

**FISH AND WILDLIFE SERVICE
FEDERAL FINANCIAL ASSISTANCE**

Federal Financial Assistance Part 516 FWS Financial Assistance – Award Administration

Chapter 1 Monitoring Financial and Performance Reporting for Financial Assistance 516 FW 1

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OVERVIEW

1.1 What is the purpose of this chapter? This chapter provides U.S. Fish and Wildlife Service (Service) employees working with grants and cooperative agreements the information they need to effectively monitor financial assistance recipient financial and performance reporting and address

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noncompliance with those requirements. Throughout this chapter when we use the term ‘reporting’ alone, we are referring to both financial and performance reporting.

1.2 What is the scope of this chapter? This chapter is applicable to all Service grants and cooperative agreements (i.e., financial assistance awards, awards).

1.3 What are the objectives of this chapter? Our objectives are to ensure Service employees working with grants and cooperative agreements properly:

- A. Communicate reporting requirements to applicants and recipients,
- B. Establish and maintain recipient reporting schedules,
- C. Monitor and document recipient compliance with their reporting requirements,
- D. Review financial and performance reports to monitor project progress and assess recipient performance,
- E. Address noncompliance with reporting requirements, and
- F. Include appropriate documentation related to monitoring recipient reporting in the official award file.

1.4 What are the authorities for this chapter?

- A. Controlling Paperwork Burdens on the Public ([5 CFR 1320](#)).
- B. Financial Reporting for Grants and Cooperative Agreements: Federal Financial Report ([Federal Register, Vol. 72, No. 235, December 7, 2007](#)).
- C. Paperwork Reduction Act ([44 U.S.C. 3501 et seq.](#)).
- D. Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ([2 CFR 200](#)).

RESPONSIBILITIES

1.5 Who is responsible for monitoring recipient financial and performance reporting? See Table 1-1.

**Table 1-1: Responsibilities for Monitoring Financial Assistance
Recipient Financial and Performance Reporting**

These employees...	Are responsible for...
A. The Director	Ensuring the Service has effective policy in place for administering financial assistance awards.
B. The Assistant Director – Wildlife and Sport Fish Restoration	Developing financial assistance administration policy and providing support for and oversight of Service implementation.

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These employees...	Are responsible for...
C. Directorate members	Ensuring that their employees are aware of and comply with this policy.
D. Technical representatives assigned to financial assistance awards	Monitoring and evaluating recipient compliance with the terms and conditions of their awards and their performance during the course of the awards.

INFORMATION COLLECTION REQUIREMENTS

1.6 What are the requirements the Service must meet before collecting information from financial assistance applicants and recipients?

A. The Paperwork Reduction Act requires that when a Federal agency collects information from the public, those collections must minimize duplication and burden on the public, have practical utility, and support the proper performance of the agency's mission. We must submit to the Office of Management and Budget (OMB) a request for approval of the collection of the following types of information from applicants or recipients (see [5 CFR 1320](#) for more information):

- (1)** Application project and budget narratives and any other application requirements that are not collected on OMB-approved Standard or Common Forms;
- (2)** Department of the Interior (Department)- or Service-specific forms;
- (3)** Recipient performance, progress, or technical reporting, and any other reporting documentation that is not collected on OMB-approved Standard Forms; and
- (4)** Reporting of deviations from budget or project scope and requests for prior approvals from the Service for budget and program plan revisions submitted in accordance with [2 CFR 200.308](#) that are not collected on OMB-approved Standard Forms.

B. Contact the Service's [Information Collection Clearance Officer](#) in the Division of Policy, Performance, and Management Programs for guidance on OMB information collection clearance.

PUBLIC NOTICE REQUIREMENTS

1.7 What notice must the Service give applicants and recipients regarding financial and performance reporting requirements? We must clearly state the Federal financial and performance reporting requirements in all Notices of Funding Opportunities and Notices of Award. These notices must identify the required reporting formats, frequency, due dates, and the sanctions for noncompliance.

A. In Notices of Funding Opportunity:

- (1)** We must specify that recipients must submit final financial and performance reports within 90 calendar days after the award period of performance end date.

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(2) We may also require them to submit interim reports, which are due either within 30 calendar days after the specified reporting period end date (for semi-annual or quarterly reports) or 90 calendar days after the specified reporting period end date (for annual reports). We determine the requirement for interim reports and the frequency based on the length of the period of performance and an overall assessment of the project's risk, or other unusual circumstances (see [sections 1.10](#) - 1.12).

B. In Notices of Award, we must specify:

(1) The required reporting frequency and due dates;

(2) The information they must provide in performance reports (see section 1.9);

(3) That recipients must use the [Standard Form 425, Federal Financial Report](#) (SF-425) to report on the financial status of their award (see [section 1.8](#)). The only exception to this requirement is if we have a current OMB information collection clearance to use an alternate form/format (see section 1.6); and

(4) As applicable, any additional financial or performance reporting information required (see [sections 1.6](#) and [1.9](#)).

REPORTING REQUIREMENTS

1.8 What form does the Service require recipients to use for financial reporting?

A. We require recipients to report on the status of funds using the SF-425. Submission options include:

(1) A printed [SF-425](#) with the date and signature of the recipient's authorized representative. The representative's signature and date may be affixed by stamp or other mechanical means if the instrument used is:

(a) In the signer's general possession and control,

(b) Applied by the signer or by another with the signer's authority, and

(c) Intended by the signer to constitute his/her signature.

(2) A scanned or faxed copy of an SF-425 meeting the other requirements in section 1.8A(1) above;
or

(3) An electronically completed SF-425 with an electronic date and signature of the recipient's authorized representative.

B. We may require recipients to report additional financial information, but only if OMB has approved the information collection (see [section 1.6](#)).

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1.9 What information must the Service require recipients to provide in performance reports, and in what format?

A. We must require the following information in performance reports (see [2 CFR 200.328](#)):

(1) A comparison of actual accomplishments to the objectives of the award established for the reporting period;

(2) The reasons why established objectives were not met, if appropriate;

(3) Other pertinent information, when appropriate, including analysis and explanation of cost overruns or high unit costs;

(4) Where the accomplishments of the Federal award can be quantified, a computation of the cost (e.g., related to units of accomplishment), if that information will be useful. Where performance trend data and analysis would be informative, we should include this as a performance reporting requirement; and

(5) Any additional requirements specified in legislation or the Notice of Award.

B. Performance reports are narrative in format and can be accepted electronically.

1.10 How frequently and on what schedule must the Service require recipients to submit financial and performance reports?

A. Final Reports: We must require recipients to submit final financial and performance reports no later than 90 calendar days after the award period of performance end date or termination date, whichever comes first.

(1) The only exception to the 90-day reporting requirement is if the recipient has requested and received prior approval for an extension (see [section 1.13](#)).

(2) For awards that last 12 months or less, the final financial and performance reports are the only such reports required, except in unusual circumstances (see [section 1.12](#)) or if waived (see section 1.14).

B. Interim Reports: For awards that last longer than 12 months, we must require recipients to submit interim financial and performance reports at least annually and no more frequently than quarterly, except in unusual circumstances or if waived. Employees should base any requirement for more than annual reporting on an assessment of higher risk or other unusual circumstance (see [section 1.12](#)). See the tables below for the reporting schedules for interim reports:

(1) Annually: We must receive annual interim reports no later than 90 calendar days after the annual interim reporting period end date. Table 1-2 shows the schedule, which is based on the date the period of performance starts:

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Table 1-2: Schedule for Annual Interim Reports

Award Period of Performance Start Date	Annual Interim Reporting Period End Date	Annual Interim Report Due Date
January 2-April 1	March 31	June 29
April 2-July 1	June 30	September 28
July 2-October 1	September 30	December 29
October 2-January 1	December 31	March 31

(2) Semiannually: We must receive semiannual interim reports no later than 30 calendar days after each semiannual interim reporting period end date. Table 1-3 shows the schedule:

Table 1-3: Schedule for Semiannual Interim Reports

Award Period of Performance Start Date	Semiannual Interim Reporting Period End Dates	Semiannual Interim Report Due Dates
January 2-April 1	September 30 March 31	October 30 April 30
April 2-July 1	December 31 June 30	January 30 July 30
July 2-October 1	March 31 September 30	April 30 October 30
October 2-January 1	June 30 December 31	July 30 January 30

(3) Quarterly: We must receive quarterly interim reports no later than 30 calendar days after each quarterly interim reporting period end date. Table 1-4 shows the schedule:

Table 1-4: Schedule for Quarterly Interim Reports

Award Period of Performance Start Date	Quarterly Interim Reporting Period End Dates	Quarterly Interim Report Due Dates
January 2-April 1	September 30 December 31 March 31 June 30	October 30 January 30 April 30 July 30
April 2-July 1	December 31 March 31 June 30 September 30	January 30 April 30 July 30 October 30
July 2-October 1	March 31 June 30 September 30 December 31	April 30 July 30 October 30 January 30
October 2-January 1	June 30 September 30 December 31 March 31	July 30 October 30 January 30 April 30

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1.11 May the Service allow a recipient to use alternate interim reporting schedules from those in section 1.10?

A. For interim financial reports, we cannot approve deviations from the interim reporting period end dates in the tables above except in unusual circumstances (see [section 1.12](#)). The financial reporting period end days required by OMB are March 31, June 30, September 30, and December 31.

B. For interim *performance* reports:

(1) We may allow the recipient to use alternate reporting schedule end dates only if we:

(a) Obtain a valid written justification for changing the date, and

(b) Ensure that the suggested date(s) requires the recipient to submit interim performance reports at least annually.

(2) If we approve such a deviation in schedule, we must include the recipient's request in the award file and specify the approved new interim performance reporting period end date(s) in the Notice of Award or its amendment.

1.12 May the Service require interim reports more frequently than quarterly?

A. Yes. We may require interim reports more frequently than quarterly as a specific condition of award only under one or more of the circumstances identified in [2 CFR 200.207](#)(a) and in accordance with the requirements in [2 CFR 200.207](#)(c) and (d) and [with section 1.19](#) of this policy.

B. We must maintain copies in the official award file of all notices to and responses from the recipient related to the imposition of any additional special award condition(s).

1.13 May the Service extend a report due date?

A. We may extend the due date for a financial or performance report if we receive a written request from the recipient that identifies:

(1) The requested revised due date, and

(2) A justification for the extension.

B. For any report due, we may approve one due date extension for a maximum of 90 days past the original report due date, unless a longer period is justified by something that significantly impairs the recipient's operations.

C. When we approve a report due date extension, we must notify the recipient in writing.

D. We must maintain:

(1) Copies of all report due date extension requests and final decision notices in the official award file, and

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(2) A record of financial and performance report due dates in accordance with [section 1.16](#), including updating the PRISM Milestone Plan to reflect report due date extensions.

1.14 May the Service waive any of the reporting requirements in this chapter?

A. We may waive interim and final performance reporting requirements, but only:

(1) For a recipient who is an individual (i.e., receives a grant or cooperative agreement separate from any business or organization he/she may own or operate), and

(2) If we have another way of assessing recipient performance at least annually. We must document such assessments in the official award file and include the assessment date, the information used to make the assessment, and the full name of the Service employee who performed the assessment.

B. We may waive the interim financial reporting requirements only for a recipient who has to request payments using either the [SF-270](#) or [SF-271](#), because they are prohibited or waived from using the U.S. Treasury's Automated Standard Application for Payments (ASAP) system. See the Service's [ASAP intranet site](#) for more information on ASAP prohibitions and waivers.

(1) To qualify for the interim financial reporting waiver, the recipient must request a payment using either the SF-270 or SF-271 at least annually throughout the entire award period of performance.

(2) Recipients who receive a waiver from interim financial reports still must submit a final financial report using the SF-425 (see [section 1.10](#)).

C. We must not waive any other reporting requirement in this chapter.

1.15 Does the Service require recipients to pass the reporting requirements in this chapter on to sub-recipients? No. Recipients are responsible for meeting the requirements of their award. The recipient may require their sub-recipients to submit financial and performance reports to monitor their performance in accordance with Federal award requirements in [2 CFR 200.331](#).

MONITORING

1.16 Who must monitor recipient financial and performance reporting, and what does monitoring include?

A. The Service technical representative assigned to the award (also called a Project Officer, Program Officer, or Program Biologist) is responsible for ensuring the Service fulfills its stewardship responsibilities as they relate to recipient compliance and performance which, under this policy, includes:

(1) Ensuring recipient compliance with the financial and performance reporting requirements, and

(2) Using both financial and performance reports as a performance monitoring tool.

B. Monitoring includes:

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(1) Establishing and maintaining an accurate record of report due dates and receipt dates in the Financial and Business Management System (FBMS) PRISM system through a Milestone Plan for each award. A Milestone Plan must be established no later than 60 calendar days past the date of original (base) award obligation. For recipients who receive a waiver from performance reporting, the Milestone Plan must document the scheduled and actual alternate performance assessment activities (see [section 1.14A](#));

(2) Providing timely notice of overdue reports and imposing remedy conditions, as needed (see [section 1.19](#));

(3) Documenting in the official award file the date each report is received and who received it (e.g., handwritten notation, electronic notation, or digital signature made directly on the report, a copy of the email that transmitted the report to a Service employee or shared email box, or a copy of a written report receipt confirmation sent from the Service to the recipient);

(4) Reviewing all reports in a timely manner for the considerations in [sections 1.17](#) and [1.18](#) below and documenting in the official award file (e.g., handwritten notation, electronic notation, or digital signature made on the report) the date each report is reviewed and the Service employee(s) who reviewed and accepted them. We must review reports within 45 days of receipt;

(5) Contacting the recipient with any questions or concerns and returning incomplete or inaccurate reports with a clear written description of why the report is being returned along with a due date for resubmission; and

(6) Maintaining documentation generated while monitoring recipient reporting compliance in the official award file.

1.17 What must the Service consider when reviewing financial reports? We must review financial reports to ensure:

A. Required fields are completed and correct (e.g., correct Federal award identification number provided, accurate reporting type selected, correct reporting period end dates);

B. Figures are calculated correctly;

C. The indirect costs charged are supported by an approved indirect cost rate (a copy of the approved indirect cost rate agreement(s) covering the reporting period must be available in the official award file);

D. As compared to the performance report for the same reporting period, the expenditures appear reasonable to support the project activities conducted or completed to date;

E. The report does not raise any issues or concerns that may require followup with the recipient, such as:

(1) An unexplained balance of cash on hand (funds drawn but not expended);

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- (2) Unanticipated program income (see [2 CFR 200.80](#));
- (3) Federal funds or the recipient's voluntary committed funds are not being spent at the expected frequency, as compared to the project schedule; or
- (4) The recipient is not maintaining a required match expenditure ratio, if required.

F. On the final SF-425s, the Total Federal Share (line 10g) and the Unobligated Balance of Federal Funds (line 10h) reported reconcile with:

- (1) The total obligations and payments posted to the FBMS-SAP Core Finance Purchase Order, and
- (2) When the recipient is paid in Treasury's ASAP system, the total obligations and payments made in ASAP.

1.18 What must the Service consider when reviewing performance reports? We must review performance reports to ensure:

- A.** The recipient has provided the information required (see [section 1.9](#));
- B.** The information provided is sufficient to assess if the recipient is on track to meet project goals and objectives as planned; and
- C.** The report does not raise any issues or concerns that may require followup with the recipient, such as:
 - (1) Significant reduction of effort or project delays with no explanation of why or how the recipient plans to address the issue,
 - (2) Work conducted outside the approved project scope or moving project location without prior approval, or
 - (3) Other significant developments that were not otherwise promptly reported as required in [2 CFR 200.328\(d\)](#).

ADDRESSING RECIPIENT NONCOMPLIANCE WITH REPORTING REQUIREMENTS

1.19 What happens if the Service does not receive a recipient's report by the due date or agreed-upon extension date?

A. If we do not receive a required report by the due date or agreed-upon extension date, we must issue a notice of noncompliance by letter or email (with appropriate return receipt) as soon as practicable, but no later than 30 calendar days after the due date or agreed-upon extension date has passed. The noncompliance notice must state that:

- (1) The recipient is noncompliant with the Federal reporting condition(s) of the award;

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(2) Unless we receive the required report within the next 10 calendar days of the recipient's receipt of the overdue report notice, we reserve the right, without further notice, to make no further obligations and payments on the award and suspend the award until we receive the report;

(3) We reserve the right, without further notice, to impose additional conditions as allowed under [2 CFR 200.207](#) or, if we determine that we cannot remedy noncompliance by imposing additional conditions, to take further remedy actions as allowed under [2 CFR 200.338](#); and

(4) We may withhold any other pending awards to the recipient until we receive the overdue report.

B. If within 10 calendar days of the recipient's receipt of the overdue report notice we still do not receive the overdue report or an acceptable explanation for its tardiness, we may:

(1) Suspend payments and additional obligations for the award for 30 calendar days (for recipients that draw down funds in Treasury's ASAP system, only employees with the ASAP Account Maintainer role can suspend payments in the system); and

(2) Consider and impose additional remedy conditions.

C. If within 30 calendar days of the recipient's receipt of the suspension notice we still do not receive the overdue report or an acceptable explanation for its tardiness, we may:

(1) Convert the suspension or sanction(s) to a termination,

(2) Withhold any other pending awards that we would make to the recipient until we receive the required report, or

(3) Impose both sanctions in subsections C(1) and (2) above.

D. We must send a written notice of any suspension, termination, or other remedy conditions imposed or actions taken to the recipient by letter or email (with appropriate return receipt).

E. We must maintain copies of all notices to and responses from the recipient in the official award file.

1.20 May the Service reinstate a terminated award? No. Once we terminate an award, we may not reinstate it.

1.21 If a recipient incurs costs during an award suspension or termination, are those costs allowable and eligible for reimbursement? Yes. After careful consideration, we may reimburse the recipient for allowable and eligible costs during a suspension or termination if:

A. The costs cannot be reasonably avoided;

B. The costs were from obligations made by the recipient prior to the suspension or termination and not in anticipation of either action. For terminations, the costs must be the type that the recipient could not cancel;

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- C. The costs would have been allowable if the award were not suspended or terminated; and
- D. We notify the recipient by mail or email (with appropriate return receipt) that we authorize reimbursement of those costs.

1.22 What must the Service do when a recipient subject to one or more remedy conditions for failure to report corrects the identified problem?

- A. Once we receive the required report and verify that it is complete and accurate, we must immediately lift all suspensions, withholdings, or other conditions we imposed for noncompliance.
- B. We must notify the recipient by mail or email (with appropriate return receipt) that we have lifted all suspensions, withholdings, or other conditions imposed for noncompliance.
- C. We must maintain copies of all such notices to and responses from the recipient in the official award file.

/sgd/ Stephen Guertin
DEPUTY DIRECTOR

Date: July 9, 2018