

INDIAN AFFAIRS MANUAL

Part 22

Acquisition Management

Chapter 6

Grants and Cooperative Agreements

Page 1

1.1 Purpose. This chapter establishes the financial assistance grants and cooperative agreement (collectively "award" or "agreement") policy of Indian Affairs (IA) under 2 CFR 200; and describes the responsibilities of IA program and grants management officials for grant and cooperative agreement administration.

1.2 Scope. This policy applies to all programs and offices under the authority of the Assistant Secretary-Indian Affairs (AS-IA), including AS-IA offices, the Bureau of Indian Affairs (BIA), and the Bureau of Indian Education (BIE), executing financial assistance awards under the authority of 2 CFR 200. This policy does not apply to agreements made pursuant to Public Law (P.L.) 93-638 or P.L.100-297.

1.3 Policy. It is the policy of IA to comply with all applicable federal laws, regulations, and Departmental policies and procedures regarding financial assistance.

1.4 Authority.

A. Statutes and Regulations.

- 1) 31 U.S.C. §§ 6301-6308, Federal Grant and Cooperative Agreement Act
- 2) 31 U.S.C. § 6102(a), Program Information Requirements
- 3) P.L. 106-107, Federal Financial Assistance Management Improvement Act
- 4) 2 CFR 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
- 5) 2 CFR 1402, Department of the Interior (DOI) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

B. Guidance.

- 1) 112 Departmental Manual (DM) 23, Office of Grants Management
- 2) 205 DM 12, General Delegations: Financial Assistance
- 3) 305 DM 3, Program Management and Responsibilities, Integrity of Scientific & Scholarly Activities
- 4) 505 DM 1, Program Management and Responsibilities
- 5) 507 DM 1-2, Program Information and Data

INDIAN AFFAIRS MANUAL

- 6) 511 DM 1-8, Coordination with State and Local Governments
- 7) 512 DM 2-7, American Indian and Alaska Native Programs
- 8) DOI Office of Grants Management Policy (DOI-PGM-POL)-0006, Award Close-Out
- 9) DOI-PGM-POL-0007, Automated Standard Application Payments (ASAP) Roles for Financial Assistance
- 10) DOI-PGM-POL-0014, Financial Assistance Certification
- 11) DOI-PGM-POL-0015, Delegation of Financial Assistance Authority
- 12) DOI-PGM-POL-0016, Pre-Award Risk Assessment and Post-Award Monitoring
- 13) DOI Acquisition, Assistance, and Asset Policy (DOI-AAAP)-0010, DOI Implementation of the Office of Management and Budget *Final Rule for the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* for For-Profit and Foreign Entities
- 14) DOI Policy Advisory Notice (DOI-PAN)-2024-0032, Build America Act Award Term and Condition
- 15) DOI-PGM-PAN-0002, Interpretation of 505 DM Section 2.12 Posting Grant and Cooperative Agreement Funding Opportunities Task Agreements issued under Master Cooperative Agreements

1.5 Responsibilities.

- A. **Head of Financial Assistance Activity (HFAA)** is responsible for issuing bureau-level policy and overseeing the Financial Assistance certification and warrant program. The HFAA may delegate authority to the Bureau Financial Assistance Chief (BFAC) for the certification and warrant program. The HFAA may also be the BFAC.
- B. **BFAC** is responsible for determining which individuals are qualified to obtain delegated authority in accordance with DOI-PGM-POL-0015, Delegation of Signatory, and if there is no designated Bureau Financial Assistance Career Coordinator (FACC), the BFAC is responsible for ensuring that the certification request is accurate and complete.

INDIAN AFFAIRS MANUAL

- C. **FACC** is responsible for providing the initial bureau or office review and approval of the applicant's certification request, if designated by the BFAC. The FACC is also responsible for coordinating any necessary Financial Assistance Certification requests under DOI-PGM-POL-0014.
- D. **Grants Management Officer (GMO)** is the only individual with authority to sign Notice of Awards (NOAs) and to obligate funds. GMOs are responsible for a wide range of pre-award, award, and post-award administrative duties. GMOs must receive a DOI Certification for Financial Assistance (DOIC-FA), and a Financial Assistance Appointment (FAA) per DOI-PGM-POL-0015.
- E. **Grants Management Specialist (GMS)** is the individual who supports the GMO in awarding and monitoring grants and cooperative agreements. A GMS must receive a DOI Certification for Financial Assistance (DOIC-FA).
- F. **Program Officials (PO)** are IA personnel, including individuals in their subject-matter area (i.e., technical representative, program, or project officers) that support the GMO in awarding and monitoring grants and cooperative agreements by providing technical expertise. Support will vary based on the terms and conditions of the award.

1.6 Definitions. Additional definitions can be found at [Grants.gov](https://www.grants.gov).

- A. **Assistance Listing** refers to the publicly available listing of financial assistance programs managed and administered by the General Services Administration, formerly known as the Catalog of Federal Domestic Assistance (CFDA).
- B. **Automated Standard Application for Payments (ASAP)** is the official payment system for grants and cooperative agreements. The Department Interior Guidance (DIG) 2013-03 addresses recipient enrollment, waivers, and ASAP user information and DOI-PGM-POL-0007, ASAP Roles for Financial Assistance, spells out mandatory roles.
- C. **Build America, Buy America (BABA)** is the implementation of Executive Order 14005 and Infrastructure Investment and Jobs Act (IIJA), also referred to as the Bipartisan Infrastructure Law (BIL). BABA requires infrastructure related financial assistance awards to maximize the use of goods, products, and materials produced in the United States.
- D. **Cooperative Agreement** means a legal instrument of financial assistance between a Federal awarding agency and a recipient or a pass-through entity and a subrecipient that, consistent with [31 U.S.C. 6302-6305](https://www.law.cornell.edu/usc/text/html/31-6302-6305.html):

INDIAN AFFAIRS MANUAL

(1) Is used to enter into a relationship the principal purpose of which is to transfer anything of value to carry out a public purpose authorized by a law of the United States (see 31 U.S.C. 6101(3)); and not to acquire property or services for the Federal Government or pass-through entity's direct benefit or use;

(2) Is distinguished from a grant in that it provides for substantial involvement of the Federal awarding agency in carrying out the activity contemplated by the Federal award.

- E. Discretionary Award** is a competitive award. The government elects the recipient through a competitive process or based on merit of proposals. A discretionary award may be selected on a non-competitive basis, as appropriate.
- F. Federal Award Instrument (award)** is a grant agreement, cooperative agreement, or contract written in accordance with the Federal Grant and Cooperative Agreement Act ([31 U.S.C. 6301-08](#)).
- G. Grant Agreement** is a legal instrument of financial assistance between a federal awarding agency or pass-through entity and a non-federal entity that, consistent with 31 U.S.C. 6302, 6304:
- (1) is used to enter into a relationship the principal purpose of which is to transfer anything of value to carry out a public purpose authorized by a law of the United States (see 31 U.S.C. 6101(3)); and not to acquire property or services for the Federal awarding agency or pass-through entity's direct benefit or use;
- (2) is distinguished from a cooperative agreement in that it does not provide for substantial involvement of the Federal awarding agency in carrying out the activity contemplated by the Federal award.
- (3) does not include an agreement that provides only: (i) Direct United States Government cash assistance to an individual; (ii) A subsidy; (iii) A loan; (vi) A loan guarantee; or (v) Insurance.
- H. GrantSolutions** is an end-to-end grants management system used to analyze, evaluate, process, and monitor all financial assistance transactions across DOI. Official financial assistance files must be maintained in GrantSolutions.
- I. Merit Review** is the objective process of evaluating Federal award applications in accordance with written standards set forth by the Federal awarding agency. This process must be described or incorporated by reference in the applicable Notice of Funding Opportunity.

INDIAN AFFAIRS MANUAL

- J. Non-Discretionary Award** means an award made by the Federal awarding agency to specific recipients in accordance with statutory, eligibility and compliance requirements, such that in keeping with specific statutory authority the agency has no ability to exercise judgement (“discretion”). A non-discretionary award amount could be determined specifically or by formula.
- K. Notice of Funding Opportunity (“NOFO”)** is a formal announcement of the availability of Federal funding. The NOFO provides information on the award, who is eligible to apply, the evaluation criteria for selection of an awardee, required components of an application, and how to submit the application. A NOFO may also be called a “program announcement,” “notice of funding availability,” “broad agency announcement,” “research announcement,” “solicitation,” or some other term.
- L. Pass-Through Entity** is a non-federal organization that receives a federal grant and then distributes the funds to other organizations or individuals to carry out a project or program.
- M. Recipient** means a non-federal entity or Federal agency that received a federal award. This term also includes a non-Federal entity who administers Federal financial assistance awards on behalf of a federal agency.
- N. Terms and Conditions (T&Cs)** means the financial assistance-related laws, uniform guidance, and regulations that generally apply to all financial assistance awards.

1.7 Standards, Requirements, and Procedures.

- A. Federal award instrument.** Only one award instrument must be used per funding opportunity. For example, a cooperative agreement and a grant should not be used simultaneously. IA staff (or the pass-through entity) that perform as the government's agents with regards to grants and cooperative agreements must determine and use the appropriate financial assistance instrument when making such awards.
- B. Program Planning and Design.** POs must design a program and create an Assistance Listing before announcing the NOFO. The program must be designed with clear goals and objectives that facilitate the delivery of meaningful results consistent with the program's Federal authorizing legislation and must publicize in accordance with 2 CFR 200.203.
- C. Notices of Funding Opportunities (NOFOs).** The GMO must post NOFOs in accordance with 2 CFR 200.204 for discretionary grants and cooperative agreements

INDIAN AFFAIRS MANUAL

that are competed. NOFOs must include language about successful applicants being subjected to risk assessments per DOI-PGM-POL-0016.

- D. Merit Review.** Programs must design and execute a merit review process for applications, with the objective of selecting recipients most likely to be successful in delivering results based on the program objectives. The PO and GMO must develop merit review criteria, describe the merit review criteria in the NOFO, and conduct a merit review evaluation in accordance with the guidance in DOI-PGM-AAAP-0010.
- E. Risk Evaluation.** All programs (discretionary & mandatory) must complete a recipient risk assessment following the guidance at DOI-PGM-POL-0016, Pre-Award Risk Assessment and Post Award Monitoring, to evaluate the risks posed by applicants before issuing Federal awards and post award monitoring, focusing on multiple risk factors including past performance, financial capability and management abilities.
- 1) The risk assessment will be conducted by the GMO using the DOI Financial Assistance Risk Assessment Checklist (RAC) and Financial Capability Questionnaire located in DOI-PGM-POL-0016 to determine and assign appropriate risk level for grant applicants.
 - 2) GMOs and POs must complete at least one recipient risk assessment prior to award of the first discretionary or mandatory grant or cooperative agreement to the recipient in the fiscal year.
 - 3) A new risk assessment must be completed for each recipient for every fiscal year in which they will receive a new award.
 - 4) Both the RAC and Financial Capability Questionnaire must be included in the official award file in GrantSolutions.
 - 5) GMOs and POs must consider risk assessment results when developing award conditions (e.g., financial and performance reporting) and incorporate specific conditions at the time of award based on the risk level and the conditions that caused the risk rating, in accordance with the following guidelines:
 - a) For recipients that are low risk, GMOs and POs must require, at a minimum, the submission of annual performance and financial reports
 - b) For medium or high-risk recipients GMOs and POs must consider semi-annual or quarterly reporting and add specific conditions into the award from 2 CFR 200.208 as relevant to the identified risk condition(s).

INDIAN AFFAIRS MANUAL

- Follow 2 CFR 200.208 (c) and (d) for notification of conditions, and 2 CFR 200.208 (e) for prompt removal of conditions after the recipient completely mitigates the identified risk.

F. Specific Conditions.

- 1) GMOs and POs must ensure that specific Federal award conditions are consistent with the program design and include clear performance expectations of recipients as required in [2 CFR 200.301](#). GMOs and POs may adjust Federal award conditions as needed based on an analysis of the following factors:
 - a) The applicant or recipient's history of compliance with the general or specific terms and conditions of a Federal award;
 - b) The applicant or recipient's ability to meet expected performance goals as described in [2 CFR 200.211](#); or
 - c) A responsibility determination of an applicant or recipient.
- 2) Additional Federal award conditions may include items such as the following:
 - a) Requiring payments as reimbursements rather than advance payments;
 - b) Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given performance period;
 - c) Requiring additional, more detailed financial reports;
 - d) Requiring additional project monitoring;
 - e) Requiring the non-Federal entity to obtain technical or management assistance;
or
 - f) Establishing additional prior approvals.
- 3) If the Federal awarding agency or pass-through entity is imposing additional requirements, they must notify the applicant or non-Federal entity as to:
 - a) The nature of the additional requirements;
 - b) The reason why the additional requirements are being imposed;

INDIAN AFFAIRS MANUAL

- c) The nature of the action needed to remove the additional requirement, if applicable;
- d) The time allowed for completing the actions if applicable; and
- e) The method for requesting reconsideration of the additional requirements imposed.

Any additional requirements must be promptly removed once the conditions that prompted them have been satisfied.

G. General Award Terms and Conditions.

- 1) GMOs must include in their NOFOs and awards, the DOI Standard Award Terms and Conditions, as required in DOI-PGM-PAN-0002, by either attaching them to the award document or incorporating them by reference and including a link to the full award term language located at <https://www.doi.gov/grants/doi-standard-terms-and-conditions>.
- 2) GMOs will be responsible for documenting any statutory exceptions to the award terms and conditions in the official award file.

H. Build America / Buy America (BABA).

- 1) GMOs must include the required BABA T&C in all NOFOs and awards that are made after May 2024, pursuant to DOI-PAN-2024-0032, “Build America Act Award Term and Condition”. This term and condition must also flow down to subawards administered by subrecipients unless a particular section of the terms and conditions of the award specifically indicates otherwise.
- 2) GMOs and POs may seek a BABA waiver. The requirements to qualify for a BABA waiver are defined on the DOI OGM SharePoint site: <https://doimssp.sharepoint.com/sites/os-pgm/SitePages/Build-America-Buy-America.aspx?csf=1&web=1&e=SLg5iI>.

I. Establish a Reporting Schedule.

- 1) Before the issuance of an award, a reporting schedule must be established and included in the T&Cs of the final award notice.
- 2) Recipients must submit reports in GrantSolutions for review by the GMO and PO.

J. Post Award Requirements, General.

The GMO and PO must manage and administer the Federal award in a manner that ensures Federal funding is expended and associated programs are implemented in full accordance with the U.S. Constitution, Federal Law, and public policy requirements.

K. Post Award Grant Monitoring.

- 1) GMOs and POs must effectively monitor grants and address late submission of financial, performance reports and other reports as required. If an entity fails to comply with Federal statutes, regulations or the terms and conditions of a Federal award, the Federal awarding agency or pass-through entity may impose additional conditions, as described in 2 CFR 200.208
- 2) If the GMO and PO determine that noncompliance cannot be remedied by imposing additional conditions, the GMO may take one or more of the following actions, as appropriate in the circumstances:
 - a) Temporarily withhold payments pending correction of the deficiency by the recipient or other more severe enforcement action.
 - b) Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance.
 - c) Wholly or partly suspend or terminate the Federal award.
 - d) Initiate suspension or debarment proceedings as authorized under 2 CFR 180 and Federal awarding agency regulations.
 - e) Withhold further Federal awards for the recipient.
 - f) Take other remedies that may be legally available.

L. Cost Principles.

All parties (GMO, PO, and Recipient) must abide by the Cost principles outlined in Subpart E, Cost Principles, of 2 CFR 200.

INDIAN AFFAIRS MANUAL

M. Performance Measurement.

- 1) The GMO and PO must measure the recipient's performance to show achievement of program goals and objectives, share lessons learned, improve program outcomes, and foster adoption of favorable practices.
- 2) The award document must provide recipients with clear performance goals, indicators, targets, and baseline data as described in [2 CFR 200.211](#).

N. Financial Management.

The T&Cs of the award must be sufficient to permit the preparation of reports required by general and program-specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award. See [2 CFR 200.450](#).

O. Close-Out.

GMOs and POs are responsible for taking appropriate action to close out grant and cooperative agreements in accordance with the procedures outlined in 2 CFR 200.344, Closeout, and DOI-PGM-POL-0006, Award Close-Out.

1.8 Additional Resources.

Additional information and resources can be found at the following SharePoint sites (note: the following sites are only available to DOI and IA employees):

- DOI Office of Grants Management, Financial Assistance Policies can be found here: <https://doimspp.sharepoint.com/sites/os-pgm/SitePages/Policies.aspx>; and
- IA Financial Assistance Operations & Policies can be found here: <https://doimspp.sharepoint.com/sites/doi-asia-ocfo-dam/bia-faract/DivAcqMgmt/SitePages/Operations.aspx>.

Approval

JASON FREIHAGE

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Jason Freihage
Deputy Assistant Secretary – Management

Date