

PART 1

GENERAL

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1.1 SCOPE

INFORMATION:

(a) The Bonneville Financial Assistance Instructions (BFAI) are prescribed by the Head of the Contracting Activity (HCA) in accordance with responsibilities assigned by BPA Manual (BPAM) 10.4 and 20.10. The purpose of the BFAI is to establish the policy and procedural requirements for financial assistance award decisions and administration. The BFAI follows the intent of the Federal Grant and Cooperative Agreement Act of 1977, Public Law 97-258 (31 U.S.C. 6301 et seq.).

(b) The Bonneville Power Administration (BPA) was established by Congress as an operational utility which is regional in scope and businesslike in operation. It is funded through its own revenues, not the appropriation of taxpayer funds. Although BPA follows many Federal policies, it is directly involved in the complex and rapidly evolving utility business world and must be able to operate competitively to meet its responsibilities. See Bonneville Purchasing Instructions (BPI) which regulates BPA's purchase of goods and services, Subpart 1.3 for related information.

(c) The BFAI and the BPI have many common core concepts and principles. Therefore, in the interest of efficiency, the BFAI may reference the BPI where appropriate.

1.1.1 Applicability

INFORMATION: The BFAI applies to all assistance instruments awarded by BPA. The BFAI does not apply to the purchase of goods or services, transmission and power marketing contracts, nor to land acquisitions.

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1.1.2 Publication of the BFAI

POLICY: The BFAI is not published in the Federal Register (Fed. Reg.) or the Code of Federal Regulations (CFR). A notice announcing the availability of the BFAI is placed in the Federal Register annually.

1.1.3 Organization of the BFAI

INFORMATION:

(a) Contents: The BFAI contains the policies and procedures which are appropriate for all BPA financial assistance solicitations, grants, simplified grants and cooperative agreements.

(b) Target audience: The BFAI is intended as a ready reference for:

- (1) BPA's financial assistance professionals,
- (2) BPA's financial assistance requisitioners and program personnel,
- (3) Organizations that seek or receive financial assistance from BPA.

(c) Sequence of topics: Topics covered by the BFAI are generally organized in the same chronological sequence as the steps of the assistance process. Temporary Instructions are included at the end of the BFAI and have the same force and effect as the preceding portions of the BFAI. The BFAI, where appropriate, incorporates policy which can be found in the Bonneville Purchasing Instructions (BPI).

1.1.4 Deviations From the BFAI

POLICY: Requests for deviations from mandatory requirements of the BFAI, (those indicated by the words "shall" or "shall not") shall be submitted in writing to the HCA for review and a final determination.

1.2 CATEGORIES OF FINANCIAL ASSISTANCE

INFORMATION:

(a) The major categories of assistance awards fall under BPA organic statutes regarding energy, environment, and fish and wildlife. Education programs may include conference sponsorship, science competition, science camp, exhibits, and annual events such as Earth Day. Subject areas may include generation and transmission of energy, conservation, environment, fish and wildlife, renewable resources and research and development.

(b) Also see the definitions of grants and cooperative agreements in 1.4.

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1.3 BASIC POLICIES

1.3.1 Standards of Conduct

POLICY: BPA employees, the recipient and employees of the recipient are expected to follow established conflict of interest and professional ethics policies at all times in order to avoid the appearance of conflict of interest, favoritism, or other improper behavior. Standards of conduct guidance is found in BPI 3.1 and 3.4.

1.3.2 Application of Statutes, OMB Circulars and Other Regulations

1.3.2.1 General

INFORMATION: Although many statutes might have some application to agency financial assistance efforts, those listed below are ones that Financial Assistance Officer's (FAO's) or Financial Assistance Officer Representative's (FAOR's) encounter most frequently.

(a) Davis-Bacon Act (40 U.S.C. 276a to a-7). Applicable where funding is used for the construction of public facilities/works as defined in that Act.

(b) Endangered Species Act of 1973, PL 93-205 (16 U.S.C. 1531 et seq.), as amended by PL 95-632.

(c) Drug-Free Workplace Act of 1988 (Pub. L. 100-690).

(d) Lobbying, 31 U.S.C. 1352.

1.3.2.2 Office of Management and Budget (OMB) Guidance

POLICY:

(a) OMB Circular A-89, Catalog of Federal Domestic Assistance, is not binding on BPA, but is utilized by other Federal Agencies. OMB Circular A-110, (2 CFR 215) Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations, and OMB Circular A-102, Uniform Administrative Requirements for Grants to State and Local Governments. BPA shall not impose the detailed requirements of these circulars on its recipients, but will comply with their spirit to the extent good business principles permit. These OMB Circulars and other regulations for financial assistance also assure that various reporting requirements are implemented in a consistent manner throughout the Government. BPA's simplified application and administration procedures for financial assistance, does not impose different or more restrictive requirements for recipients, so OMB guidance is followed. BPA will not reject as incomplete, requests that meet the federal standards established by OMB as incomplete.

(b) BPA will apply cost and audit principles applicable to Educational Institutions, State Local and Indian Tribal Governments, and Non-Profit Organizations, respectively (OMB Circulars A-21, A-87 [2 CFR 225], A-122 [2 CFR 230], and A-133).

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1.3.3 Cost Sharing

POLICY: Program offices are encouraged to seek cost-sharing by participants or others on projects supported by BPA financial assistance awards in order to multiply the impact of BPA funds.

1.3.3.1 Cost Sharing for Commercial Projects

POLICY: BPA will provide only a portion of the costs for a project which is aimed at commercialization. The degree of potential benefit to the recipient will determine the extent of BPA's participation.

1.3.4 Patents, Data and Copyrights

POLICY: Financial assistance instruments shall be awarded and administered by BPA in compliance with the patent, data and copyright provisions of Part 17 of the BPI. BPA will specify applicable BPI patent, data and copyright provisions. If specific transactions require an approach different from that outlined in Part 17 of the BPI, the FAO shall contact the HCA for guidance.

1.3.5 Financial Assistance Awards to Federal Agencies

POLICY: Financial assistance awards to appropriated Federal agencies are not authorized, as the funding would represent an augmentation of appropriations, which is prohibited by law.

1.4 DEFINITIONS

"Applicant" means any individual or entity that files a written application for financial assistance with BPA or with a recipient (i.e. for a subaward).

"Application" means a written document from an applicant that contains details of the project or program for which they are seeking BPA's financial assistance and support.

"Award" means the written instrument executed by a BPA Financial Assistance Officer (FAO) after an application is approved, which contains the terms and conditions for providing financial assistance to the recipient. "Award" can refer to any of the specific instruments referred to in the BFAI. An award authorizes funds for a specific project.

"BPI" means the Bonneville Purchasing Instructions.

"Contract" means a legal instrument reflecting an agreement between BPA and a contractor whenever the principal purpose of the instrument is the acquisition by purchase or lease of goods or services for the direct use or benefit of BPA.

"Cooperative agreement" means a legal instrument reflecting a relationship between BPA and a State or local government or other recipient whenever:

- (1) the principal purpose of the relationship is the transfer of money, property, services, or anything of value to the State, local government, tribe or other recipient to accomplish a public purpose of support or stimulation authorized by Federal statute, rather than acquisition, by purchase, lease, or barter, of property or services for the direct benefit or use of BPA; and

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(2) substantial involvement is anticipated between BPA and the State, local government, tribe or other recipient during performance of the activity. (31 U.S.C. 6305)

"Federally recognized Indian tribal government" or "Tribe" means the governing body or a governmental agency of any Indian tribe, band, nation, or other organized group or community (including any Native village as defined in Section 3 of the Alaska Native Claims Settlement Act, 85 Stat. 688) certified by the Secretary of the Interior as eligible for the special programs and services provided through the Bureau of Indian Affairs.

"Field Representative" or "FR" means the individual who has been delegated responsibility by the Financial Assistance Official (FAO) for inspecting the project for compliance with plans and specifications. The field representative is not authorized to make changes to the award, direct the recipient to take specific actions, issue stop or resume work orders. Field representatives work under the direct supervision of the FAO and Project Technical Representative (PTR).

"Financial assistance" means any form of assistance instrument where the principal purpose of the relationship is the transfer of money, property, services or anything of value to a recipient in order to accomplish a public purpose of support or stimulation authorized by Federal statute rather than of acquisition, by purchase, lease, or barter, of property or services for the direct benefit or use of BPA. Specific types of financial assistance instruments include, but are not limited to, grants, cooperative agreements, and loans.

"Financial Assistance Officer" (FAO) means a BPA employee who possesses the delegated authority to obligate BPA funds through the use of financial assistance instruments.

"Financial Assistance Officer's Representative" or "FAOR" means the individual designated by the FAO to perform administrative work connected with the award.

"Financial Status Report (FSR) means a periodic report regularly provided to the FAO or PTR to enable supervision of the recipient's project implementation and success.

"Government" means a State or local government or a federally-recognized Indian Tribal Government.

"Grant" means a legal instrument reflecting a relationship between BPA and a State or local government or other recipient whenever:

(1) the principal purpose of the relationship is the transfer of money, property, services, or anything of value to the State, local government, tribe or other recipient in order to accomplish a public purpose of support or stimulation authorized by Federal statute, rather than acquisition, by purchase, lease, or barter, of property or services for the direct benefit or use of BPA; and

(2) no substantial involvement is anticipated between BPA and the State, local government, tribe or other recipient during performance of the contemplated activity. (31 U.S.C. 6304.)

"Grantee". See Recipient.

"Head of the Contracting Activity (HCA)" means a BPA official who has overall responsibility for direction of purchasing and financial assistance activities.

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"Local government" means a county, municipality, city, town, township, local public authority, school district, special district, intrastate district, council of government (whether or not incorporated as a nonprofit corporation under state law), any other regional or interstate government entity, or any agency or instrumentality of a local government.

"Negotiation" means the process through which BPA and the applicant establish mutual agreement as to project purpose, definition, timing, BPA's role in the project, and the resources appropriate to support and carry out the project.

"Participant" means a non-Federal party which receives financial assistance by means of a cooperative agreement. At BPA the term "recipient" is used in lieu of "participant."

"Principal Investigator" means a person designated by the recipient in the award document as necessary to understand the goals of the project, direct and manage the project, and whose participation is required for successful completion of the project.

"Program Office" means the office that determines major program goals and policies, and allocates funds, personnel, and other resources among the programs for which it is responsible, and determines other major facets of the financial assistance effort.

"Project Manager" means the person in the program office who is responsible for developing a definitive project supported by a specific award, and confers with the proposed modifications to agreements, payments, etc., before action by the FAO. When an award modification requires additional funding the Project Manager is responsible for insuring that funds are available for that purpose. Normally, the Project Manager does not interact directly with the recipient.

"Project Technical Representative" or "PTR" means the individual designated by the FAO to perform technical award administration activities on behalf of the FAO within limits specified by the FAO.

"Recipient" means the organization or individual that receives a financial assistance award from BPA and is financially accountable for the use of any BPA funds or property provided for the performance of the project, and is legally responsible for carrying out the terms and conditions of the award.

"State" means any of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, or any agency or instrumentality of a State exclusive of local governments.