



516 FW 4

Payment Management for Grant and Cooperative Agreement Awards

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4.1 What is the purpose of this chapter? This chapter provides the information U.S. Fish and Wildlife Service (Service) employees working with grant and cooperative agreement awards need to:

- A.** Follow Governmentwide and Departmental requirements related to payment management for grant and cooperative agreement awards;
- B.** Make sure recipients either enroll in the U.S. Treasury's Automated Standard Application for Payment (ASAP) system or, based on a formal request, the Department of the Interior (Department) waives the ASAP enrollment requirement (see [sections 4.12](#) and [4.13](#));
- C.** Inform recipients about how they will be paid and of any special award condition or circumstance that changes the payment method on their award(s); and
- D.** Make sure recipients comply with their award terms and conditions and take appropriate action when a recipient is out of compliance.

4.2 What are the objective and scope of this chapter?

A. Objective: Our objective is for Service employees to follow:

- (1)** The payment methods required in the Code of Federal Regulations (CFR) so that recipients are treated appropriately and consistently with respect to payment, and
- (2)** The payment procedures required by the Department.

B. Scope: This chapter covers all Service programs that administer and manage grant and cooperative agreement awards.

4.3 What are the authorities for this chapter?

- A.** Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ([2 CFR 200](#)).
- B.** Controlling Paperwork Burdens on the Public ([5 CFR 1320](#)).
- C.** Rules and Procedures for Efficient Federal-State Fund Transfers ([31 CFR 205](#)).

D. Department of the Interior Acquisition Guidance (DIG) [2013-03](#), Automated Standard Application for Payments System.

E. Department of the Interior Guidance Release (DIG) [2011-03, Amendment 1](#), Financial Assistance Monitoring Protocol.

4.4 Who is responsible for grant and cooperative agreement award payment management? Table 4-1 describes Service employees' responsibilities for payment management.

Table 4-1: Responsibilities for Grant and Cooperative Agreement Award Payment Management	
These employees . . .	Are responsible for . . .
A. The Director	Making sure the Service has policy in place regarding grant and cooperative agreement award payment management.
B. The Assistant Director – Wildlife and Sport Fish Restoration Program through the Division of Administration and Information Management, Branches of Financial Assistance Policy and Oversight and Financial Assistance Systems	(1) Developing policy regarding grant and cooperative agreement award payment management, (2) Overseeing Service implementation of the policy, and (3) Assisting Service users in resolving issues with the Financial Business Management System (FBMS) and the U.S. Treasury's ASAP system.
C. Directorate members in Headquarters and the Regions	Making sure employees who issue, administer, and manage grant and cooperative agreement awards are aware of and follow the requirements in this policy.

4.5 What actions related to payments must the Service take prior to releasing an award and obligating funds in FBMS? We must complete all steps of the [Establishing an Intended Recipient's Payment Method before Obligating Funds for a New Grant or Cooperative Agreement Award in the Financial and Business Management System](#) guidance document before releasing an award and obligating funds in FBMS.

4.6 What are the payment methods the Service can use for grants and cooperative agreements?

A. Advances. We must pay recipients in advance if they have procedures that minimize the time between when we transfer funds to them and when they disburse the funds. Advance payment mechanisms are subject to 31 CFR 205 and 2 CFR 200.

B. Reimbursement. If a recipient cannot meet the requirements for advance payment, we may restrict the recipient to requesting

reimbursements. We may also use this method on construction awards. When using the reimbursement method, we have to allow recipients to submit requests for reimbursement as often as they like as long as they're paid electronically. In the rare circumstance that a recipient receives payment in the form of a check from the U.S. Treasury, the recipient may not request payment more frequently than monthly.

C. Working capital advance. If a recipient cannot meet the requirements for advance payments, and we determine that reimbursement is not feasible because the recipient doesn't have enough working capital to carry out the approved project activities, we may provide cash to the recipient on a working capital advance basis. We may only arrange for these advances for a limited time after award. After the initial period, the recipient is restricted to requesting reimbursements.

4.7 What is ASAP and why do grant and cooperative agreement award recipients have to use it?

ASAP is the U.S. Treasury's electronic payment and information system that allows domestic recipients of Federal grant and cooperative agreement awards to draw down funds from pre-authorized accounts. The Department requires that we pay domestic financial assistance award recipients using the ASAP system, unless a recipient qualifies for a waiver from the process (see [section 4.12](#)).

4.8 Can the Service require recipients drawing down funds in ASAP to also submit a Standard Form (SF) [270](#), *Request for Advance or Reimbursement* or an [SF 271](#), *Outlay Report and Request for Reimbursement for Construction Programs*? No.

ASAP accounts are pre-authorized so that recipients may draw down funds as needed in accordance with the award terms and conditions. We cannot require recipients who are paid in ASAP to also submit standard payment request forms, any other payment-related form, or additional documentation. The only exception to this restriction is if the program has received Office of Management and Budget (OMB) approval for the routine collection of additional payment-related information (see 281 FW [4](#) and [5](#)). We can impose additional requirements (see [section 4.11](#)) if a recipient meets one or more of the conditions in [section 4.10A](#).

4.9 Do employees need to review and approve recipient payment requests in ASAP? No. The only exception is when both circumstances below are met:

A. The recipient meets one or more of the criteria in [section 4.10A](#), and

B. We included conditions in the award that require prior Service approval of payment requests.

4.10 When may the Service impose additional requirements and how must we communicate them to the recipient?

A. We may impose additional requirements at any point during the award process if the applicant or 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 or existing award, or
- (5) Is not otherwise responsible.

B. Before we may impose additional requirements, we must notify the applicant or recipient in writing and explain the:

- (1) Nature of the additional requirements,
- (2) Reason(s) why we are imposing 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 imposed.

C. Depending on the nature of the circumstance, additional requirements may be imposed for a portion of a single project period, for the entire project period of an award, or for part or all of the project periods on consecutive awards.

D. When a recipient corrects the circumstance(s) that resulted in our imposing additional requirements, we must remove the requirements and notify the recipient in writing.

4.11 What payment-related additional requirements may the Service impose on recipients who meet the criteria in [section 4.10A](#)? If at any point in the award process an applicant or recipient meets one or more of the criteria in section 4.10A, we may:

A. Require a recipient to obtain approval before spending or requesting funds,

B. Require a recipient to complete work in stages and withhold or otherwise limit funding for the next stage until the current stage is complete,

C. Restrict a recipient from receiving funds in advance, requiring them to be reimbursed for allowable project expenditures (see [section 4.6](#)),

D. Require a recipient to submit receipts or other payment-related documentation with their payment requests or financial reports, or

E. Require a recipient to increase the frequency of their financial reporting, but no more frequently than quarterly (see [516 FW 1](#)). Never require a recipient to submit a final [SF 425, Federal Financial Report](#) before we release their final payment. See [516 FW 1](#) for actions we can take when a recipient is out of compliance with financial reporting requirements.

4.12 May the Department waive the requirement for a recipient to enroll in and request funds through ASAP? Yes. The Department may approve a waiver of the ASAP enrollment requirement in any of the following situations:

A. An individual, including sole proprietors, with or without an account with a financial institution, determines that using ASAP would impose a hardship due to a physical or mental disability; geographic, language, or literacy barrier; or that it would impose a financial hardship.

B. An individual does not have an account with a financial institution and is not eligible to open an electronic transfer account (ETA) under the Federal Financial Assistance Management Improvement Act. The Department will revoke the waiver once an ETA is available to the recipient.

C. The recipient is a foreign entity. We must request waivers for foreign recipients because the U.S. Treasury does not allow them to enroll in ASAP.

D. The recipient is in an area that the President or an authorized agency administrator has designated as a disaster area. This waiver is limited to payments made within 120 days after the disaster is declared.

E. The award is made in response to contingency operations conducted by or in support of the Department of Defense.

F. Where using ASAP may pose a threat to national security, the life or physical safety of an individual may be endangered, or a law enforcement action may be compromised.

G. Where the need to deliver funding is so unusual and compellingly urgent that the public or the Government would be seriously injured unless the program pays the recipient by a method other than ASAP.

4.13 How does the Service request an ASAP waiver for a recipient? See the [Establishing an Intended Recipient's Payment Method before Obligating Funds for a New Grant or Cooperative Agreement Award in the Financial and Business Management](#)

[System](#) guidance document for instructions on how to request an ASAP waiver.

4.14 How do recipients with an ASAP waiver request payment?

Recipients with an ASAP waiver must send us either an [SF 270](#) or an [SF 271](#) standard payment request form. We may waive interim financial reporting for recipients using these standard forms (see [516 FW 1](#)). No other forms or formats may be used to process manual payments (see section 4.15 and 281 FW [4](#) and [5](#)).

4.15 Can the Service require recipients who have an ASAP waiver to submit any other payment-related form or additional documentation with or in place of the standard payment request forms?

No. We must not require recipients who have ASAP waivers to submit any other payment-related form or additional documentation with or in place of the standard payment request forms unless:

- A. The program received OMB approval to routinely collect additional payment-related information from recipients (see 281 FW [4](#) and [5](#)), or
- B. A recipient meets one or more of the criteria detailed in section 4.10A.

4.16 What actions are required when the Service receives an SF 270 or SF 271 payment request?

A. We must:

- (1) Review the document to make sure the recipient has accurately completed all the fields and signed and dated the form,
- (2) Communicate with recipients to correct inaccurate and incomplete [SF 270](#) or [SF 271](#) information, and
- (3) Withhold payment until the standard form is complete and accurate.

B. We must submit recipient payment requests to the Interior Business Center (IBC) within 5 business days of receipt.

C. We do not need to sign or otherwise indicate approval of an SF 270 or SF 271 payment request before funds are transferred to the recipient unless:

- (1) The recipient meets one or more of the criteria in section 4.10A, and
- (2) The program adds conditions to the award to require prior Service approval of payment requests (see [section 4.11](#)).

4.17 What information related to payments must the Service include in notices of award and subsequent amendments? The notice of award and subsequent amendments must include the following information related to payments:

A. How to request funds. If the Department waives the requirement for the recipient to use ASAP, the notice of award and any subsequent amendments must:

(1) Identify which payment form the recipient must use ([SF 270](#) or [SF 271](#)), and

(2) Provide payment request submission instructions.

B. Details regarding any changes in the allowable payment method or any other payment-related additional requirements (see [section 4.11](#)).

4.18 Do Service employees have to monitor recipient payment activity? Yes.

A. We must regularly monitor recipient requests for payment and funds draw down activity to compare their frequency with the approved project activities and schedule. This monitoring activity gives us a general picture of project progress and allows us to identify and follow up with the recipient on any potential funds management issues. The frequency for payment activity review and followup will vary and depends on each award circumstance. We can use the reporting features of FBMS and the ASAP system to monitor activity when recipients use that payment method.

B. On occasion, we may also review recipient's source documentation (e.g., purchase orders, invoices, cancelled checks, payroll, and time and attendance records) for random transactions under each award to determine the nature of the expenditure and verify it is an allowable cost under the award terms and conditions.

4.19 What must Service employees do if they suspect that a recipient requested or expended funds in a manner that does not comply with the terms and conditions of award? We must:

A. Contact the recipient to discuss the issue and gather additional information, including a complete accounting of paid and unpaid award expenditures to date, if necessary; and

B. Consider all information and documentation received from the recipient.

4.20 What do employees do if they find that a recipient requested or expended funds in a manner that does not comply with the terms and conditions of award? We must:

A. Determine the total amount of those funds;

B. Determine if the recipient must return funds to the Service. A recipient must return funds to the Service when the amount in section 4.20A is more than the recipient's current balance of allowable unpaid award expenditures;

C. Determine what corrective action(s) we will take, or require the recipient to take, on the affected award, other awards to the recipient, or pending awards to the recipient;

D. Brief and obtain approval from the appropriate Directorate member on the planned corrective action(s); and

E. Maintain copies of all documentation related to how the funds were used and problems resolved in the official award file.

4.21 What action must the Service take to recover funds if a recipient has to return them? We must notify the recipient in writing by letter, fax, or email with appropriate return receipt that we have determined that they must return funds to the Service.

A. The notice must:

(1) State that we have determined that the recipient requested or expended funds in a manner that does not comply with the award terms and conditions;

(2) Cite the specific regulation(s) and term(s) or condition(s) violated;

(3) Specify the amount of funds that they must return and provide instructions for returning those funds;

(4) Inform the recipient that we have suspended the affected award and provide an effective date for the suspension;

(5) Inform the recipient that costs are allowable if they result from obligations incurred before the effective date of suspension and would have been allowable if the award were not suspended, and that costs resulting from obligations incurred during the suspension are not allowable unless expressly authorized in advance in the notice or subsequently (see 2 CFR 200.342);

(6) Provide specific authorization for any recipient costs related to obligations that will be incurred during the suspension when the program determines such costs allowable;

(7) Inform the recipient that we have suspended other open awards, are withholding any pending or new awards to the recipient, or both, if applicable;

(8) Inform the recipient that any and all suspended awards will remain suspended until we receive the funds due;

(9) Inform the recipient that we reserve the right, without further notice, to convert any suspension to a termination of the award if we

do not receive the funds within 30 calendar days of the recipient's receipt of the notice;

(10) Cite any statute or the applicable hearing/appeals section of the CFR that provides the recipient an opportunity for a hearing, appeal, or other administrative proceeding applicable to any action we have or may take as a result of this finding, if applicable; and

(11) Be signed by the supervising Directorate member or his/her designee.

B. When the recipient returns the funds due, we must remove the restriction(s) and condition(s) imposed under this section and notify the recipient of their removal in writing by letter, fax, or email.

4.22 What must the Service do if the recipient is not responsive to the notice sent as described in section 4.21?

A. If the recipient does not submit repayment within 30 calendar days of receipt of the notice, we must complete a Form [DI-1040](#), *Bill for Collection*, and submit the completed form along with supporting documentation to the Division of Financial Management, Cost Accounting Section.

B. The Division of Financial Management will send the *Bill of Collection*, including a Notification of Actions to be taken in case of non-payment and a Notice of Rights, to the recipient.

C. If the recipient is not responsive to the DI-1040 action, the Division of Financial Management, Debt Collection Section may take one or more of the following actions, as necessary:

(1) Refer the debt to the U.S. Treasury to initiate additional action, including possible investigation of assets,

(2) Offset other payments from the U.S. Government,

(3) Refer the debt to a private collection agency,

(4) Refer the debt to the Department of the Interior, Office of the Solicitor or to the Department of Justice to initiate legal action,

(5) Report the debt to national credit bureaus, or

(6) Report the debt to the Internal Revenue Service as income on which taxes will be owed.

D. If the recipient is not responsive to the DI-1040 action, we may take one or more of the following actions using the procedures in 2 CFR, as necessary:

(1) Withhold payment for other open Service awards to the recipient,

- (2) Withhold further Service awards to the recipient,
- (3) Terminate the affected award,
- (4) Consider termination of other open Service awards to the recipient, or
- (5) Determine if we need to initiate a formal Governmentwide suspension or debarment action against the recipient, in accordance with [DIG 2011-01](#), *Action Official Referrals of Covered Transaction Award Termination for Noncompliance or Material Failure to Perform Determinations to the Department of the Interior Suspending and Debaring Official*.

E. We must notify the recipient in writing with appropriate return receipt of any further action(s) we take.

4.23 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.

For more information about this policy, contact the Branch of Federal Assistance Policy and Oversight in the Office of Wildlife and Sport Fish Restoration. For more information about this Web site, contact [Krista Bibb](#) in the Division of Policy, Performance, and Management Programs.

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