

**FISH AND WILDLIFE SERVICE
FEDERAL FINANCIAL ASSISTANCE**

Federal Financial Assistance Part 516 FWS Financial Assistance – Award Administration

Chapter 1 Financial Reporting for Grant and Cooperative Agreement Awards

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1.1 What is the purpose of this chapter?

A. This chapter provides the information U.S. Fish and Wildlife Service (Service) employees working with grant and cooperative agreement awards need so that we can:

- (1)** Record related expenses in the proper period,
- (2)** Monitor costs and progress in accomplishing goals and objectives of approved awards through recipients' timely submission of accurate and complete reports, and
- (3)** Close awards after receipt of accurate and complete reports.

B. The chapter also helps us to carry out:

- (1)** The Department of the Interior's (Department) Guidance Release 2009-04: Policy Regarding Financial Status Reporting Requirements Related to Grants and Cooperative Agreements, and
- (2)** The Office of Management and Budget's (OMB) 2008 requirement that all Federal awarding agencies use the *Federal Financial Report*, Standard Form (SF) 425. (Previously we used SF 269/269A and the *Report of Federal Cash Transactions*, SF 272/272A.)

1.2 What are the objectives and scope of this chapter?

A. Objectives: Our objectives are for Service staff to consistently communicate fiscal reporting requirements to applicants and award recipients and to make sure that these requirements are met.

B. Scope: This chapter covers all Service programs that award grants and cooperative agreements.

1.3 What are the authorities for this chapter?

A. Administrative and Audit Requirements and Cost Principles for Assistance Programs (43 CFR 12, specifically Subparts A, C, and F).

B. Cost Principles for Education Institutions (2 CFR 220).

C. Cost Principles for State, Local, and Indian Tribal Governments (2 CFR 225).

D. Cost Principles for Non-Profit Organizations (2 CFR 230).

E. Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations (2 CFR 215).

F. Financial Reporting for Grants and Cooperative Agreements: Federal Financial Report (Federal Register, Vol. 72, No. 235, December 7, 2007).

G. U.S. Department of the Interior Guidance Release 2009-04, Financial Status Reporting Requirements Related to Grants and Cooperative Agreements.

H. Paperwork Reduction Act (44 U.S.C. 3501 *et seq.*).

I. Controlling Paperwork Burdens on the Public (5 CFR Part 1320).

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1.4 Who is responsible for financial reporting for Service grant and cooperative agreement awards?

Table 1 1: Responsibilities for Financial Reporting for Grant and Cooperative Agreement Awards	
These employees...	Are responsible for...
A. The Director	Making sure that the Service has effective policy in place for administering the Servicewide grant and cooperative agreement programs.
B. The Assistant Director – Wildlife and Sport Fish Restoration Program	<p>(1) Developing policy for the financial reporting requirements for programs that administer grant and cooperative agreement awards, and</p> <p>(2) Making sure that the program offices in the Regions and Headquarters have the information needed to manage the grants and cooperative agreements that they award.</p>
C. Directorate Members	<p>Making sure that the Service programs that award funds through grants and cooperative agreements comply with the this policy by:</p> <p>(1) Clearly stating financial reporting requirements in all applicable award notices and communications,</p> <p>(2) Monitoring those awards to track progress in accomplishing goals and objectives and compliance with the terms and conditions of the awards,</p> <p>(3) Making sure that recipients correct any noncompliance in a timely manner,</p> <p>(4) Deobligating any remaining funds and closing the award after receipt of final reports,</p> <p>(5) Properly documenting and maintaining award files, and</p> <p>(6) Complying with the OMB regulation to receive and maintain current information collection approval for all applicant and recipient documentation.</p>

1.5 Who must monitor recipients' financial reporting, and what does monitoring involve?

A. The Service program responsible for the administration of the awards must monitor the recipients' financial reporting.

B. Monitoring includes, but is not limited to:

(1) Tracking report due dates and report receipt dates in the Financial and Business Management System (FBMS) PRISM system through a Milestone Plan for each award,

(2) Reviewing reports for completeness and accuracy,

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- (3) Returning incomplete or inaccurate reports to the recipient within 30 calendar days of receipt with a clear written description of why the report is being returned,
- (4) Providing timely notice about and obtaining overdue reports with due concern for recipient rights and program needs (see section 1.13).
- (5) Maintaining documentation generated while monitoring submission of financial reports in the official award file, and
- (6) Using complete and accurate reports to determine whether or not the recipient met award requirements.

1.6 Does the Service require recipients to pass the reporting requirements in this chapter to sub-recipients? We do **not** require recipients to pass the reporting requirements in this chapter to sub-recipients. We do require the recipient to have a process to manage and track funds that pass to sub-recipients since the recipient must report these funds in the financial report.

1.7 What notice must the Service give applicants and recipients on financial reporting requirements? We must clearly state Federal financial reporting requirements in pre-award, award, and post-award notices. These notices must identify the required report formats, reporting frequency, and due dates and describe sanctions for noncompliance. We must obtain prior approval from OMB to:

- A. Collect information or documentation in addition to what is required on OMB-approved Standard Forms, or
- B. Use project- or program-specific reporting forms/formats.

1.8 What form does the Service require recipients to use for reporting the status of funds under an award?

A. We require recipients to report on the status of funds using:

(1) A printed SF 425, *Federal Financial Report*, with the date and signature of the recipient's authorized representative;

(2) A printed SF 425 with the representative's signature and date 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.

(3) An electronically submitted scanned or faxed copy of (1) or (2), or

(4) 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 specific to the awarding program as long as OMB has approved the requirements.

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1.9 What are the requirements for the frequency of financial reporting?

A. We require recipients to send us final reports for all awards no later than 90 calendar days after the award period or termination of award support, whichever comes first (see section 1.11 for information about waivers of these requirements).

B. We also require recipients to send us interim financial reports for awards that last longer than four full quarters (12 months). We may require recipients to submit these reports annually, semiannually, or quarterly (see below).

(1) Annually: The annual reporting period is dependent on the award’s performance start date. We must receive annual interim financial reports no later than 90 calendar days after the annual interim report end date. Table 1-2 shows the schedule:

Table 1 2: Schedule for Annual Interim Financial Reports		
Award Performance Start Date	Annual Interim Report End Date	Annual Interim Report Due Date (90 days after report end date)
January 1	December 31	March 31
January 2- March 31	March 31	June 29
April 1	March 31	June 29
April 2- June 30	June 30	September 28
July 1	June 30	September 28
July 2- September 30	September 30	December 29
October 1	September 30	December 29
October 2 – December 31	December 31	March 31

(2) Semiannually: The semiannual interim reporting period always ends December 31, March 31, June 30, or September 30. We must receive semiannual interim financial reports no later than 30 calendar days after the last day of each semiannual interim reporting period. Table 1-3 shows the schedule:

Table 1 3: Schedule for Semiannual Interim Financial Reports		
Award Performance Start Date	Semiannual Interim Report End Date	Semiannual Interim Report Due Date (30 days after report end date)
January 1	June 30	July 30

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Table 1 3: Schedule for Semiannual Interim Financial Reports		
Award Performance Start Date	Semiannual Interim Report End Date	Semiannual Interim Report Due Date (30 days after report end date)
January 2- March 31	September 30	October 30
April 1	September 30	October 30
April 2- June 30	December 31	January 30
July 1	December 31	January 30
July 2- September 30	March 31	April 30
October 1	March 31	April 30
October 2 – December 31	June 30	July 30

(3) Quarterly: The quarterly interim reporting period always ends December 31, March 31, June 30, or September 30. We must receive quarterly interim reports no later than 30 calendar days after the last day of each quarterly interim reporting period. Table 1-4 shows the schedule:

Table 1 4: Schedule for Quarterly Interim Financial Reports		
Award Performance Start Date	Quarterly Interim Report End Date	Quarterly Interim Report Due Date (30 days after report end date)
January 1	March 31	April 30
January 2- March 31	June 30	July 30
April 1	June 30	July 30
April 2- June 30	September 30	October 30
July 1	September 30	October 30
July 2- September 30	December 31	January 30
October 1	December 31	January 30
October 2 – December 31	March 31	April 30

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1.10 May the Service require interim financial reports more frequently than quarterly?

A. Yes. We may require reports more frequently than quarterly if the recipient:

- (1) Has a history of poor performance,
- (2) Is not financially stable,
- (3) Has a management system that does not meet the standards that the regulations applicable to the award require,
- (4) Has not conformed to the terms and conditions of a previous award,
- (5) Is not otherwise responsible, or
- (6) Receives advances totaling \$1 million or more each year. This condition is only applicable to the submission of financial reports by State, tribal, and local governments.

B. Before we may require more frequent reports, we must notify the recipient by letter, fax, or email and explain the:

- (1) Nature of the additional requirements,
- (2) Reason for the additional requirements,
- (3) Nature of the corrective action needed,
- (4) Time allowed for completing the corrective action, and
- (5) Procedure for requesting reconsideration of the additional requirements.

C. As soon as a recipient corrects any condition(s) that require additional reporting, we must immediately remove the additional requirements and notify the recipient by letter, fax, or email.

1.11 What reporting requirements may the Service waive and what are the procedures for waiving them?

A. Final reports: We may not waive final reports.

B. Annual interim financial reports: We may waive annual interim financial reports from a recipient who is exempt or waived from using the U.S. Treasury's Automated Standard Application for Payments (ASAP) system because they submit an SF 270, *Request for Advance or Reimbursement*, or an SF 271, *Outlay Report and Request for Reimbursement for Construction Programs* when requesting payments.

1.12 May the Service extend the due date of financial reports?

A. We may extend the due date of a financial report if we receive a request through a letter, fax, or email **no later than 1 day before** the original due date of the report. The request must identify:

- (1) The type of report for which the recipient requests an extension,
- (2) The requested revised due date, and

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(3) A justification for the extension.

B. The maximum extension we may approve is 90 days, unless a longer period is justified by a catastrophe that significantly impairs the recipient's operations.

C. We must notify the recipient by letter, fax, or email if we approve a request for extension of the due date of a report.

D. We must also keep extension requests and the final decision on these requests on file.

1.13 What happens if the Service does not receive a required financial report by the due date or agreed-upon extension date?

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

(1) The recipient is noncompliant with the Federal financial reporting terms of the award;

(2) Unless we receive the required report within the next 10 calendar days of the recipient's receipt of the overdue report notice, we will make no further obligations and payments on the award and we will suspend the award until we receive all reports;

(3) We reserve the right, without further notice, to convert the suspension to a termination of the award if we do not receive the required report within 30 calendar days of the recipient's receipt of the suspension notice; and

(4) We will withhold any other pending awards that the affected Service program would make 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 financial report or an acceptable explanation for its tardiness, we must:

(1) Suspend payments and additional obligations for the financial assistance award for 30 calendar days, and

(2) Send a suspension notice to the recipient of this action.

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

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

(2) Withhold any other pending awards that the affected Service program would make to the recipient until we receive all required reports, and

(3) Send a termination notice to the recipient of this action.

1.14 May the Service waive the termination of an award? No. We may not waive a termination. Once we terminate an award, we may not reinstate it.

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1.15 If, during a period of suspension or termination, a recipient incurs costs authorized under an award, are the costs allowable and eligible for reimbursement? We may, after careful consideration, allow reimbursement of allowable and eligible costs during a suspension or termination only if:

- A.** The costs cannot be reasonably avoided;
- B.** The costs were from obligations made by the recipient before the suspension or termination action and not in anticipation of either action. For terminations, the costs must be the type that the recipient could not cancel;
- C.** The costs would have been allowable if the award were not suspended or terminated; and
- D.** We notify the recipient (with appropriate return receipt) through mail, fax, or email that we authorize reimbursement of those costs.

1.16 What happens when the Service receives and approves a required report from a recipient who was suspended?

- A.** Once we receive the required financial report and verify that it is complete and accurate, we must immediately lift all suspensions we imposed on the recipient.
- B.** We must notify the recipient (with appropriate return receipt) through mail, fax, or email that we have lifted the suspension.

/sgd/ Rowan W. Gould
DEPUTY DIRECTOR

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