

Department of Commerce Federal Financial Assistance Manual

Federal Financial Assistance Manual



OAM/FAPOD

October 1, 2024
Interim Change 1, dated March 31, 2025

This Manual is for internal Department of Commerce use only. It is to be used by operating units, grants offices and all involved in the lifecycle of a Federal financial assistance award. This Manual is maintained by the Financial Assistance Policy and Oversight Division (FAPOD) within the Office of Acquisition Management (OAM).

Contents

1. PREFACE.....	1
2. INTRODUCTION	4
A. Purpose	4
B. Authority	4
C. Coverage	4
D. Effect on Other Issuances	4
E. Requirements for the Administration of DOC Awards	4
3. GLOSSARY OF ACRONYMS AND DEFINITIONS	7
A. Acronyms	7
B. Definitions	7
4. RESPONSIBILITIES IN FEDERAL FINANCIAL ASSISTANCE ADMINISTRATION	11
A. Chief Financial Officer and Assistant Secretary for Administration	11
B. Office of Acquisition Management	11
C. Office of the General Counsel	13
D. Office of Inspector General	16
E. Grants Office	17
F. Liaison Responsibilities	20
G. Program Office	21
H. Property Management Office	24
5. RELATIONSHIPS WITH OUTSIDE ENTITIES	25
A. Overview	25
B. Grant	25
C. Cooperative Agreement	25
D. Procurement Contracts	26
E. Other Types of Agreements	27
6. TYPES OF FINANCIAL ASSISTANCE FUNDS AND AWARDS	29
A. Discretionary Funds	29

B. Nondiscretionary Funds	30
7. TYPES OF APPLICATIONS	32
A. Pre-applications	32
B. Competitive Applications	33
C. Noncompetitive Applications	33
D. Supplemental Applications	34
8. MERIT REVIEW, SELECTION, APPROVAL, AND NOTIFICATION PROCEDURES	36
A. Overview	36
B. Review Standards.....	36
C. Evaluation and Selection Requirements for Competition	38
D. Review Process for Applications for Competitive Awards.....	40
E. Review Process for Applications for Institutional Awards	41
F. Review Process for Applications for Noncompetitive Awards Made with Discretionary Funds ...	41
G. Review Process for Applications for Awards Mandated or Limited by Statute.....	43
H. Congressional Notification.....	43
I. Obligation of Funds.....	43
J. Notice to Applicants.....	44
9. PRE-AWARD ADMINISTRATIVE REQUIREMENTS.....	45
A. Application Package	45
B. Recommendation for Funding	46
C. Budget Analysis	46
D. Costs.....	47
E. Executive Order (E.O.) 12372 (Intergovernmental Review of Federal Programs).....	49
F. Applicant’s Management and Financial Capabilities	49
G. Review of Recipient’s Risk.....	49
H. Awards to Insular Areas	51
I. Preparation of Financial Assistance Award.....	51
10. POST AWARD ADMINISTRATION REQUIREMENTS.....	54
A. Official Award File	54
B. Application of Cost Principles under DOC Awards.....	56
C. Amendments.....	56
D. Project Monitoring.....	57
11. ENFORCEMENT	58
A. Overview	58

B. Enforcement	58
C. Concurrent Actions	61
12. AWARD CLOSEOUT	62
A. Grants Officer Responsibilities.....	62
B. Unobligated Funds	62
C. Deobligation of Funds	63
D. Retention of Records	63
E. Unilateral Termination and/or Administrative Closeout	63
Appendix A: Sample Business Official’s Notice to Submit Documentation	66
Appendix B: Sample Missing Data Report and Due Diligence Checklist	68
Appendix C: Sample Unilateral Termination and/or Unilateral Closeout Memorandum.....	70
13. AUDITS.....	71
A. Audit Requirements	71
B. Audit Roles and Responsibilities	71
C. Other Audits.....	71
D. Access to Recipient Records	72
E. Audit Resolution	72
14. ESTABLISHMENT AND COLLECTION OF FINANCIAL ASSISTANCE-RELATED DEBTS	73
A. Standards for the Establishment and Collection of Debts.....	73
B. Establishment of a Debt.....	73
C. Debt Collection	74
D. Impact of Delinquent Federal Debts on Award Eligibility	75
E. Exceptions	77
Appendix A – Sample Notice and Demand Letter/Management Decision Letter	78
15. GRANTS ADMINISTRATION POLICIES AND REQUIREMENTS	83
A. Anti-Deficiency Act.....	83
B. <i>Bona Fide</i> Needs Rule	83
C. Conflicts of Interest.....	83
D. Consulting Services	84
E. Coordination with DOC and Other Federal Agencies	84
F. DOC Forms	85
G. Freedom of Information Act (FOIA)	85
H. Management and Institutional Grant Reviews.....	85
I. Privacy Act.....	86

J. Recipient Name Change.....	86
K. Requests for Prior Approval.....	86
L. Statutory Authority	86
M. Transfer of Award	86
N. Transfer of Funds	88
O. Waivers and Deviations	88
16. CONSTRUCTION AWARDS	89
A. Purpose	89
B. Authority	89
C. Scope of Chapter.....	89
D. Policy.....	89
E. General Requirements	90
F. Disbursement of Funds and Financial Administration.....	102
G. Award Amendments	102
H. Post-Construction Requirements.....	104
Appendix A: Applicable Regulations, OMB Circulars and Agency-specific Guidance.....	109
17. GUIDELINES FOR THE PREPARATION OF PUBLIC NOTICES ANNOUNCING THE AVAILABILITY OF FINANCIAL ASSISTANCE: NOTICE OF FUNDING OPPORTUNITY (NOFO) AND <i>FEDERAL REGISTER</i> NOTICES.....	111
A. Background	111
B. Format of NOFO	112
C. Publication in the <i>Federal Register</i>	113
D. <i>Federal Register</i> Format Requirements	114
E. Coordination and Clearance	117
18. MULTI-YEAR AWARD PROCEDURES	118
A. General.....	118
B. Multi-Year Awards	118
C. Incremental Funding Principles	118
D. Preparation of New Multi-Year Award(s)	120
E. Preparation of Amendment(s).....	121

Summary of Substantive Interim Changes

1. Removed reference to Executive Order (EO) 13990, *Protecting Public Health and the Environment and Restoring Science to Tackle Climate Crisis*, dated January 20, 2021. EO 13990 was revoked by EO 14154, *Unleashing American Energy*, dated January 20, 2025.
2. Deleted reference to Research Terms and Conditions.
3. Clarified that all actions described in Chapter 4, Section C, paragraph 2 require FALD clearance – to include any waivers and/or amendments to a NOFO.
4. Updated language in Chapter 4, Section C, paragraph 3.c – deleted “competitive” from “competitive awards” in the fourth line of paragraph 3.c.
5. Added Chapter 5, Section E, paragraph 5 – Other Transaction Authority.
6. Deleted Chapter 10, Section E (Recipient/Subrecipient Responsibilities).
7. Chapter 11, Section B, paragraph 6.b – FALD provided clarity with respect to a Federal agency or pass-through entity terminating an award.
8. Updated Chapter 12, Section D, paragraph 1 to note that the recipient and any subrecipients must retain all Federal award records for three years from the date of submission of their final financial report.