VA Financial Policy
Grants: Application Review and Award Process

CHAPTER 4

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0401 OVERVIEW

This chapter establishes Department of Veterans Affairs (VA) policy for the grants process involving application, review and award. This policy addresses grant and cooperative agreement funding, appropriations authority, the Notice of Award (NoA), congressional liaison notification, assignment of payments, and policies for discretionary grant or cooperative agreement applications that must undergo an independent, objective review to be considered for funding.

0402 POLICIES

040201 GRANT AND COOPERATIVE AGREEMENT FUNDING.

040201.01 Overview. This section discusses the types of award instruments and their appropriate uses, the basis for funding, designation of project periods, and handling of non-competitive awards.

040201.02 Types of Awards. The Federal Grant and Cooperative Agreement Act (Act) of 1977 (31 United States Code (USC) Chapter 63), as amended, defines the various instruments that may be used when making financial awards (other than those that provide cash assistance only directly to individuals, subsidies, loans, loan guarantees, or insurance). [1] The Act's definitions differentiate "procurement" and "assistance" relationships based on the principal purpose of the award and the intended beneficiary. If an "assistance" relationship is indicated, the Act distinguishes between the use of a "grant" or "cooperative agreement." The Act is implemented in the VA grants administration regulations, 38 Code of Federal Regulations (CFR) Parts 43 and 49.

As a result, the following guidance will be followed when determining the appropriate award instrument for financial awards:

- A procurement contract will be used when the principal purpose of a transaction is acquisition, by purchase, lease, or barter, of property or services for the direct benefit or use of the Federal government. The primary beneficiary under a procurement contract is the Federal government

- A grant or cooperative agreement will be used when the principal purpose of the transaction is the transfer of money, property, services, or anything of value to

[1] Federal agencies do not have inherent authority to enter into grants or cooperative agreements. The Federal Grant and Cooperative Agreement Act does not expand an agency's substantive authority in this regard. While the Act provides criteria for examining whether an arrangement should be a contract, grant, or cooperative agreement, determinations of whether an agency has authority to enter into such arrangements in the first instance must be based on the agency's authorizing or program legislation. Once the necessary underlying authority is found, the legal instrument (contract, grant, or cooperative agreement) that fits the arrangement as contemplated must be used, using the statutory definitions found in the Act for guidance as to which instrument is appropriate.

accomplish a public purpose of support or stimulation authorized by Federal statute. The primary beneficiary under a grant or cooperative agreement is the recipient, as a proxy for the "public," as opposed to the Federal government

A. The distinguishing feature between a grant and cooperative agreement is that, under a cooperative agreement, substantial involvement is anticipated between the awarding office and the recipient during performance of the funded activity. Substantial involvement may include collaboration or participation by designated awarding office staff in activities specified in the award and, as appropriate, decision-making at specified milestones related to performance. The involvement may range from joint conduct of a project to awarding office approval prior to the recipient's undertaking the next phase in a project.

B. Unless there is a demonstrated need for substantial involvement during performance of the activity, a grant is the appropriate award instrument.

C. A cooperative agreement is not intended as a means to exercise greater control over a recipient or a project than would be the case under a grant or to allow for involvement that exceeds that which is permissible under a contract.

D. If an applicant's/recipient's practices, systems, and/or performance are deficient, the recipient may be designated high risk or the awarding office should take an enforcement action as outlined in 38 CFR 43.12, Special Grant or Subgrant Conditions for High-Risk Grantees; 38 CFR 43.43, Enforcement; 38 CFR 49.14 Special Award Condition; or 38 CFR 49.60-62, Termination and Enforcement, as applicable.

040201.03 Basis for Awards. This chapter is not intended to substitute for advice and interpretation provided by the Office of the General Counsel (OGC), the awarding agency's financial management or budget office, or the General Accountability Office (GAO); however, it is based on several longstanding principles. These principles underlie the policies specified below, except where otherwise noted.

A. VA discretionary grants and cooperative agreements generally are funded from annual appropriations. While Notices of Funding Availability (NOFA) may be issued without an appropriation, contingent on ultimate receipt of an appropriation, no grant may be officially selected, announced, or awarded prior to receipt of a relevant appropriation.

B. Funds will be obligated in the fiscal year(s) for which they are available.

C. Unless a different funding method is authorized or allowed by statute or appropriations following the initial budget period of the project period, each subsequent budget period must be fully funded from the annual appropriation in effect on the anniversary date of the award. For example, an award originally funded for the 12 month period from June 1, 2012-May 31, 2013 will use FY 2012 funds and the next budget period, beginning June 1, 2013, will be funded from the FY 2013 appropriation.

D. There must be a need for the funds at the time the awarding office makes the award. An awarding office will not obligate funds for a grant in a current budget period for unknown or contingent activities of the recipient in the current or a future budget period. The awarding office must have an expectation that the funds will be used for the recipient's known current-year costs and needs. Projects funded with no year funds will begin no later than 90 days after award and conform with budget period and project completion date.

040201.04 Project Periods. Discretionary grants (including congressional earmarks) are awarded under a "project period" system. Under this system, a project may be approved for a multi-year period, but generally is funded by the awarding office in annual increments known as "budget periods." This system provides the recipient with an indication of the awarding office's intent to non-competitively fund the project during the approved project period as long as required information is submitted and certain criteria, as specified by section 040201.05, Non-Competing-Continuation Applications and Awards, below and by the Grants Program Office (GPO) are met. It also allows the awarding agency and recipients to plan their budget and workload requirements for ongoing projects.

After the GPO makes an award, the terms and conditions of the award govern the recipient's expenditure of funds under the award. Therefore, the terms and conditions will address the period during which the recipient may obligate funds, how unobligated balances are to be handled, and any authorities for extending the period of availability of funds awarded.

040201.05 Non-Competing Continuation Applications and Awards. Under the project period system of funding as described in section 040201.03, Project Periods, above, the recipient must submit a non-competing continuation application each year as a prerequisite to continued funding. The awarding office may use the annual performance or progress report in lieu of a non-competing continuation application as the means of determining whether continued funding should be provided.

A. A programmatic review of the non-competing continuation application is primarily a progress review that allows the GPO to certify that the recipient is making progress and additional funding is appropriate.

B. As a prerequisite to continued funding, the GPO must determine that the recipient has submitted required or applicable certifications and assurances (e.g., suspension and debarment, lobbying, and is not currently suspended or debarred).

The GPO should minimally review:

- The requested budget for reasonableness, allocability, and allowability and whether the recommended amount of funding designated for the project is appropriate given the budget needs;

- The most recent progress report to ensure that the project is within scope and schedule;

- The most recent financial status report to determine if there are unobligated balances or unusual expenditure patterns; and

- The conditions of the award to ensure that all relevant conditions have been completed or are being complied with.

C. Finally, the GPO will determine the appropriate disposition of unobligated balances. In doing so, the GPO may deobligate the excess funds or may authorize some or all of the unobligated balance to be used as carryover. If funds are authorized for carryover, the awarding office may:

1. Add the funds to the full amount otherwise approved for the non-competing continuation award for the budget period into which the funds are carried, or

2. Use them as an offset (reduction) to the amount of funding otherwise approved for the non-competing continuation award, reducing the amount of new Federal funds awarded while the budget and activities for the applicable budget period remain as previously approved.

040202. GRANT APPLICATION OBJECTIVE REVIEWS

040202.01 Overview. Where applicable, objective reviews are intended to ensure that, on the basis of a review process that is fair, equitable, and conducted in an "above board" manner, only those applications that offer the greatest potential for furthering program purposes are selected for funding. The objective review process should be viewed by practitioners, participants, and the public as credible and fair. Any circumstance that might introduce any conflict of interest, or appearance thereof, prejudices, biases, or predispositions into the objective review process must be avoided. Adherence to the requirements of this policy will maximize the GPO's ability to achieve that objective and withstand scrutiny of their efforts.

040201.02 Applicability. This section applies to competing applications for funding under all discretionary grant programs if the applications are received in response to an announcement of a competing funding opportunity.

This section <u>does not</u> apply to:

- Non-competing continuation applications and applications for administrative supplements;

- Grant programs where awards are determined through noncompetitive means or formulas; or

- Review of pre-applications unless the awarding office intends to approve or disapprove pre-applications and preclude an applicant from submitting a full application for a disapproved pre-application.

040202.03 Application Screening. An application submitted in response to a funding opportunity announcement that passes the initial screening of applications (e.g., is signed by an authorized organizational official and meets eligibility requirements) will be accepted for objective review unless it fails to meet a threshold requirement as specified immediately below.

A. The GPO will determine:

- Whether an application meets the technical requirements of a funding opportunity announcement;

- Whether failure to meet a requirement at the time of application is a minor informality that can be corrected before review or before award, e.g., failure to submit a required certification. These determinations must be consistently applied over time and may not vary from one funding opportunity announcement to another to ensure that inequities are not introduced into the process at this stage;

- Whether an application should be rejected on programmatic grounds (e.g., responsiveness, whether the application is within the scope of the funding opportunity announcement). Decisions will be documented and the information retained in the program information file, which will be retained according to National Historic Preservation Act records retention schedule; and

- Whether any doubt exists on whether to accept an otherwise timely application for review. The application may be accepted if allowing the applicant to correct the deficiency before review or award will not disrupt the logistics of the review or affect the competitive process and it will not violate a statutory or regulatory requirement.

B. When the GPO determines that an application is not acceptable for an objective review, the GPO will return the application to the applicant along with a written explanation of the reason for its non-acceptance for review.

040202.04 Preparations for the Objective Review. GPO's will determine how to conduct the objective review for each program and, as appropriate, for the different types of applications (e.g., competing and single-source), to include programs with statutes or regulations that specify objective review requirements.

The objective review may be carried out using several different approaches or a combination of them. These include the use of panels that convene in person, conference calls, or web-based meetings to either discuss applications or come to a consensus on them or the use of pure field reader processes, where scores are simply

captured and considered. The GPO will consider the type and volume of applications expected to be received/reviewed and the needed type(s) of expertise in determining the nature of committees and reviewers it will use to carry out the objective review.

A. Minimum Requirements for Review. Applications that are required to undergo objective review will be reviewed by a minimum of three qualified objective reviewers, regardless of whether the GPO assigns individual reviewers (termed "primary," "secondary," or "tertiary") to perform an in-depth review of designated applications as a means of facilitating the review process for all reviewers.

B. Reviewer Qualifications. Each application subject to the objective review requirements of this chapter will be reviewed by a minimum of three qualified reviewers. Reviewers may be non-Federal individuals or Federal employees. Objective reviewers must be knowledgeable in the field of endeavor or subject matter under review, be sufficiently independent of the entity applying for assistance, and be able to render an objective and unbiased evaluation.

No two members on the same committee or field readers group should be from the same organization or institution. For the purpose of appointing non-Federal reviewers, the terms "organization" and "institution" generally means an individual campus of a multi-campus university system, a single department or agency of a State or local government, or separate legal entity.

C. Avoiding Conflicts of Interest. A reviewer of a grant application may not have any direct relationship with the applicant organization and may not have any personal or vested interest in the award of a grant to that organization. Circumstances that might introduce a conflict of interest into the review process, or the appearance thereof, or any prejudices, biases, or predispositions on the part of the reviewers, will be avoided.

1. Members of committees and field readers will be informed by the head of the central review function or GPO to protect the reader and the GPO from allegations of conflict of interest or favoritism. They must take individual responsibility for evaluating their own and their families' financial interests that relate directly or indirectly to their duties on the committee or as field readers.

2. No reviewer may consider an application where a real or perceived conflict of interest exists. GPO's will have a policy and process in place to both identify and manage real or potential conflicts of interest. For the purpose of this section, a reviewer has a conflict of interest in an application if that person or his or her spouse, parent, minor child, or partner:

- Serves as an officer, director, trustee, partner, or employee of or consultant to the applicant organization, its parent, or any subsidiary organization;

- Is negotiating (or has an arrangement concerning) prospective employment (or other similar association) with the applicant organization, its parent, or any subsidiary organization; or
- Has a financial interest, within the meaning of 18 USC 208, in the application or in the applicant organization, its parent, or any subsidiary organization.

3. Every Federal employee who serves as an objective reviewer is required to submit a Confidential Financial Disclosure Report as established by the GPO except for:

- Persons who submit Public Financial Disclosure Reports (SF 278) under the Ethics in Government Act; and

- Employees of another Federal agency who submit a copy of the confidential or public financial disclosure report that they have filed with their own agency.

4. Federal employees who serve as reviewers remain subject to the conflict of interest statutes and regulations that govern their conduct in discharging their official government responsibilities.

5. Before any review of applications, a potential reviewer will sign a statement attesting to the absence of a conflict of interest. See sample in Appendix A, Representation of Absence of Conflict of Interest. In addition to this self-assessment, the individual responsible for coordinating the review, e. g., program official or head of the central review function, will judge whether a reviewer has a potential or actual conflict of interest in any application that the individual may review as a member of a committee or as a field reader.

040202.05 Conducting the Objective Review

A. Preparing for the Review. As soon as possible after each application submission deadline, one or more objective review committees or groups of field readers will be convened or scheduled by or on behalf of the office with responsibility to perform this function. Relevant materials, including funding opportunity announcements, statutes, regulations, applications, and scoring sheets will be provided to the reviewers before the scheduled meeting or review of applications. To the extent feasible, this information should be transmitted to reviewers electronically.

B. Conducting the Review. Applications, whether reviewed by one or more committees/panels, or by field readers, will be reviewed in accordance with the evaluation criteria included in the funding opportunity announcement (or equivalent if a funding opportunity announcement is not required).

C. Scoring and Recommendations. Unless precluded from reviewing a particular application(s) because of a conflict of interest, all reviewers assigned to an application will individually score each application under consideration by the committee or group of field readers. The score is based on a criterion-by-criterion evaluation of the extent to

which the application meets the program's announced review criteria, including any criteria in program regulations. A summary statement of each application's strengths and weaknesses, by criterion, will be prepared for each scored application. See sample in Appendix B.

1. In addition to scoring, the GPO's objective review procedures may require reviewers to provide a recommendation of approval or disapproval for each application. Any recommendation given to the GPO will be accompanied by an explanation from the reviewers.

2. A GPO's objective review procedures may also permit the reviewers to recommend deferral of an application for further review and consideration in the next review cycle, in order to obtain clarifying information. This postpones a final recommendation.

D. Ranking. As soon as possible following completion of application scoring, applications will be ranked. The individual scores assigned to each criterion are aggregated to form a composite score for each application, which serves as the basis for the relative ordering or ranking of applications. The ranking is determined from the scores given by the objective reviewers, and, as applicable, published priorities.

040202.06 Approval Process. In determining which applications to approve and the priorities for funding, the approving official may take into account the ranking and any other considerations that are described in the NOFA, or are permitted or required by statute, Executive Order, or regulations.

- There will be a listing or, at the discretion of the GPO, separate listings, indicating those applications that are not approved, approved but unfunded, and deferred.

- The decision-making process will be documented so that the decision made and rationale can be understood.

A. Notification to Unsuccessful Applicants. When a decision <u>not</u> to fund an application during a given review cycle has been reached, a letter will be sent to the affected applicant within a reasonable time period after the decision and awards have been made. This includes applications that have been deferred. The letter will include sufficient information for the applicant to understand the basis for the decision.

B. Every unsuccessful applicant is entitled to a full explanation of why the application was not funded. The initial notice should provide a complete explanation, where possible. However, a notice may contain limited information regarding the unsuccessful application and indicate that a more detailed explanation will be provided at a later date or upon request.

040202.07 Documentation of the Review. All documentation affecting the decision to approve, disapprove, defer, or not to fund an application, as required by this policy, will be maintained by the GPO.

A. Documentation generated throughout the review process will be handled in a manner that protects the confidentiality of individual reviewers' identities, their comments, and does not reveal their assessments or scores of the overall ranking,except on a "need-to-know" basis.

B. Except where the authorized GPO official asserts any applicable exemptions from the disclosure requirements of the Freedom of Information Act (FOIA) (5 U.S.C. 552), the Privacy Act (5 U.S.C. 552a), or FACA (5 U.S.C. App. 2), certain documents related to the objective review will be made available for public inspection and copying.

040202.08 Use of Objective Review Scores. The results of the objective review of individual applications are advisory to the approving official and must be considered by that official. Objective reviews do not replace the delegated authority of the approving official to decide whether a grant will be awarded.

040202.09 Other Reviews. An objective review is in addition to any other required review, e.g. budget reviews, business reviews, reviews of audit outcomes, and reviews of comments obtained through processes such as those prescribed by the National Environmental Policy Act (NEPA), Executive Order (EO) 12372, or the National Historic Preservation Act.

040203 GRANT APPLICATION AND DELIBERATIVE REVIEW

040203.01 Overview. This subsection outlines the conditions under which an application may not be subject to competition, pre-award review processes, or documentation of deliberations.

040203.02 Exceptions to the Objective Review. Grant programs will be competed using the Objective Review process as defined in Section 040202 where: 1) the method for selection and award is not based on a statutory, appropriations, or regulatory required formula or other non-competitive construct, or 2) the competition occurred in the previous year and is being continued under the project period system. As a result, the responsive applications submitted under those programs should be competitively reviewed.

Three types of new applications may be awarded without subjecting the application to competitive review: unsolicited; sole source; and urgent. Non-competitive continuation applications within incrementally funded project periods also do not need to be competed.

A. In the absence of a competitive review, these three types of applications may be submitted to an ad hoc independent review group for evaluation. In reviewing such applications, the evaluators should use evaluation criteria contained in either GPO guidance or regulations.

B. Notification of unsolicited, sole source, and urgent grant awards will be published in the Federal Register prior to or simultaneous with the award of these grants. These notifications should include at a minimum the following information:

- Recipient(s) name(s);
- Amount(s) of award(s);
- Project period(s);
- Reason(s) for no competition; and
- Name and address of official to be contacted for more information.

C. All decisions relating to such awards will be carefully documented and justified in writing at every level of decision making.

040203.03 Budget and Financial Review. Before making a new or competing continuation award for a discretionary grant, including those resulting from single-source, unsolicited, and, to the extent possible, urgent applications, GPOs will determine the following:

- Based on a budget review or cost analysis, whether the application budget meets specified cost allowability requirements, is consistent with the work to be carried out under the award, and will contribute to achievement of the grant-supported project or program objectives;
- Based on an assessment of the adequacy of financial management systems, whether potential recipients have the ability to administer Federal funds properly; and
- Whether, if the intended recipient's financial capabilities may be in question, it has the financial capability necessary to sustain operations and perform the planned project. An intended recipient may have questionable financial capabilities if it is newly established, has had no VA awards within the last 36 months, has known financial difficulties, or there is a reasonable doubt as to their financial capabilities based on known facts or circumstances.

040203.04 Federal Audit Clearinghouse. Prior to making an award, the GPO will consult the Federal Audit Clearinghouse (FAC) (http://harvester.census.gov/sac/) to determine compliance with the requirements of the Single Audit Act as set out in Office of Management and Budget (OMB) Circular A-133 as well as to determine if there are audit findings relevant to the interest of the GPO.

040203.05 High-Risk Grantees. It is VA policy to use special award conditions as a means of protecting the Government's interests and effecting positive change in

grantees' performance or compliance, including the quality of their management systems when a grantee exhibits high risk behavior including a history of poor programmatic performance, financial instability, inadequate management systems, or a lack of compliance with the terms of VA awards. Special award conditions may include one or more of the following as appropriate for the specific grant or grantee:

- Payment on a reimbursement basis;
- Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given funding period;
- Requiring additional, more detailed financial reports;
- Additional project monitoring;
- Requiring the grantee or subgrantee to obtain technical or management assistance; or
- Establishing additional prior approvals.

040203.06 Based on guidance from OMB, the GPO will utilize the Department of the Treasury "Do Not Pay" portal to determine the eligibility status of an applicant prior to award. This portal gives GPO's access to the Excluded Parties List System (EPLS), Death Master File (DMF), List of Excluded Individuals/Entities (LEIE), Department of Treasury FMS' Debt Check and the Central Contractor Registration. At a minimum, this action should occur just prior to award. It is the responsibility of the GPO to establish procedures on who is responsible for performing the check and when this will occur.

040203.07 Deliberations and Documentation. Where allowed by statute, a variety of factors may be considered in determining awards.

A. To ensure the integrity and transparency of the process, GPOs will use the criteria established within a Notice of Funding Availability, where applicable.

B. The GPO will document each step in the deliberative process, including reasons for changes to potential funding lists or decisions during the course of the process, in order to establish the reasoning for decisions and their basis.

040204. GRANT AWARDS.

040204.01 Overview and Applicability. This section addresses applicability, Notices of Award, signature authority, and terms and conditions of award as it applies to programs authorized under discretionary funding.

A. Unless otherwise authorized by statute or regulation, a Notice of Award (NoA) should be used for an action that:

- Makes an award;
- Adds to or reduces the funding of an award;
- Causes a change in the period of performance;
- Changes the recipient; or
- Adds, removes, or changes award conditions, including specific terms and conditions.

B. These requirements apply to grants including non-competing continuation awards, administrative supplements, and program expansion supplements.

040204.02 Notice of Award (NoA). The NoA, see sample in Appendix C, is the official document that:

- Notifies the recipient that an award has been made; and

- Contains or makes reference to the terms and conditions of the award.

A. Signature Authority. The NoA will be signed by the head of the GPO or their designee, unless a different authority is required by statute and no appropriate delegation is on record.

B. Contents of the NoA. Each NoA will contain the following identifying information (usually in a pre-printed or pre-established format) on the cover page of the award document, see sample in Appendix D, and/or in an attachment:

1. Unique identifying number (grant number).

2. A way to distinguish the most current NoA for a grant, e.g., through a statement that "this award supersedes the award dated___," by using a numbering convention, or by means of a term of award.

3. The legal name and address of the organization or entity to which the award is made (i.e., the entity legally responsible for carrying out the award and for complying with its terms and conditions).

4. Full name and address of the awarding office.

5. Names, office, e-mail addresses, and telephone numbers of the awarding office contact(s).

6. Name of the funding program, statutory authority, and governing program regulations, if any.

7. Title of the project, short description, or statement of purpose.

8. *Catalog of Federal Domestic Assistance* (CFDA) number for the program under which the award is made.

9. Whether the award is a grant or cooperative agreement.

10. A direct cost line item (categorical) as found on the budget in the SF-424C for construction projects or the SF- 424A for all other grants (e.g., salaries, equipment, supplies, travel) for the approved project (the detailed budget should be for Federal funds only with matching funds to be applied as direct costs shown as a single line item) and the indirect/facilities and administrative costs rate and amount.

11. Accounting and appropriation data and other information required for fiscal administration of the grant, including:

- Applicable appropriation and fiscal year;
- The cumulative amount of Federal funds authorized for the budget period;
- The total approved budget, which consists of the funds awarded or deobligated by the awarding office and any matching or cost sharing required to be spent by the recipient as a condition of award;
- The period of performance and period of funding availability, including the beginning and ending dates of the budget period and the project period;
- For applications that include recommendation for out-year budgets, the amount of awarding office support recommended for future years (budget periods) of the approved project period;
- Name and address of grantee business office; and
- Recipient's Employer Identification Number (EIN) or the VA accounting tracking number in the Financial Management System (FMS), as appropriate. An individual's Social Security Number (SSN) should never appear on the NoA.

12. The date signed. For new or competing continuation awards this date should be sufficiently in advance of the beginning date of the budget period/project period to allow the recipient adequate lead time to begin the project timely.

13. The name of the approved project director at the recipient organization for cooperative agreements.

14. Reference to the approved application by submission date, assignment of a unique number, and/or reference to any amended application or correspondence amending the application.

15. A statement that the award is subject not only to any terms and conditions detailed in the award but also to those cited and incorporated by reference or state and Federal laws.

16. The order of precedence to be followed in the event the award includes conflicting or otherwise inconsistent requirements. For example, statutes take precedent over all other documents.

17. A statement to the effect that by drawing or otherwise obtaining funds for the award from the grant payment system, the recipient accepts the terms and conditions of the award and agrees to perform in accordance with the requirements of the award.

C. Terms and Conditions. The terms and conditions of award are the legal requirements imposed by the GPO on a recipient, whether by statute, regulation, the grant award itself, or other issuances. General terms and conditions are ones that will be included in each applicable award, whether they apply to all grants, class(es) of grant(s), or will be tailored for an individual award. It may also be necessary to include award-specific conditions or special conditions in an award to ensure that the objectives of the award are achieved, to conserve grant funds, or otherwise to protect the Government's interests.

1. Terms and conditions should reflect current policies. To the extent practical, terms and conditions should be maintained as standard sets for different grant purposes (e.g., research, service, construction). In general, terms and conditions should not repeat in full text policies or material addressed in regulations or other documents incorporated by reference.

2. Each award will include general terms and conditions that address the following, as appropriate, whether preprinted on the NoA, incorporated by reference, or included in whole text or in part:

- The VA administrative regulations that apply to the award (38 CFR Part 43 and/or Part 49);
- The applicable cost principles based on the recipient's organizational type (2 CFR Part 220, 225, or 230);
- The name, telephone number, and location of the paying office;
- Reporting requirements, including the name of the form, any formatting instructions, due date(s), and submission instructions (manual or electronic) and, as applicable, a Web site for further information. This includes financial reporting, progress reporting, and, as applicable, research integrity/misconduct and invention reporting;
- How any program income earned under the award will be used;
- For cooperative agreements, a specific statement of the nature and extent of the awarding office's anticipated substantial programmatic involvement in the project;
- The post-award requirements of applicable public policies, including human subjects, and lobbying (38 CFR Part 16 and 45); and
- The following statement: "The VA Office of the Inspector General (OIG) maintains a toll-free number (1-800-488-8244) for collecting information concerning fraud, waste, or abuse under grants and cooperative agreements. Information also may be submitted by e-mail to vaoighotline@va.gov or by mail to VA Inspector General Hotline (53E), P.O. BOX 50410, Washington, DC 20091-0410. Such reports are

treated as sensitive material and submitters may decline to give their names if they choose to remain anonymous."

D. Specific conditions. In addition to the general terms and conditions, awards may contain specific conditions. Specific conditions may be of the following types:

- Programmatic conditions that apply to all or a subset of awards under a program;
- Conditions that apply only to an individual award (e.g., conditions based on objective review recommendations or conditions requiring recipient compliance before funds may be released); or
- Special award conditions deemed necessary because of a grantee's designation as "high risk."

1. Specific conditions will be stated in full in the NoA. Specific conditions may originate with the objective review or may be determined by the GPO. Regardless, the GPO is ultimately responsible for determining the propriety of including them in the award and developing language that clearly communicates to the recipient the nature or requirements of the condition.

2. Specific conditions should not be used as a means of amending or clarifying substantive matters improperly or inadequately addressed in the application. These matters should be addressed in negotiations before award and result in agreed upon changes to the application that are incorporated by reference in the award. Such conditions may not include restrictions on recipient activity caused by an awarding office's inability to complete the financial management evaluation prior to award.

040204.03 Assignment of payments. If the reimbursement payment method is used and assignment is not precluded by the program's authorizing legislation, the awarding office should contact VA's Financial Management Service (FMS) or the Department of Health and Human Service's (HHS) Payment Management System (PMS) for information concerning guidelines and procedures for assigning payments. When applicable, the NoA should indicate that the recipient may assign its payments to a financial institution (bank, trust company, or other financing institution, including any Federal lending agency) if necessary to finance the costs of the federally supported project.

040204.04 Congressional notification. Awarding offices will coordinate with the Assistant Secretary for Congressional and Legislative Affairs (OCLA), including the Office of Congressional Liaison (OCL). Coordination is required to establish protocols to ensure members of Congress receive prompt notification of all new and competing grant awards to domestic organizations. This includes significant program expansion supplements. Generally, a 72-hour waiting period is required between Congressional notification and mailing or electronic transmission of the NoA. The GPO will coordinate with OCLA for the proper time to notify the grantee of a new award.

A. The OCL is responsible for establishing the content of the required notification, the transmission procedures, and the means of acknowledging receipt. Generally, the information includes the name of the recipient, congressional district(s) of the recipient and place of performance (if different), the type of award (e.g., new, program expansion supplement); the period of performance, and the amount obligated by the current action.

B. The OCL is also responsible for authorizing and coordinating any exceptions to the waiting period. For example, at the end of the fiscal year the Committee Liaison Office (CLO) may allow a 48-hour waiting period for a program(s) by advance arrangement of the awarding office.

0403 AUTHORITY AND REFERENCES

040301 The Freedom of Information Act, 5 U.S.C. 552

040302 Privacy Act of 1974, 5 U.S.C. 552a

040303 Federal Advisory Committee Act (FACA), 5 U.S.C. Appendix 2

040304 18 U.S.C. 208: Act Affecting a Personal Financial Interest

040305 The Federal Grant and Cooperative Agreement Act (Act) of 1977 (31 U.S.C. 6301-08)

040306 Single Audit Act of 1984, 31 U.S.C. 7501

040307 2 C.F.R. Part 220, Cost Principles for Educational Institutions

040308 2 C.F.R. Part 225, Cost Principles for State, Local, and Indian Tribal Governments

040309 2 C.F.R. Part 230, Cost Principles for Non-Profit Organizations

040310 38 C.F.R. Part 16, Protection of Human Subjects

040311 38 C.F.R. Part 43, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments

040312 38 C.F.R. Part 45, New Restrictions on Lobbying

040313 38 C.F.R. Part 49, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations

040314 OMB Circular A-133 Audits of States, Local Governments, and Non-Profit Organizations

040315 National Environmental Policy Act (NEPA)

040316 National Historic Preservation Act

040317 Executive Order 12372, Intergovernmental Review of Federal Programs (as amended and supplemented)

040318 OFP Publications Library

0404 ROLES AND RESPONSIBILITIES

040401 The Assistant Secretary for Management and Chief Financial Officer (CFO), oversees all financial management activities relating to the Department's programs and operations, as required by the Chief Financial Officers Act of 1990 and 38 U.S.C. 309. Responsibilities include the direction, management and provision of policy guidance and oversight of VA's financial management personnel, activities and operations. The CFO establishes financial policy, systems and operating procedures for all VA financial entities and provides guidance on all aspects of financial management.

040402 Under Secretaries, Assistant Secretaries, and other key officials are responsible for ensuring compliance with the policies and procedures set forth in this chapter.

040403 The Office of Finance, Office of Financial Policy (OFP) is responsible for developing, coordinating, reviewing, evaluating, and issuing VA financial policies, including those that impact financial systems and procedures for compliance with all financial laws and regulations. The Management and Financial Reports Service (047GB) within OFP is responsible for preparing various VA comprehensive financial reports, such as those required by the President and the Executive Branch, including OMB/Treasury reports from the Hyperion (MinX) software. OFP is also responsible for working with the Office of Inspector General's independent contract auditors on VA's annual Consolidated Financial Statements audit and preparing and reviewing Consolidated Financial Statements, Notes and Required Supplementary Information, etc.

040404 The Head of the GPO is responsible for the objective review of grant applications. The functions associated with the objective review may be delegated by the head of the GPO at an appropriate level.

040405. The designated official or their designee will sign each NoA. The signature signifies that he or she has determined the notice is complete and its issuance complies with all applicable laws, regulations, and other requirements.

0405 PROCEDURES

None.

0406 DEFINITIONS

040601. Approving official. The individual with the authority or delegated authority to make funding decisions for a given program.

040602. Designated official. Refers to the individual to whom VA has assigned the responsibility to perform certain functions in the objective review process. This individual may be in a central review function or in the program chain of command. The level to which a function may be assigned or reassigned may vary except where a specific provision of this policy indicates that a particular function may not be assigned below a certain level. Therefore, the designated official is not necessarily the same individual for all review functions.

040603 Field Reader. A subject matter expert who reads and reviews applications during the objective review process as an independent review rather than as part of a panel that discusses the application and scores collectively.

040604 Objective review. The process that involves the thorough and consistent examination of applications based on an unbiased evaluation of scientific or technical merit or other relevant aspects of the proposal. The review is performed by persons expert in the field of endeavor for which support is requested, and is intended to provide advice to the individuals responsible for making award decisions.

040605 Parent organization. Includes a holding company, trust, or other entity in a higher-level organizational relationship with the applicant organization.

040606 Program Office. The organization reporting to the approving official that would be responsible for programmatic administration of a particular grant if awarded.

040607 Subsidiary. An entity under effective control—by ownership or otherwise—of another organization, and it includes a sub-subsidiary or co-subsidiary of the same parent organization.

0407 QUESTIONS

Questions concerning these policies and procedures should be directed as shown below:

Office of Management, Office of Financial Policy, Grants Management Services

0408 REVISIONS

Section	Revision	Office	Effective Date
Vol X Ch 4	New policy chapter.	Grants Mgmt	May 2012

APPENDIX A: REPRESENTATION OF ABSENCE OF CONFLICT OF INTEREST

Note: The following is an example and is not required to be used by the GPOs.

I certify that, based on the list of applications about to be reviewed by the committee of which I am a member, I [*do*] [*do not*] have any actual or potential conflict of interest with respect to any application assigned to that committee.

An individual has a conflict of interest in an application if that person, his or her spouse, parent, minor child, or partner:

- Serves as an officer, director, trustee, partner, or employee of or consultant to the applicant organization, its parent, or any subsidiary organization.

- Is negotiating (or has an arrangement concerning) prospective employment (or other similar association) with the applicant organization, its parent, or any subsidiary organization.

- Has a financial interest, within the meaning of 18 U.S.C. 208, in the application or in the applicant organization, its parent, or any subsidiary organization.

"Parent organization" includes a holding company, trust, or other entity in a higher-level organizational relationship with the applicant organization.

"Subsidiary" means an entity under effective control--by ownership or otherwise--of another organization, and it includes a sub-subsidiary or co-subsidiary of the same parent organization.

My conflict of interest as marked above is in the following application(s): (Insert)

I understand that I may not review, score, rate, be present for, or otherwise participate in the discussion of or be privy to, the review comments for any application in which I have a potential or actual conflict of interest.

I certify that, to the best of my knowledge, the above information is accurate and true.

Typed Name of Reviewer:

Signature (Date)

APPENDIX B: REQUIREMENTS FOR WRITTEN AGREEMENTS FOR FIELD READERS

Note: The following is an example and is not required to be used by the GPOs.

With respect to the application and other material to be referred to the reader, the written agreement will contain text reading substantially as follows:

SCOPE OF WORK

The undersigned field reader will:

(a) Before reviewing or scoring any grant application pursuant hereto, carefully read the evaluation priorities and criteria, the explanation hereof, and the instructions for scoring, all of which are attached hereto.

(b) Carefully review the whole of each grant application transmitted to him/her pursuant to this agreement.

(c) In accordance with the priorities and criteria, explanations and instructions attached hereto, solely on the basis thereof and of the content of the grant application, score each grant application on each priority or criterion, according to his/her best judgment of the degree to which the grant application meets the priority or criterion, or if so instructed, submit an overall assessment regarding the scientific or technical merit or other relevant aspects of the application.

(d) Correctly indicate the score given by him/her pursuant to paragraph (c) above to each grant application on each priority and criterion or an overall score or recommendation in the place provided on the scoring sheet or other evaluative document for that grant application; make a written explicative assessment of the application, where required; sign and date the certification on the scoring sheet (or other document); and return the scoring sheet (or other document) and written explicative assessment to the (name and title of appropriate official) of (PROGRAM OFFICE/awarding office).

APPENDIX C: NOTICE OF AWARD REQUIREMENTS EXAMPLE

Note: The following is an example and is not required to be used by the GPOs.

September 30, 2012
Mr. Tom Parks
Legal Name of Grantee
2500 Park Street
Colorado Springs, CO 80909

Dear Mr. Parks:

I am pleased to inform you that the Department of Veterans Affairs has approved your application for funding under the VA Grant Program Name in the amount of $500,000 for the Legal Name of Grantee.

Enclosed you will find the Grant Award and Special Conditions documents. This award is subject to all administrative and financial requirements, including the timely submission of all financial and programmatic reports, resolution of all interim audit findings, and the maintenance of a minimum level of cash-on-hand. Should you fail to adhere to these requirements, you will be in violation of the terms of this agreement, and the award will be subject to termination for cause, or other administrative action, as appropriate.

If you have questions regarding this award, please contact:

> John Smith, National Director VA Grant Program Office
> (202) 461-1000
> John.Smith@va.gov

Congratulations, and we look forward to working with you.

Sincerely,

Name of Authorized Signing Official
Title of Signing Official
Office Name of Signing Official

APPENDIX D: SAMPLE GRANT AGREEMENT

Note: The following is an example and is not required to be used by the GPOs.

U.S. Department of Veterans Affairs Veterans Grant Program	Grant Agreement	Page 1 of 3
1. Recipient Name and Address Legal Name of Grantee Address of Grantee Colorado Springs, CO 80909	4. Award Number: XX-XX-XXX	
	5. Project Period: From 10/1/2012 to 9/30/2013 Budget Period: From 10/1/2012 to 9/30/2013	
	6. Award Date: 9/30/2012	7. Action New Award
2. Grantee IRS/Vendor Number EIN Number of Grantee	8. Supplement Number: 0	
	9. Previous Award Amount: 0	
3. Project Title: VA Grant Program Title	10. Amount of this Award: $500,000	
	11. Total Award: $500,000	
12. Statutory Authority for Grant: Public Law 110-XXX Sec XX, 38 USC 5XXA – Title of Statutory Authority.		
13. Method of Payment: Provisioning/ACH		
14. Project Description:		
15. VA Contact: John Smith, National Director VA Grant Program Office		

AGENCY APPROVAL	GRANTEE ACCEPTANCE
14. Title and name of VA approving official: Name of Authorized Signing Official Title of Signing Official	16. Title and name of authorized grantee official: Name of Grantee Signing Official Title
15. Signature of VA approving official:	17. Signature of authorized grantee official:

U.S. Department of Veterans Affairs Veterans Grant Program	Award Continuation Sheet Grant Agreement	Page 2 of 3

Award Number: 2012-PP-001 **Award Date:** 9/30/2011

Special Conditions:
THE ABOVE GRANT PROJECT IS APPROVED SUBJECT TO SUCH CONDITIONS OR LIMITATIONS AS SET FORTH BELOW.

1. Program income (38 C.F.R. 49.24) may be retained by the Grantee Name (or its sub awardees) and added to Grant funds to further eligible Program objectives. The USOC (and its sub awardees) may retain Program Income earned after the end of the Project Period, without further obligation to the VA.

2. Title to equipment, supplies, and other personal property funded by the Grant shall vest in the USOC (or its sub awardees), and this property shall be used for the Program subject to the provisions of 38 C.F.R. 49.34 and 49.35. Such equipment, supplies, and other personal property may be retained by the USOC (or its sub awardees) at the end of the Grant-funded Program unless 38 C.F.R. 49.34 or 49.35 require otherwise.

3. The Grantee Name has executed and will comply with SF 424B "Assurances—Non-Construction Programs".

4. The Grantee Name agrees that it is responsible for the use of grant funds provided by VA. In accordance with 38 C.F.R. 49.61, VA may terminate this award or take other action if the USOC materially fails to comply with the terms and conditions of this award, whether stated in a Federal statute, regulation, assurance, application, or notice of award.

5. The recipient agrees to comply with the organizational audit requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and further understands and agrees that funds may be withheld, or other related requirements may be imposed, if outstanding audit issues (if any) from OMB Circular A-133 audits (and any other audits of VA grant funds) are not satisfactorily and promptly addressed.

6. No federal funds shall be used to pay for any part of air travel that includes business or first class seating except as authorized for government travel (as described in OMB Circular A-122) and authorized by the VA Program director prior to booking such tickets.

7. The USOC will comply with Federal laws and regulation applicable to grants and grant recipients, including applicable provisions of 2 C.F.R. 215 (OMB Circular A-110), 2 C.F.R. 230 (OMB Circular A-122), and 38 C.F.R. Part 49.

8. Grant funds may be used only for the purposes in the recipient's approved application and allocated as directed in OMB Circular A-122. The recipient shall not undertake any work or activities that are not described in the grant application, and that use staff, equipment, or other goods or services paid for with VA grant funds, without prior written approval from the VA.

9. The recipient agrees to comply with applicable requirements regarding Central Contractor Registration (CCR) and applicable restrictions on subawards to first-tier subrecipients that do not acquire and provide a Data Universal Numbering System (DUNS) number. The recipient will work the VA to ensure that all of the sub recipients have current CCR. The details of recipient obligations are posted on the U.S. Government Printing Office web site at http://www.va.gov/adaptivesports/va_ccr.asp.

Revision 01/12

Initial: _____
Grantee Signing Official Title

U.S. Department of Veterans Affairs National Veterans Sports Programs and Special Events	Award Continuation Sheet Grant Agreement	Page 3 of 3

Award Number: 2012-PP-001 **Award Date:** 9/30/2011

10. The grantee understands and agrees that, with respect to the provision of services or benefits to a specific population, any individual who is otherwise eligible to participate in any program or activity supported by any of these grant funds shall be provided with such services or benefits as funded under this award, without regard to race, color, religion, national origin, or sex. With respect to a single-sex program or activity, unless there is legal authority for the exclusivity, the recipient agrees to identify and refer the excluded individuals to, or provide them with, a comparable alternative program or service.

11. The recipient agrees to submit a final report at the end of this award documenting all relevant project activities during the entire period of support under this award. This report will include detailed information about the project(s) funded, including, but not limited to, information about how the funds were actually used, data to support statements of progress, number of veterans who participated, administrative expenses, and data concerning individual results and outcomes of funded projects reflecting project successes and impacts. The final report is due no later than 60 days following the close of this project period.

12. The recipient agrees to cooperate with any assessments, national evaluation efforts, or information or data collection requests, including, but not limited to, the provision of any information required for the assessment or evaluation of any activities within this project and collection of data from any or all subrecipients.

13. The recipient shall submit quarterly progress reports. Progress reports shall be submitted within 30 days after the end of the reporting periods, which are December 31, March 31, June 30 and September 30. This report will include detailed information about the project(s) funded, including, but not limited to, number of disabled veterans who benefited, administrative expenses, information about how the funds were actually used, data to support statements of progress, and data concerning individual results and outcomes of funded projects reflecting project successes and impacts.

14. The recipient agrees that it will submit quarterly financial status reports to VA using the SF 425 Federal Financial Report form (available for viewing at www.whitehouse.gov/omb/grants/standard_forms/ff_report.pdf), not later than 30 days after the end of each calendar quarter. The final report shall be submitted not later than 90 days following the end of the award period.

15. The VA Office of the Inspector General (OIG) maintains a toll-free number (1-800-488-8244) for receiving information concerning fraud, waste, or abuse under grants and cooperative agreements. Information also may be submitted by e-mail to vaoighotline@va.gov or by mail to VA Inspector General Hotline (53E), P.O. BOX 50410, Washington, DC 20091-0410. Such reports are treated as sensitive material and submitters may decline to give their names if they choose to remain anonymous.

Revision 01/12

Initial: _____
Grantee Signing Official Title