

## **Grant and Award-Related Frequently Asked Questions**

### **Costs and Reimbursement**

**Question:** How long after a reimbursement request is submitted should an awardee expect payment?

**Answer:** DOE will make payment within thirty (30) days after receipt of an acceptable invoice.

**Question:** Can DOE confirm that Recipient will bill DOE, and DOE will reimburse Recipient for, 50% of qualified direct project expenses disbursed during the billing period as the federal share along with the proportionate share of fringe benefits?

**Answer:** The Recipient will be reimbursed for all direct and indirect costs pursuant to the applicable OMB Cost Circular. See OMB Cost Circular A-21, Cost Principles for Educational Institutions (05/10/2004) [HTML](#) or [PDF](#) (109 pages, 263 kb), [Relocated to 2 CFR, Part 220](#) (30 pages, 384 kb); **OMB Circular A-87**, Cost Principles for State, Local and Indian Tribal Governments (05/10/2004) [HTML](#) or [PDF](#) (57 pages, 199 kb), [Relocated to 2 CFR, Part 225](#) (18 pages, 362 kb); and **OMB Circular A-122**, Cost Principles for Non-Profit Organizations (05/10/2004) [HTML](#) or [PDF](#) (55 pages, 220 kb), [Relocated to 2 CFR, Part 230](#) (17 pages, 235 kb)

**Question:** Will costs associated with compliance with reporting be eligible for cost-sharing?

**Answer:** Yes.

**Question:** Will direct mail or advertising to consumers regarding smart meters be eligible for cost sharing?

**Answer:** Such costs are allowable under specific conditions. If a utility proposed in their application to DOE to implement dynamic pricing programs or similar alternate pricing schemes, then the cost associated with educating consumers and enlisting them into such programs would be allowable and eligible for cost share. Costs associated with advertising or direct mailing that just informs customers that a utility is upgrading its system with new meters or similarly providing information as part of a general public relations campaign would not normally be eligible for cost share. The OMB Circulars listed below provide additional information regarding advertising and public relations costs.

**OMB Circular A-87 for States, local governments, and Indian Tribes, Attachment B – Selected Items of Costs:** [http://www.whitehouse.gov/omb/circulars\\_a087\\_2004/#attb](http://www.whitehouse.gov/omb/circulars_a087_2004/#attb)

**OMB Circular A-21 for Educational Institutions, General Provisions for Selected Items of costs:** [http://www.whitehouse.gov/omb/circulars\\_a021\\_2004/#j](http://www.whitehouse.gov/omb/circulars_a021_2004/#j)

**OMB Circular A-122 for Non-Profit Organizations, Attachment B – Selected Items of Costs:** [http://www.whitehouse.gov/omb/circulars\\_a122\\_2004/#attb](http://www.whitehouse.gov/omb/circulars_a122_2004/#attb)

## **Questions and Answers for the Smart Grid Investment Grant Program**

**Question:** Can Recipients have the option to have indirect rates audited in advance rather enter into the agreement with a conditional indirect rate? If this is an option, how can Recipients proceed with setting up such an audit? If this is not an option, can we change our approach and resubmit our PMC 123.1 without the use of an indirect rate?

**Answer:** DOE shares your perspective in not wanting to use conditional indirect rates. Our hope is that our fact finding with you will provide supportable indirect rate(s). If this is not the case DOE will contact the DCAA for an audit. The idea of not charging indirect rates is possible, but may have implications on your cost share. This issue needs to be addressed on an individual Recipient basis.

**Question:** The Failure To Receive Or Recission Of Regulatory And Other Required Project Approvals Clause of the assistance agreement does not address payment of DOE's cost share and clawback rights if the project is terminated. Can DOE clarify its intent regarding these issues?

**Answer:** If the award is terminated, DOE shall allow full credit to the awardee for the DOE share of noncancellable obligations properly incurred by the awardee prior to the effective date of the termination. See 10 CFR 600.25(e). DOE retains certain rights to collect funds paid to a recipient in excess of the amount to which the recipient is finally determined to be entitled under the terms and conditions of the award, as such would constitute a debt to the Government. See 10 CFR 600.363.

### **Pre-Award Costs**

**Question:** What is the process for recovery of costs incurred prior to award?

**Answer:** After the Recipient has accepted the grant terms and conditions and an award has been made, the Recipient may submit an invoice for pre-award costs .

**Question:** Because we have not completed negotiations by December 31, 2009, but have already begun incurring cost based on the notification of award, is it possible to submit for recovery costs for a period greater than 90 days prior to award to account for the delay period? Is it acceptable to propose recovery of only direct project costs that occurred in excess of 90 days of our award?

**Answer:** DOE will amend the provision in the award to state any costs otherwise allowable on or after August 6, 2009 will be considered as part of the pre-award costs for your project and will inform Recipients when that is complete.

### **Reporting Requirements Prior to Definitization**

**Question:** Can DOE clarify reporting requirements under Section 1512 of the Recovery Act for recipients prior to definitization?

**Answer:** The reporting under Section 1512 of the Recovery Act is mandatory. The DOE expectation is for the recipient to comply with the Recovery Act reporting, even if you are reporting zero activity. The Contracting Officer has no authority to waive that requirement. The additional reporting requirements imposed by DOE are not invoked until the agreement is definitized.

## **Questions and Answers for the Smart Grid Investment Grant Program**

If Recipient does report zero activity in each of the data elements in the report, such reporting will not prohibit the Recipient from later requesting reimbursement for Pre-Award Costs upon definitization.

### **Davis-Bacon Act**

**Question:** Regarding the Davis-Bacon Act, what if a project-specific wage determination is not in place at the time of award/initiation of performance? Will DOE allow the contractor to pay according to wage classifications in an existing area wage determination for the applicable geographic area? How would such an agreement be memorialized?

**Answer:** If a general wage determination is applicable to the project, the DOE Contracting Officer (CO) will use it in the award and a project wage determination will not be requested. If a general wage determination is not available, the DOE CO will request a project wage determination and use of any other wage determination would be inappropriate. In this instance, work cannot begin until the project wage determination is received from the DOL and incorporated into the award. The usual time required to receive a project wage determination is between 30 and 60 days.

### **Award Project Period**

**Question:** Can DOE clarify the period of performance stated on the Agreement Face Page and in the Award Project Period And Budget Period of the assistance agreement?

**Answer:** The effective date of the award is when the CO signs. The project start date will be negotiated as part of the definitized agreement. The project may be performed within thirty-six (36) months of the project start date. The total term of the award will not exceed five years from the effective date. Data will be collected from project completion, or as it is available, until the end of the term of the award.

**Question:** Does the term length in the Award Project Period And Budget Period Clause of the assistance agreement dictate the data reporting period?

**Answer:** Yes, in that the term cannot exceed five years.

**Question:** Does the Recipient have right to unilaterally extend the award one time for up to one year? If so, what conditions, if any, apply? Can DOE clarify the meaning of following sentence in the No Cost Extension – Requirement for Timely Deliverables Clause of the assistance agreement: “However, any one-time, no cost extension will not change the requirements for deliverables or milestone dates unless agreed to in writing by the DOE.”?

**Answer:** Any Recipient has the unilateral right for a one-time award extension for up to one year. However, the award may need to be amended on a bilateral basis to reflect milestones already incorporated in the document.

### **Performance**

## **Questions and Answers for the Smart Grid Investment Grant Program**

**Question:** Regarding the Government Insight Clause of the assistance agreement, do Recipients need to notify DOE every time we have a meeting? For what type of meetings do you want to be notified in advance?

**Answer:** Recipients do not have to notify DOE every time they have a meeting. The intent of the clause is to provide DOE notice of significant meetings or reviews where overall project status or evaluations would be the primary topic of discussion. Examples of the types of meeting or reviews would be monthly or quarterly project reviews.