment
- Block 4 - Project Performance Period
- Block 5 - Funding Period (should reflect the same period as Block 4)
- Blocks 9-11 - funding and match amounts, reflecting the actual award, the match and the two combined

Instructor Notes:

- In the next two slides I will walk you through all of the blocks on the NGA, to orient you to the document and help you as you review it prior to signature.
- Block 1 is for the organizational name. You should just confirm that it is the right organizational name, as this will be considered the "grantee". Also check to make sure it matches with the DUNS number as it drives a lot of the interface with FMCSA financial system, etc. These fields are originally driven off of the CCR record, but FMCSA can edit them in the draft form. You should make sure that they are correct and that the DUNS is correct.
- It is useful to note that Block 2 contains a system generated agreement number that can be used for tracking purposes going forward and is the PO number in FY12 and beyond. Please make careful note of this number as you will need it for the voucher and accuracy down to the dashes is critical.
 - Please note that in FY12 and beyond the new PO has dashes and is a different framework than the PO's in the past. Please be sure to note the PO exactly as it is written on the NGA because if it is not exactly the same with dashes, spaces, etc. it won't connect to the FMCSA Financial System and this will cause problems with vouchers and subsequent payments. Must be used identically on your voucher as well. Example: FM-MCG-0107-12-01-00. FM is FMCSA. MCG is the GS code for MCSAP Basic. 0107 is the number assigned to the grant by GS (assigned in order of processing). 12 is FY2012.
- Block 4 is the Project Performance Period. For the formula grants this will be the start of FY with two years to expend. For some discretionary grants it will begin at award or an otherwise designated date, that is predetermined by the Program Office, and end on Sept. 30 of the FY after next, for project based grants it will begin at award and the duration will be based on the project plan.

- It is critical to understand and document the Performance Period so that you can track when reports are due and when Close-out is anticipated.
- Block 5 should match the Project Performance Period, unless there is a really good reason not to.
- Block 9 is the amount of award at this time. In the case of incremental awards and funding, this amount may be amended later once full appropriations are received by FMCSA.
- Block 10 Total Match – should reflect the match indicated on the 424 application or at a minimum the statutory match requirement. This is what you are committing to provide, so be sure this is the correct amount.
- Block 11 is the Total Project Funding Amount and it doesn't include MOE.

Slide 13 NGA Key Parts Continued

- Block 14 - Terms and Conditions; final budget; final application (as applicable); and any other program or application specific attachments are located.
- Block 16 - special conditions or instructions to the grantee that are not in the attachments and/or FMCSA wants to emphasize.
- Block 17 – Grantee Authorizing Official
- Block 23 – current award amount

Instructor Notes:

- Block 14 is the Terms and Conditions and we will discuss the key parts of the Terms and Conditions in subsequent slides.
- Block 16 – is where FMCSA will list special conditions to the grant, such as a requirement to submit an updated 424a budget within 30 days. It can also be where a higher risk grantee might be required to invoice monthly instead of quarterly or submit monthly reports instead of quarterly reports. These special conditions are legally binding and can be grounds for withholding invoice payments or suspension of the grant, so they should be regarded with as much seriousness as any element within the T&Cs or as one would expect from any other contract.
- Block 17 – Grantee Authorizing Official and we already discussed
- Block 23 is the current award amount.
- In summary, a solid review of the NGA document prior to signature is important and recommended, particularly when it comes to the Terms and Conditions. These will be the backbone of FMCSA's monitoring and should drive many of your actions as the grantee.

Slide 14 NGA Terms and Conditions

Sections

- Section 1 – Grant Authority
- Section 2 – Effective Date
- Section 3 – Electronic Signature
- Section 4 - General Requirements
- Section 5 – Ethics
- Section 6 – Hatch Act
- Section 7 – Limit on Lobbying
- Section 8 – Contracting
- Section 9 – Notification Requirements
- Section 10 – Debarment and Suspension
- Section 11 – Notification of 3rd Party Contract Disputes or Breaches
- Section 12 – Participation of Small Businesses
- Section 13 – Record Retention
- Section 14 – Audit and Inspection
- Section 15 – Responsibility for Reporting Fraudulent Activity, Waste and Abuse
- Section 16 – Budget and Finance
- Section 17 – Payments
- Section 18 – Reports

Instructor Notes:

On this slide and the next is a list of the sections in the Terms and Conditions. We will not go over these in detail and will just highlight a few key changes. But this gives you a sense of what is in them before you attempt to read the 28 pages in total.

Slide 15 NGA Terms and Conditions, Cont.

Sections

- Section 19 – Non-Discrimination
- Section 20 – EO on Equal Opportunity
- Section 21 – Employment Policies
- Section 22 - Property
- Section 23 – Davis-Bacon Act Requirements
- Section 24 – Environmental Requirements
- Section 25 – Government Rights
- Section 26 – Drug-Free Workplace
- Section 27 – Background Screening
- Section 28 – Site Visits
- Section 29 – Liability
- Section 30 – FMCSA Right to Terminate
- Section 31 – Project Closeout
- Section 32 – Severability
- Section 33 – Entire Agreement & Mod.
- Section 34 – Use of Information
- Section 35 – Miscellaneous Provisions
- Section 36 – Laptop Encryption
- Section 37 – CVISN Provisions

- Section 38 – Certification

Instructor Notes:

In the next few slides we will try to walk you through the key points in the Terms and Conditions (Ts and Cs) some of which you may realize and others you may not. As you may note the Ts&Cs have gone from 15 to 28 pages, so there is a lot more in here for you to review and take in.

Slide 16 NGA Terms and Conditions Highlights

- Definition of "effective date"
- Compliance with all federal, state and local laws and regulations
- Responsibilities regarding sub-grantees
- Notification requirements for procurements of \$500K or more
- Requirement for debarment and suspension certification from sub-grantees
- Record retention and access
- Adherence to the Single Audit Act

Instructor Notes:

- The “Terms and Conditions” or “Ts&Cs” are technically labeled - **FMCSA Financial Assistance Agreement General Provisions and Assurances** – when they are provided along with the NGA, however they are anecdotally referred to as the Terms and Conditions.
- These are not contained in the grantee manual or training materials, but are attached to all of your grant awards and some highlights are included on page 42 of the manual.
- Grantees should become very familiar with the Terms and Conditions of the grant as a violation of these is grounds for discontinuance or suspension of the award.
- The Terms and Conditions expanded substantially in FY12 and therefore grantees are encouraged to review these closely. These apply to all FY12 awards and beyond. Unless otherwise notified, the Terms and Conditions that were attached with your award
- Section 2 defines Effective Date, and clarifies that the Federal funds are obligated on the effective date of the Grant Agreement, which is the date on which the Grant Agreement contains the signatures of both parties to this agreement (date of final signature of FMCSA).
- Section 4 – in the General Requirements requires the grantee to adhere to all of the applicable federal, state and local laws and regulation, but there is a new section 4(c), which specifically calls out the grantees obligations in regards to subrecipients (sub-grantees)
- In Section 9 – grantees are now required to notify FMCSA for all procurements of \$500,000 or more. This is a new requirement and the announcement for the procurement must specify the use of federal funds.

- Section 10 – obligates the grantee to obtain certifications on debarment and suspension from its third party contractors and subgrantees and otherwise comply with U.S. DOT regulations, Government-wide Debarment and Suspension (Non-procurement) and Government-wide Requirements for Drug-Free Workplace (Grants), 49 C.F.R. Part 32.
- Section 13 – references that grantees must retain all grant records for 3 years and allow FMCSA access at any time. Part 18 and 19 provide the details regarding record retention.
- Section 14 – speaks to the requirement that grantees adhere to the Single Audit Act A-133 or if not applicable the use of annual audits to help FMCSA review the organizations financial management capability.

[If a question arises as to whether or not a grantee can negotiate the Terms and Conditions, the answer is yes, but this is an exception and done on a case by case basis. This will result in delay of award, as it will need review and negotiations by legal on both parties. Instructors shouldn't raise this issue unless otherwise questioned.

Slide 17 NGA Terms and Conditions Highlights Continued

- Responsibility to report fraud, waste and abuse
- Budget changes must be approved prior to reimbursement
- Invoices must be submitted quarterly on the SF-270, match must be distributed evenly and contain adequate documentation
- Quarterly Financial and Performance Progress Reports are required

Instructor Notes:

- Section 15 requires grantees to agree to notify DOT of any instances of fraud, waste and abuse (theirs or others)
- Section 16 – refers to the fact that grantees must carry out the project in accordance with the original approved budget and that written approval is necessary for transfer of funds from budget categories (technically says lines, but needs adjustment) that exceeds 10% or involve expenditures not originally in the budget or result in the need for additional funding or would change the scope of the project .
- Section 17 b. speaks to the requirement that invoices are submitted quarterly at a minimum and on the SF-270. And Section 18 speaks to the quarterly financial and progress reporting requirements.

Slide 18 NGA Terms and Conditions Highlights Continued

- Appropriate property use, maintenance, record keeping and disposition
- FMCSA may suspend or terminate grant if Grantee violated the terms of the Agreement
- Close-out within 90 days of end of the Performance Period
- Certification of all statements in the Terms and Conditions

Instructor Notes:

- Section 22 – references the requirements associated with the use of, maintenance, record keeping and disposition of property.
- Section 30 refers to FMCSA's rights to terminate and any financial obligations associated with termination and even close-out
- Section 31 – speaks to all of the requirements from Part 18 and 19 regarding close-out, what needs to be submitted and remittance of excess funds, and finally,
- Section 38 – states that by signing the NGA (which includes the Terms and Conditions), the grantee certifies that the statements it made in the grant application are true and correct and the grantee understands that any false statements made as part of these certifications can be prosecuted.
- Although these slides are rather laborious, we thought it was important to help highlight some of the changes to the FMCSA grant Terms and Conditions. Many of these elements were previously in the Ts&Cs, but in more of an implied format and we have now called them out to make it easier for the grantee to know and understand FMCSA's expectations and well as for allowing FMCSA to monitor more clearly as well.

Slide 19 Notification of Non-Selected Applicants

Instructor Notes:

(Title Slide)

Slide 20 Non-Selection Process

- FMCSA Program Managers will send non-selection letters /email to all non-selected applicants explaining why the applicant was not selected
- Applicants may request a debriefing from FMCSA

Instructor Notes:

- In the past FMCSA has sent non-selection letters for some grants, but not all...it essentially depended on the individual grant program. However, FMCSA has adjusted its practices to include the issuance of non-selection letters/email to all non-selected applicants so that the applicants can gain a better understanding of why they weren't funded and how they can improve going forward for next year.
- Applicants may request a debriefing and should do so through their local Division Office, if they want more details. This process is noted on page 41 of the manual.

Slide 21 Wrap-Up and Knowledge Check

Instructor Notes:
(Transition Slide)

Slide 22 Summary

- Now that you have completed this module, you should be able to successfully
 - State the primary takes involved in the post-selection award process, including:
 - Acceptance process for Notice of Grant Award (NGA)
 - NGA Key Components including Terms and Conditions
 - Notifying Non-Selected Applicants

Instructor Notes:

- Now that you have completed this module you should have a better understanding of:
 - The process that FMCSA undertakes to issue and approve an NGA, particularly around the use of electronic signature
 - What are the key components of the Terms and Conditions and why should I care
 - And finally how FMCSA treats non-selected applicants.
- Attached at this link is a Knowledge Check, feel free to take this “quiz” and then check your answers to determine how well you understood and synthesized this information. The answers can then be found at the link listed at the bottom of the slide.

Slide 23 Check Your Knowledge

- Module 5 Knowledge Check
- Module 5 Knowledge Check Answers