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	U· S· DEPARTMENT OF THE INTERIOR OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT DIRECTIVES SYSTEM	Subject Number: GMT-8 Transmittal Number: 148 Date: 1/25/83

Subject: PROCEDURES FOR GRANTS ADMINISTRATION

Approval: [signature] **Title:** Director

1. Purpose. This directive establishes procedures for the receipt and processing of Regulatory, Small Operator Assistance Program and Abandoned Mine Land Reclamation grant and funding cooperative agreement applications and amendments. Procedures also are established for processing the Office of Surface Mining (OSM) letter-of-credit, and monitoring, reporting problem resolution, and closeout of grants and funding cooperative agreements. This directive does not apply to Federal Interior projects for abandoned mine land agreements except for the processing of the letter-of-credit.

2. Definitions.

a. Approval Package - material submitted by the Field Office Director to the Assistant Director, Program Operations and Inspection (AD-POI) (Attention: Chief, Division of Grants Administration) prior to approval of an agreement/monetary increase amendment by the AD-POI or after approval of a non-monetary increase amendment by the Field Office Director.

The approval package consists of two copies of the State signed agreement, both with original signatures; two copies of the completed SF-424; one copy of the OSM 1-80; and two copies of any revisions to the application previously provided to the Division of Grants Administration. Since the Field Office Director has signature authority for amendments for budget revisions, time extensions and decreasing funds, but not an increase in funds, only one copy of the agreement/amendment in the approval package for such non-monetary increase actions must have original signatures.

b. Agreement - the document signed by the State and an authorized official of the Office of Surface Mining (OSM) obligating the State to carry out activities in return for Federal funds being provided.

c. Amendment - a written alteration of provisions of the agreement, i.e., the scope of work (the statement of the purpose of the grant), period of performance, budget revision, cost or other terms and conditions of the agreement.

d. Application - the material submitted by a State applying for Federal funds. Refer to Action Transmittals DOI-OSM-MB-80-1 and 3 for details on the contents of applications.

e. Audit - a report examining financial records and compliance with laws and regulations for a grant or funding cooperative agreement.

f. Close Out - the process of administratively declaring a grant or funding cooperative agreement completed. It involves a review and reconciliation of all financial and programmatic actions relating to the grant/funding cooperative agreement. A financial audit need not have been performed prior to close out; in such cases the grant is closed out subject to future audit.

g. Grant/Funding Cooperative Agreement Approval - the action of the grantor signing the agreement and establishing the terms and conditions of the award. The terms of the agreement become effective on the first day of the project period and end on the last day of the project period. When a grant/funding cooperative agreement is approved and awarded the amount of the grant/funding cooperative agreement is used to increase the recipient's Letter-of-Credit.

h. Grant/Funding Cooperative Agreement Award Process - the process culminating in an approved agreement and transmitting the agreement to the grantee. It implies that careful weighing of pertinent factors (reviewing a grant application) has been completed and the applicant is eligible for funding.

i. Letter-of-Credit - an instrument certified by an authorized official of OSM which authorizes a recipient to draw funds. The drawdown requests may be submitted as frequently as cash is needed to meet expenditures chargeable to awarded funds. The funds advanced under the OSM letter-of-credit system are made available by the Treasury Disbursing Centers and Treasury Regional Disbursing Offices.

j. Suspension - an action by OSM that temporarily suspends Federal assistance pending corrective action by the recipient or pending a decision by OSM to terminate the grant/funding cooperative agreement.

k. Termination - the withdrawal of support through the cancellation of Federal assistance, in whole or in part, any time prior to the date of completion of the grant/funding cooperative agreement.

3. Policy/Procedures.

a. Policy/Concept.

All applications are to be submitted by the States to the appropriate OSM Field Office. The OSM Field Office shall provide any necessary guidance to the States on the preparation of an application and is encouraged to work directly with the State when the State starts preparing the application.This will not only provide a positive working relationship but also assures expeditious review of the application.

All applications involving an award of funds shall be processed within a 60 day period involving two 30-day loops:

(1) Within 30 days after receiving an application, the Field Office Director shall determine if it is complete and notify the State and the Division of Grants Administration (DGA);

(2) Within 30 days of the Field Office Director determination that an application is complete, the Division of Grants Administration shall have forwarded to the Branch of Financial Operations - Denver the material necessary to adjust the State's letter-of-credit.

All amendment applications not involving an increase to the Federal grant amount shall be approved, disapproved or returned to the State as incomplete by the Field Office Director within 30 days of receipt of the amendment application (as specified in 30 CFR 886.17(b)(2), budget revisions for abandoned mine land grants/funding cooperative agreements shall be approved or disapproved within 15 days of receipt).

b. Responsibilities.

(1) The Field Office Director shall determine the completeness of all applications and recommend to the Assistant Director - Program Operations and Inspection the approval or disapproval of all grant applications and monetary increase amendments when the application is determined to be complete. The Field Office Director shall approve or disapprove all amendments not involving an increase in the Federal grant amount. The Field Office Director also has the primary responsibility for monitoring approved grants. (Refer to the attached process charts).

(2) The Assistant Director - Program Operations and Inspection or his authorized designee shall approve all agreements for new grant applications and all amendments involving an increase in the Federal grant amount. (Refer to the attached process charts).

(3) The Division of Grants Administration - Program Operations and Inspection shall provide policy guidance to the Field Office on grant matters and shall coordinate with the program divisions, Solicitor's Office and others as necessary to assure adequate and expeditious action on grant applications, amendments and reports. (Refer to the attached process charts).

(4) The Division of State Program Assistance and the Division of Abandoned Mine Land Reclamation shall coordinate as necessary with the Division of Grants Administration and the Field Office to provide comments on and assist the Field Office in resolving issues concerning programmatic policy. (Refer to attached process charts).

(5) The Branch of Financial Operations - Denver shall obligate and deobligate funds from a State's letter-of-credit based on the material supplied by the Division of Grants Administration. (Refer to attached process charts).

c. Procedures. (Refer to process charts)

(1) Processing of the Application.

(a) Basic processing procedures.

When the State's application reaches the Field Office, it "starts the review clock." Within 30 days of this date, the Field Office Director must: 1) determine if the application is "complete", and 2) inform the State and DGA of this determination. An application submitted to the Field Office is "complete" when it contains all of the necessary parts as described in action transmittals DOI-OSM-MB-80-1 and 3, (i.e., SF 424, OSM-50A and B, OSM-47 or OSM-48, OSM-51, list of assurances, clearinghouse review, and environmental assessments if necessary) and is qualitatively acceptable for processing (i.e., the budget is adequately justified and the workload projections reflect the need for the proposed funding level). If complete, the Field Office shall prepare a memorandum containing its findings and recommendation and submit it within the 30 day time period to the Assistant Director, Program Operations and Inspection Attention: Chief, Division of Grants Administration. If not complete, the application shall be returned to the State for correction. However, common sense must be used in applying this policy. If the missing part can be provided easily by the State and will not materially delay the review of the application (e.g., when the standard assurances, Part V, are left out) the application should not be returned to the State. The application need not be perfect to be accepted for processing. If possible, any issues or computation errors should be resolved with the State during the initial 30 day OSM review period.

Upon receipt of an application, the Field Office shall transmit the original application and one copy to the Headquarters (HQ) DGA. DGA shall distribute a copy of the application to the appropriate HQ program division.

The program division shall conduct its program policy compliance review and comment to the Field Office, with a copy to DGA, within 15 days. Likewise, DGA shall conduct its grant management policy review and comment to the Field Office within 15 days. The program division and DGA review is for the purpose of identifying policy issues, not for checking arithmetic, assuring that environmental assessments are adequate, verifying that consultation has occurred with historic preservation and fish and wildlife officials, or other similar matters. Items such as these are the responsibility of the Field Office.

Once an application is determined to be complete, the Field Office shall send its findings and recommendation to DGA (two copies). DGA shall provide the HQ program division five days to review and comment on the Field Office findings and recommendation.

The DGA shall complete its review, consolidate substantive comments and prepare a recommendation memorandum to the AD-POI.

In those cases involving funding of State work on Federal lands pursuant to a programmatic State-Federal cooperative agreement with the Secretary of the Interior, the applicable OSM Technical Center (TC) shall be involved as appropriate in negotiations between the State, Field Office and DGA.

(b) Additional procedures when an application includes an environmental assessment.

For grant applications that include environmental assessments (EA's), the following procedure, or an alternative procedure agreeable with the Field Office Director and Technical Center Administrator, shall be followed.

Field Office Directors shall notify the appropriate TC Administrator of receipt of EA's from a State or Indian Tribe. Within five working days of this notification, the TC Administrator, or his representative, shall visit the Field Office to review the EA's for completeness and associated environmental impacts, prepare the Findings of No Significant Impact (FONSI), as appropriate, and identify EA's which require further review or study by the TC staff. This must by accomplished within 25 days of the receipt of an application by the Field Office.

The Field Office Director and TC Administrator shall jointly develop a schedule for reviewing the EA's and determining whether the findings reveal the potential for significant impacts. The schedule agreed upon should also allow enough time for the TC staff to review any EA's requiring additional analysis or to make necessary corrections. The Field Office Director will use this information in his/her determination of the completeness of an application. All FONSI's need not be finished before an application is deemed complete. However, no construction may occur prior to the finalization of a FONSI or environmental impact statement for the particular project or site.

Staff from the Branch of Environmental Analysis in each TC shall be responsible for preparing the FONSI's. The TC Administrator shall approve the FONSI's and forward them and all EA's prepared in the TC, to the appropriate Field Office Director. The Field

Office Director shall forward all information required for the grant package to the Headquarters Division of Grants Administration (DGA). Publication of the FONSI summaries, if necessary, is the responsibility of the DGA.

(2) Preparing and Issuing an Award.

After the AD-POI approves the recommendation to provide funds, the grant agreement or funding cooperative agreement, containing specific terms and conditions, shall be prepared by the DGA and transmitted to the Field Office.

The Field Office shall forward two copies of the agreement to the State for signature. After signing two copies of the agreement, the State shall return the signed copies to the Field Office. The Field Office Director shall forward an approval package to the DGA. The AD-POI, or other authorized official, shall sign the agreement. The DGA shall transmit appropriate material to the HQ program division, Congressional Liaison Officer and Public Affairs for the necessary Congressional/news release. The DGA shall forward two copies of the agreement (one with original signatures) to the Field Office. DGA shall forward an additional original signature copy to the OSM Branch of Financial Operations in Denver (BFO) and also the Contract Award Report (OSM Form 1-80) and approval documents requesting a letter-of-credit increase. The BFO shall enter the obligation of funds and coordinates with Treasury for the necessary letter-of-credit increase.

Meanwhile, the Field Office shall send a copy of the signed agreement with original signatures to the State agency. For awards of $1 million or more, the State must not be notified of the award until informed to do so by the DGA.

Note: For Federal Interior projects for abandoned mine lands, Technical Standards and Research (TSR) shall forward to DGA material for the letter-of-credit increases (OSM Form 1-80, SF 424, signed agreement/ amendment, budget documents and project narrative). DGA shall send the material to the BFO with a copy of form 1193A showing the letter-of- credit revision. DGA shall not be responsible for any substantive review of such TSR projects.

(3) Amending Grants and Funding Cooperative Agreements.

OSM Field Office Directors are authorized to sign amendments except those involving increases in funds. An increase in funds must be approved by the AD-POI. For amendments not involving an increase in funds, i.e., time extensions, budget revisions, etc., the DGA shall be sent an information copy for review at least five days prior to the Field Office Director approval. Once the Field Office Director signs the amendment, an approval package shall be transmitted to the DGA. The

Field Office Director shall send a copy of the signed amendment with original signatures to the State. For amendments involving an increase in funds, the Field Office shall forward the original and one copy of the amendment application to the DGA. The process shall then be the same as described previously for new applications, with the Field Office Director making a completeness determination within 30 days of receipt of the amendment application.

(4) Payments.

Once the letter-of-credit has been established, the State shall utilize the U.S. Treasury Regional disbursing system (cash request method) to draw funds. As funds are needed the recipient shall submit a form 183 to the appropriate Regional Disbursing Office (RDO) requesting a payment to cover the Federal share of expenditures after taking into consideration the amount of Federal funds already on hand. If the request is approved, the RDO shall issue a Treasury check.

If a problem is discovered, the RDO shall inform the DGA. The DGA shall work with the Field Office to resolve any problems.

(5) Monitoring Performance.

The recipient shall retain primary responsibility for performance under a grant or funding cooperative agreement, but the OSM Field Office shall monitor all active grants and funding cooperative agreements (refer to Action Transmittals DOI-OSM-MB-80-2 and 4).

The BFO and DGA shall prepare reports on drawdowns and expenditures for each grant/funding cooperative agreement. The DGA shall provide copies of these reports to the Field Office and shall receive copies of the Field Office status reports.

Note: For Interior projects for abandoned mine lands, the Technical Center shall be responsible for monitoring performance. The Field Office shall assist in the manner agreed on between the Field Office Director and Technical Center Administrator.

(6) Programmatic Reports.

Narrative performance reports prepared by the State provide OSM officials with needed information on the status of each grant or funding cooperative agreement. Reporting shall be accomplished by the State submitting a semi-annual and closeout narrative report (OSM-51). The narrative report shall accompany the financial report (SF-269 or SF-271) and present the following information: (a) a comparison of actual accomplishments to the goals established for the period, (b) reasons why the established goals were not met and (c) other pertinent information.

When the OSM Field Office receives a report, it shall provide two copies to the DGA with any pertinent comments or recommendations. The DGA shall evaluate the report and coordinate as appropriate with the HQ program division. The DGA shall discuss any necessary follow-up action and coordinate with the Field Office. The Field Office shall be responsible for carrying out the necessary follow-up action.

(7) Financial Reporting and Approval of Expenditures.

Financial Reports (SF-269 and 271) and narrative performance reports (OSM-51) shall be submitted to the appropriate Field Office semi-annually and at the grant closeout. The reports provide information to avoid or anticipate cost overruns by matching of costs with program results. The Field Office shall transmit the original and one copy of the financial reports to the DGA with pertinent comments or recommendations.

The DGA shall review the reports and integrate the review of the financial reports with that of the programmatic reports and, where necessary, shall discuss any follow-up action with the Field Office and the HQ program division. The Field Office shall take any necessary follow-up action with the State.

After all problems are resolved, the DGA shall forward the approved expenditure report to the BFO so that the drawdowns can be officially reported as "expenditures".

Note: For Federal Interior projects for abandoned mine lands, TSR shall forward a copy of all approved reports to the DGA for transmission to the BFO. DGA shall not be responsible for any substantive review of such reports.

(8) Resolving Problems.

OSM personnel must understand the rights and responsibilities of both OSM and the recipient whenever delays in performance under the grant or funding cooperative agreement occur. In such situations, one of the following actions normally shall be taken after discussions with the State: (a) the agreement may be amended, (b) the agreement may be suspended or (c) the agreement may be terminated (refer to 30 CFR 725.18, 735.21, or 886.18).

When a potential problem situation occurs, the State agency shall contact the Field Office. The Field Office shall evaluate the situation and recommend action to the State. If the problem involves a policy matter, the Field Office shall provide comments or recommendations to the DGA. When the DGA receives material from the Field Office, it shall coordinate with the HQ program division as appropriate and prepare

an issue paper, if necessary. The DGA shall recommend a course of action, in consultation with the Field Office, which shall be reviewed by the AD-POI. The Field Office shall notify the State agency, and the State shall implement the action. When the State agency has received guidance and implements the action, it shall notify the OSM Field Office which shall notify the DGA of the problem resolution. If financial action is necessary, the DGA shall notify the BFO.

(9) Suspension/Termination For Cause.

When a recipient materially fails to comply with the terms and conditions of a grant or funding cooperative agreement and does not appear to be taking steps to resolve the problem, OSM may, after reasonable notice to the grantee, suspend the grant or funding cooperative agreement. No obligations incurred by the grantee during the period of suspension shall be allowed under the suspended grant/funding cooperative agreement. Suspension shall remain in effect until the grantee has taken corrective action. OSM also may terminate a grant/funding cooperative agreement in whole or in part any time before the date of completion if it had been determined that the grantee has failed in a material way to comply with the terms and conditions of the grant/funding cooperative agreement and if resolution does not seem probable.

The Field Office shall identify any possible deficiencies and attempt resolution. If unsuccessful, it shall recommend action to the DGA. The DGA shall evaluate the situation, coordinate when necessary with the appropriate HQ program division and recommend action to the AD-POI. After receiving the AD-POI's concurrence in the proposed action, the Field Office shall prepare a notice to the State agency. A copy shall be provided to the DGA which shall provide a copy to the BFO and the HQ program division. Termination for the convenience of the OSM and the recipient shall be handled as an amendment and shall be signed by the Field Office Director.

(10) Grant Closeout.

When a grant or funding cooperative agreement is completed, closeout actions shall be taken by the DGA and the OSM Field Office. After receiving the closeout forms and other documents from the State, the Field Office shall review the material, resolve any issues with the State and forward the original and one copy to the DGA with its recommendations. The DGA shall review the material, coordinate when necessary with the appropriate HQ program division, resolve any issues with the Field Office, and forward the original to the BFO. The DGA shall notify the Field Office that this has occurred and the Field Office shall provide the closeout notice to the State.

Note: For Federal Interior projects for abandoned mine lands, TSR shall forward to DGA material for the closeout. DGA shall send the material to the BFO but shall not be responsible for any substantive review of the TSR closeout decision.

(11) Property Management.

If a State agency requests approval of equipment purchases in its application, and the purchases are approved by OSM as part of the grant award, the purchases must be accounted for by the State at the time of closeout. The State shall request from the Field Office disposition instructions, (i.e., equipment must be transferred to a subsequent OSM grant or disposed of in accordance with OMB Circular A-102, Attachment N). The OSM Field Office shall provide such instructions or, if questions arise, shall contact the DGA. The DGA shall provide the disposition instructions to the Field Office. Once the State is informed, it shall dispose of the property and report its actions to the OSM Field Office. Appropriate reports shall then be provided to the DGA and to the BFO.

(12) Audit Reports and Resolution.

The AD POI, in conjuntion with the Assistant Director, Budget and Administration (AD-B&A), shall be responsible for resolving all audit findings pertaining to AD-POI programs. After an audit is conducted, a report is transmitted to the Director of OSM who shall provide the report to the AD-B&A. Copies shall be forwarded to the DGA together with the time frames for resolving any outstanding issues. The DGA shall receive the report and transmit it to the OSM Field Office and the appropriate HQ program division. The OSM Field Office shall send the report to the State agency and assist it in arriving at solutions. As necessary, the DGA shall work with the Field Office to resolve any issues.

The OSM Field Office shall forward any proposed resolution to the DGA which shall review the material and recommend to the AD-POI a resolution(s). The resolution(s) shall be sent to the AD-B&A, who shall review the material and forward the resolution(s) to the Inspector General. If financial adjustments are necessary, the material also shall be sent to the BFO.

4. Reporting Requirements. As specified in this program directive.

5. References.

a. 30 CFR 725

b. 30 CFR 735

c. 30 CFR 886

d. OMB Circular A-102, A-87 and A-95

e. Attached summary of procedures

f. Action Transmittals - DOI-OSM-MB-80-1, 2, 3, and 4

g. OSM Federal Assistance Manual (when finalized)

6. Effects on other Documents. This directive supercedes the Grants Management/Administration procedure approved by the Director on November 25, 1981. The Director's July 20, 1982 memorandum on the review of Environmental Assessments as they relate to the grant/cooperative agreement approval process, and the AD-POI's October 7, 1982 memorandum on signature authority are incorporated into this Directive.

7. Effective Date. Upon issuance.

8. Contact. Division of Grants Administration, POI.

PROCEDURES FOR GRANTS ADMINISTRATION

ACTIONS	STATE AGENCY	OSM FIELD OFFICE	DIVISION OF GRANTS ADMINISTRATION (DGA)
c. Procedures			
(1) Processing of Application			
		1. Provides necessary guidance and assistance to State on preparation of an application.	
All applications are to be forwarded to OSM Field Offices. Field Offices transmit one original and one copy of the application to the HQ Division of Grants Administration (DGA).	2. Prepares and submits application.		
		3. Receives application; provides copies to HQ; evaluates application and works with State as necessary.	
			4. Receives application and evaluates; provides comments to Field Office; prepares and obtains Assistant Secretary approval of briefing paper (if necessary). Coordinates with HQ program divisions as necessary
Financial and programmatic review is conducted. DGA distributes material to HQ program divisions for review and coordinates with Solicitors Office as appropriate.			
Comments are coordinated. Field Office determines completeness. Action recommendation is prepared.		5. Determines completeness of application. If complete, submits comments/recommendation to AD-POI. If incomplete, notifies State of actions necessary to make the application complete.	
NOTE: In those cases involving funding of State work on Federal lands pursuant to a programmatic State-Federal Cooperative Agreement with the Secretary of the Interior, the OSM Technical Center will be involved as appropriate in negotiations between the State, Field Office and HQ. In those cases involving Environmental Assessments, (EA) the Technical Center will work with the Field Office to review the EA's for completeness and associated environmental impacts.			
			6. After providing an opportunity for HQ program division to comment on the Field Office recommentation, DGA prepares evaluation/recommendation memo to AD-POI.

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ACTIONS	STATE AGENCY	OSM FIELD OFFICE	DIVISION OF GRANTS ADMIN. (DGA)	ASSISTANT DIRECTOR (POI)	BRANCH OF FINANCIAL OPERATIONS, DENVER(BFO)
(2) Preparing and Issuing an award			1. Prepares agreement and forwards to AD-POI with recommendations.		
Grant agreement or funding cooperative agreement is prepared containing specific terms and conditions and forwarded to the Field Office. Agreements forwarded to State to obtain signature.				2. Signs memorandum transmitting agreements to Field Office to obtain State sign-signature.	
Grantee signs agreements and returns to Field Office.		3. Forwards agreement to State for signature.			
	4. Signs and returns to Field Office.				
OSM Field Office Director transmits approval package (2 copies of agreement, both with original signatures; 2 copies of completed SF-424; 1 copy of OSM 1-80; 2 copies of any revisions to previously provided application material) to DGA.		5. Forwards approval package to DGA.			
			6. Reviews and recommends approval to AD-POI.		
AD-POI, or other authorized official, signs agreement.				7. Signs agreement.	
Obligation of Federal funds.			8. Forwards appropriate material to: -Field Office -BFO (Material for letter of credit increase) -Congressional Liaison -Public Affairs -HQ program division		
Signed agreement forwarded to recipient.		9.Forwards signed agreement to State.			
					10. Obligates funds.
	11. Receives agreement.				

PROCEDURES FOR GRANTS ADMINISTRATION

ACTIONS	STATE AGENCY	OSM FIELD OFFICE	DIVISION OF GRANTS ADMIN. (DGA)	ASSISTANT DIRECTOR (POI)	BRANCH OF FINANCIAL OPERATIONS, DENVER(BFO)
(3) Amending Grants and Funding Cooperative Agreements	1.(a) Requests amendment involving increase in funds.				
A grant or cooperative agreement amendment is a written alteration of agreement provisions, i.e., work statement, period of performance, cost or other provisions of the agreement.	(b) Requests amendment not involving increase in funds.	2.(a) Forwards original and 1 copy to DGA; evaluates and sends comments/ recommendation to DGA.			
OSM Field Office Directors are authorized to approve amendments, except those involving increases in funds. An increase in funds must be approved by the AD-POI. For amendments not involving an increase in funds, the DGA should be sent an information copy for review and coordination with program divisions, if necessary, prior to Field Office Director signature. Once the Field Office Director signs such an amendment, an approval package (2 copies of amendment, one with original signatures; 2 copies of completed SF 424; 2 copies of OSM 1-80; 2 copies of any revisions to previously provided amendment material) is transmitted to the DGA.		2.(b) Reviews amendment request; forwards one copy to DGA; works with State agency as necessary.	3.(a) Reviews amendment; provides comments to Field Office; coordinates with program division as appropriate; obtains Assistant Secretary approval of briefing paper (if necessary). Forwards recommendation to AD-POI.		
		3.(b) Prepares amendment and forwards to State for signature.			
	4.(b) and 6.(a) Signs amendment and returns to Field Office	5.(a) Forwards amendment to State for signature.		4. (a) Signs memo transmitting amendments to Field Office to obtain State signature.	
		5.(b) Forwards approval package to DGA; (Note: one copy of amendment must have original signatures); forwards copy of signed amendment to State.			

PROCEDURES FOR GRANTS ADMINISTRATION

ACTIONS	STATE AGENCY	OSM FIELD OFFICE	DIVISION OF GRANTS ADMIN. (DGA)	ASSISTANT DIRECTOR (POI)	BRANCH OF FINANCIAL OPERATIONS, DENVER(BFO)
		7.(a) Forwards approval package to DGA. (Note: both copies of amendment must have original signatures).			
			8.(a) Reviews and recommends approval to AD-POI.		
				9.(a) Signs amendments.	
			10.(a) & 6.(b) Forwards appropriate material to: -Field Office -Public Affairs -BFO(material for letter of credit adjustment) -HQ program division		
		11.(a) Forwards signed amendment to State.			
					12.(a) & 7.(b) Obligates or reduces funds.
	13.(a) & 8.(b) Receives amendment.				

PROCEDURES FOR GRANTS ADMINISTRATION

ACTIONS	STATE AGENCY	REGIONAL DISBURSING OFFICER (RDO	DIVISION OF GRANTS ADMINISTRATION (DGA)
(4) Payments-OSM Letter-of Credit			
The Regional Disbursing System (RDO), which is also known as the cash request method, is one in which Federal grant funds are drawn by the recipient. As funds are needed the recipient submits a form to the appropriate payment point requesting a cash payment to cover Federal share of anticipated project/program expenditures after taking into consideration the amount of Federal funds already on hand.	1. Requests cash as needed.		
		2. Receives request, (if problem informs DGA.	
			3. Resolves problems for RDO.
		4. Issues check.	
	5. Receives check.		
If the request is approved, the RDO issues a Treasury check. If not approved DGA resolves deficiencies and informs the OSM Field Office.			

PROCEDURES FOR GRANTS ADMINISTRATION

ACTIONS	STATE AGENCY	OSM FIELD OFFICE	DIVISION OF GRANTS ADMINISTRATION (DGA)
(5) Monitoring Performance The recipient retains primary responsibility for performance under the grant or funding cooperative agreement, but the OSM Field Office monitors all active grants or funding cooperative agreements. DGA and BFO prepare reports on drawdowns and expenditures for each grant/funding cooperative agreement.	1. Performs	2. Monitors program and provides status reports to the DGA.	3. Receives Status reports and provides recommendation to Field Office as appropriate. 4. Prepares drawdown/ expenditure reports and provides copies to the Field Office.

PROCEDURES FOR GRANTS ADMINISTRATION

ACTIONS	STATE AGENCY	OSM FIELD OFFICE	DIVISION OF GRANTS ADMINISTRATION (DGA)
(6) Programmatic Reports			
Performance reports provide project or program officers with most of their information on the status of the work. Reporting is accomplished by submitting a narrative report on OSM-51. These reports present the following: A. A comparison of actual accomplishments to the goals established for the period. B. Reasons why if established goals were not met. C. Other pertinent information.	1. Prepares report and submits to Field Office.	2. Receives reports, reviews and distributes to the DGA with pertinent comments or recommendations. 4. Takes any necessary follow-up action.	3. Receives copy and evaluates. Coordinates with Program Divisions as appropriate. Discusses any necessary follow-up action and coordinates with Field Office.

PROCEDURES FOR GRANTS ADMINISTRATION

ACTIONS	STATE AGENCY	OSM FIELD OFFICE	DIVISION OF GRANTS ADMINISTRATION (DGA)	BRANCH OF FINANCIAL OPERATIONS-DENVER (BFO)
(7) Financial Reporting and Approval of Expenditures (conducted in conjunction with program performance review)				
Financial reports (SF-269 and 271) are submitted with the performance reports. They provide information which is helpful in avoiding or anticipating cost overruns and permit the matching of costs incurred with program results achieved.	1. Prepares report and submits to Field Office.			
		2. Receives report, reviews and forwards original and one copy to the DGA with pertinent comments or recommendations.		
Where progress is considered unsatisfactory, it is important that the Field Office and DGA coordinate their effort to promptly identify the problem areas and take remedial action.			3. Receives and evaluates; discusses any necessary follow-up action and coordinates with the Field Office.	
		4. Takes any necessary follow-up action.		
			5. Forwards approved expenditures and original report to Branch of Financial Operations-Denver.	
				6. Changes "Advance" to "Expenditure."

PROCEDURES FOR GRANTS ADMINISTRATION

ACTIONS	STATE AGENCY	OSM FIELD OFFICE	DIVISION OF GRANTS ADMINISTRATION (DGA)	ASSISTANT DIRECTOR (POI)
(8) Resolving Problems	1. When in a potential problem situation contacts the Field Office.			
Project/program officers must understand the rights and responsibilities of both OSM and the recipient whenever delays in performance under the grant or funding cooperative agreement occur.		2. Evaluates situation and recommends action to the State. If problem involves involves policy, provides comments/recommendation to the DGA.		
			3. Receives policy comments/ recommendation; discusses with Program Divisions as appropriate; prepares issue paper as necessary.	
One of the following actions is normally taken after discussion with the State.			4. Recommends action or concurs in Field Office Director action.	
(a) the agreement may be amended;		6. Notifies State agency and implements action.		5. Approves action.
(b) the agreement may be suspended;	7. Receives guidance and implements.			
(c) the agreement may be terminated.		8. Notifies the DGA of problem resolution.	9. Determines that compliance has occurred; notifies Branch of Financial Operations-Denver if necessary.	

PROCEDURES FOR GRANTS ADMINISTRATION

ACTIONS	STATE AGENCY	OSM FIELD OFFICE	DIVISION OF GRANTS ADMINISTRATION (DGA)	ASSISTANT DIRECTOR (POI)
(9) Suspension/Termination for Cause				
When a recipient has materially failed to comply with the terms and conditions of a grant or funding cooperative agreement, and does not appear to be taking steps to resolve the problem, OSM may after reasonable notice to the grantee, suspend the grant or funding cooperative agreement.		1. Deficiency identified and resolution attempted. If unsuccessful, recommends action to the DGA.		
			2. Evaluates situation; coordinates with Program Division as appropriate; recommends action to AD/POI.	
No obligations incurred by the grantee during the period of suspension shall be allowed under the suspended grant.				3. Signs recommendation to Field Office.
Suspension shall remain in effect until the grantee has taken corrective action.		4. Prepares and issues notice to recipient and provides copy to the DGA.		
OSM may terminate a grant in whole or in part any time before the date of completion if it has been determined that the grantee has failed in a material way to comply with the terms and conditions of the grant/funding cooperative agreement and resolution does not seem probable.	5. Receives notice			
			6. Receives copy of notice; notifies Branch of Financial Operations - Denver if necessary.	

PROCEDURES FOR GRANTS ADMINISTRATION

ACTIONS	STATE AGENCY	OSM FIELD OFFICE	DIVISION OF GRANTS ADMINISTRATION (DGA)	BRANCH OF FINANCIAL OPERATIONS - DENVER (BFO)
(10) Grant Closeout				
When a grant or cooperative agreement is completed, closeout actions are taken by the DGA in conjunction with the OSM Field Office.	1. Prepares and submits closeout forms to OSM Field Office.			
		2. Reviews, resolves any issues with State and forwards 2 copies to the DGA with recommendation.		
			3. Reviews, informs Field Office that closeout material is acceptable. Closeout documents are forwarded to BFO for entry.	
				4. Closeout entered.
		5. Provides closeout notice to State.		

PROCEDURES FOR GRANTS ADMINISTRATION

ACTIONS	STATE AGENCY	OSM FIELD OFFICE	DIVISION OF GRANTS ADMINISTRATION (DGA)
(11) Property Management			
When Government property is provided under a grant or funding cooperative agreement the DGA and OSM Field Office will monitor property administration.	1. Requests approval application.		
		2. Approves/Denies request.	
	3. Purchases		
	4. Accounts for purchase at closeout. Requests disposition instructions, if applicable.		
		5. Provides instructions or if questions arise, contacts the DGA.	
			6. Provides disposition instructions to the Field Office.
		7. Receives copy and informs State agency.	
	8. Receives instructions disposes of property and reports action to OSM Field Office.		
		9. Provides report to the DGA.	
			10. Receives report.

PROCEDURES FOR GRANTS ADMINISTRATION

ACTIONS	STATE AGENCY	OSM FIELD OFFICE	DIVISION OF GRANTS ADMIN. (DGA)	BUDGET AND ADMINISTRATION (B&A)	BRANCH OF FINANCIAL OPERATIONS DENVER (BFO)	OSM DIRECTOR	INSPECTOR GENERAL (IG)
(12) Audit Reports and Resolution The AD-POI, in conjunction with the Assistant Director, Budget and Administration is responsible for resolving all audit findings pertaining to OSM grant programs.							1. Conducts audit and/or transmits reports to OSM.
						2. Receives and forwards to B&A.	
				3. Receives report for action; forwards copies to the DGA.			
			4. Receives report, transmits to OSM Field Office and works with it to resolve issues.				
		5. Receives report; works with recipient.					
	6. Receives report. 7. Prepares reponse to Field Office.						
		8. Forwards proposed resolution to the DGA.					
			9. Reviews and AD-POI transmits resolution to B&A				
				10. Reviews and forwards resolution to IG (11) and Branch of Financial Operations (12).			
						11. Audit resolution considered complete.	
					12. Copy of resolution received		