

CHAPTER 14

FINANCIAL ASSISTANCE AND OTHER TRANSACTIONS

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I. INTRODUCTION

I.A. Purpose and Scope

This chapter provides requirements for the accounting and financial management of financial assistance awards administered by DOE. This chapter complements the *DOE Guide to Financial Assistance* issued by the DOE Office of Policy (MA-61); government-wide financial assistance regulations contained in 2 CFR 200 (the “Uniform Guidance”); DOE-specific financial assistance regulations, contained in 2 CFR 910.

This chapter also provides accounting and financial management requirements for agreements made under DOE’s other transaction authority at 42 U.S.C 7256(g) (OT agreements). DOE regulatory requirements relating to Other Transaction Authority agreements are provided in 2 CFR 930.

This chapter does not address accounting for direct loans and loan guarantees managed by the DOE Office of Energy Dominance Financing (EDF), which are discussed in Chapter 22 of the DOE Financial Management Handbook, *Direct Loans and Loan Guarantees*.

I.B. Applicability

This chapter applies to all Departmental elements. It does not apply to contractors.

I.C. Policy

- I.C.1. DOE will account for and administer its financial assistance awards and OT agreements in accordance with applicable statutory authority, uniform guidance, Department of the Treasury (Treasury) guidelines, and DOE policies and regulations governing such documents. References to specific external requirements are cited when applicable in the chapter.
- I.C.2. Financial Assistance Listings must align with DOE’s Federal Program Inventory (which is consistent with DOE’s budget structure). See section II.E. of Chapter 3.1 of the DOE *Financial Management Handbook*, “Budget Execution Topics and Accounting for Appropriations.”
- I.C.3. The Department shall maintain accurate accounting for awards, including the accrual of costs incurred, and shall reconcile DOE accounting records with recipient financial reporting as appropriate.

II. FINANCIAL ASSISTANCE LISTINGS

II.A. DOE Framework for Assistance Listings

Consistent with the provisions of 2 CFR 200.203, the assistance listing is intended to provide program information for federal financial assistance.

There is a one-to-one relationship between an Assistance Listing and each PPA (program, project, or activity) defined by DOE's budget structure. See section II.E. of Chapter 3.1 of the DOE *Financial Management Handbook*.

II.B. Assistance Listings for Announcements and Awards with Multiple Funding Sources

When DOE systems (e.g., the Approved Departmental Acquisition System) or interagency systems allow for only one Assistance Listing to be identified with an announcement or an award, select the Assistance Listing associated with the largest funding source.

III. ACCOUNTING REQUIREMENTS

III.A. Recording Commitments

Commitments represent reservations of funds that are planned for obligation on an award or agreement. Recording commitments reserves funding for the issuance of the award or agreement by the Grants or Agreements Officer. Funding is obligated when the award or agreement is approved.¹

Commitments are recorded automatically in STARS through a system interface when a requisition is approved in the Approved Departmental Acquisition System. See chapter 3.2 of the Financial Management Handbook for requirements relating to the approval of requisitions.

III.B. Obligations

III.B.1. Recording Obligations

Obligations are incurred at the time a Grants or Agreements Officer signs the award document. The recipient accepting the award need not sign the award document for the obligation to be incurred and recorded. See Chapter 5 of the DOE Financial Management Handbook, *Accounting for Obligations*, for further guidance on obligations.

When an award or agreement is executed in the Approved Departmental Acquisition System, the obligation is reflected directly in STARS through a systems interface.

The DFO must ensure that obligations are recorded in STARS for any award or agreement not processed through the Approved Departmental Acquisition System per an allowed exception.

III.B.2. Recording Deobligations

Deobligations should be recorded in the following circumstances:

- When funds are removed from an award or agreement by the Grants or Agreements Officer, consistent with

- the award provisions, 2 CFR 200.339, and Chapter 6.2.3 of the *DOE Guide to Financial Assistance*;
- When the period of performance has ended and all final claims have been paid, the remaining funds are deobligated as part of closing the award;
 - When the appropriation has been cancelled and is no longer available to make payments under current obligations (see Chapter 5 of the *Financial Management Handbook*, “*Accounting for Obligations*”).

Deobligations are recorded in STARS through a system interface when the modification is processed through the Approved Departmental Acquisition System.

Deobligations must be recorded directly in STARS for any funding reduction that is not processed through the Approved Departmental Acquisition System.

III.C. Accounting for Costs Incurred

III.C.1. Recording Accruals Prior to Payment

III.C.1.i. General Requirements

Accruals are costs recorded for work performed in advance of payment by DOE. Costs incurred but not paid represent a liability to DOE. See section II.B.1 of Chapter 11 of the DOE Financial Management Handbook, *Liabilities*, and the DOE Cost Accrual Guide maintained by the CFO Office of Finance and Accounting.

DOE’s accrual procedures for Financial Assistance are consistent with *Federal Financial Accounting Technical Release 12: Accrual Estimates for Grants Programs*.

III.C.1.ii. Cost Accruals for Awards and Agreements Paid by Invoice

Accruals are recorded for awards and agreements that are invoiced and paid by reimbursement.

Automated accruals for awards and cost-based OT agreements with uncosted balances in excess of \$1 million must be reviewed in accordance with the procedures set out in the Department’s Cost Accrual Guide (provided by the CFO Office of Finance and Accounting).

III.C.1.iii. Financial Assistance Awards Paid Through ASAP

When payment is made through Treasury’s Automated Standard Application for Payments

(ASAP) System, the recipient draws down funding from the ASAP account as needed to meet current cash needs for execution of the award. Accruals are not recorded for awards and agreements paid by ASAP because there is no substantive timing delay between the incurrence of DOE's liability and the actual payment.

III.C.1.iv. OT Agreements with Milestone Payments

DOE is liable for payment only upon achievement of a defined milestone. Accruals should be recorded for unpaid amounts when the recipient reports completion of a milestone, but payment will not occur until the following reporting period.

See IV.A.4. of this chapter for a description of milestone payments for OT agreements.

III.C.2. Recording Costs at the Time of Payment

III.C.2.i. Costs Recorded When Invoices are Paid

The recipient provides invoices to DOE for payment by reimbursement via the Vendor Inquiry Payment Electronic Reporting System (VIPERS). Costs recorded in DOE's accounting system reflect the amounts paid.

When multiple funding lines are obligated to the same award or OT agreement, the costs recorded will reflect the funding source cited when the payment is made.

III.C.2.ii. Assigning Costs when Payment is Made through ASAP

Costs are recorded on a monthly basis as the recipient draws down funding to meet the requirements of the award.

III.C.2.iii. Milestone Payments for Other Transaction (OT) Agreements

Costs are recorded in DOE's accounting system when milestone payments are made.

See IV.A.4. of this chapter for a discussion of milestone payments for OT agreements.

III.C.2.iv. Working Capital Advances

Payments for working capital advances should not be recorded as costs when paid. Material amounts paid in advance should be recorded as an advance

payment per the requirements of Chapter 7 of the *Financial Management Handbook*, “Advances, Prepaid Expenses, and Other Assets.”

See IV.A.3 of this Chapter for a discussion of working capital advances.

III.C.3. Recording Costs for Awards or Agreements with Multiple Funding Sources

A single financial assistance award or OT agreement may be funded with multiple funding sources when permitted (see *Financial Management Handbook* Chapter 3.2, “Requisitions.”)

Multiple funding sources may include (1) funding from the same Congressional control point (C-parent), but appropriated in different fiscal years, or (2) funding from multiple appropriations or Congressional control points that have been determined to be available for the purpose of the award or OT agreement.

If funding available for separate statutory purposes is obligated on the same award, an award-specific methodology for assigning costs must be approved in advance. See section IV.D.2.ii. of DOE *Financial Management Handbook* Chapter 3.2, “Requisitions.”

III.C.3.i. Financial Assistance Awards Paid through ASAP

For awards paid through ASAP, the default system functionality assigns costs to the oldest available funding source. The default functionality appropriately records costs when separate funding lines are from different fiscal years but the same appropriation and Congressional control point (C-Parent).

If the award contains funding from separate Congressional control points (C-Parents), costs should normally be assigned proportionally to each C-Parent. When the uncosted balance of the award exceeds \$1 million, costs must be reviewed monthly and adjusted as needed to ensure appropriate execution reporting.

III.C.3.ii. Awards and Agreements Paid by Invoice

Costs recorded reflect the funding source cited when the payment is made. Invoice approving officials should choose the appropriate funding source as noted below:

Type of Available Funding	Payment Instructions

• One congressional control point (C-Parent) • Separate funding lines reflect funding appropriated in different fiscal years	Use the oldest funding first
• Multiple congressional control points (C-Parent)	Split payments proportionally according to the funding provided by the separate Congressional control points (C-parents). Use the oldest funding available in each Congressional control point (C-parent) first.

III.C.4. Reconciliation of Costs with Recipient Reporting for Financial Assistance Awards

For financial assistance awards, costs and cash on hand are reported on a quarterly basis through SF-425 consistent with award terms and 2 CFR 200.328.

Costs recorded by DOE should be reconciled with the quarterly recipient reports of actual costs and cash on hand when the recipient reporting is received.

III.D. Accounting for Government-owned Property

The DFO shall ensure proper accounting for Government-owned property held by recipients in DOE accounts in the same manner as for Government-owned property held by contractors. Property with a title conditionally vested with the non-Federal entity is not considered Government-owned property for the purposes of DOE accounting.

Section 4.5.4 of the *DOE Guide to Financial Assistance* and the referenced regulatory requirements contain detailed guidance regarding the ownership and disposition of property acquired under an award.

Chapter 10.1 of the DOE Financial Management Handbook, *Property, Plant, and Equipment*, provides requirements for accounting for Government-owned property.

IV. PAYMENTS AND CASH MANAGEMENT

IV.A. Timing of Payments

The Grants or Agreements Officer will determine the payment terms before the award is executed and include the payment terms and other conditions in the award.

Additional procedures for payments are detailed in Chapter 6 of the DOE Financial Management Handbook, *Payments and Cash Management Activities* and the Treasury Financial Manual Volume 1, Part 4A-2000.

IV.A.1. Advance Payments

Advance payments are the preferred payment mechanism for financial assistance awards, consistent with the Uniform Guidance. Payments to the recipient may be made in advance of performance, consistent with the provisions of 2 CFR 200.305 and 2 CFR 910.354. For recipients to receive advance payments, the recipient must have a financial management system that meets the requirements specified in 2 CFR 200.302 and must not be a for-profit entity, as specified in 2 CFR 910.354.

Advance payments are allowable for OT agreements, consistent with 2 CFR 930.300(a).

Cash balances maintained at the recipient level are to be kept to the minimum amount necessary to meet immediate recipient disbursement needs. Thus, recipients are required to minimize the time elapsed between the transfer of funds from Treasury and the disbursement of the funds by the recipient. Recipients must maintain advance payments of Federal funds in insured, interest bearing accounts unless an exception is applicable in accordance with 2 CFR 200.305(b)(7-8).

IV.A.2. Reimbursement

Reimbursement is payment to a recipient, upon the recipient's request, of actual cash outlays by the recipient in performing activities under an award. For for-profit financial assistance recipients, reimbursement is the preferred payment method in accordance with 2 CFR 910.354.

For other financial assistance recipients, payment is made by reimbursement when the requirements in 2 CFR 200.305(b) cannot be met; when DOE sets a specific condition per 2 CFR 200.208; or when the recipient requests payment by reimbursement.

Reimbursement is an allowable payment method for OT agreements per 2 CFR 930.300(a).

Payments for Financial Assistance awards and OT agreements are not subject to requirements of the Prompt Payment Act or to interest penalty provisions. However, in accordance with 2 CFR 200.305 and 2 CFR 910, payments must be made within 30 days of receipt of a valid request for reimbursement.

IV.A.3. Working Capital Advance for Financial Assistance Awards

If a financial assistance recipient cannot meet the criteria for advance payments as specified in 2 CFR 200.305 and the Grants Officer determines that reimbursement is not feasible because the recipient lacks sufficient working capital, DOE may provide funds as a working capital advance in accordance with 2 CFR 200.305(b)(4).

When authorized by the Grants Officer, working capital advances to the recipient are intended to cover the recipient's estimated cash disbursement needs for an initial period of time. The period of time is to be decided by the Grants Officer but should not normally exceed the recipient's disbursement cycle. Thereafter, payments are made to the recipient for actual cash disbursements.

IV.A.4. Milestone Payments for Other Transaction (OT) Agreements

Milestone payments provide specific payment amounts upon accomplishment of predetermined, well-defined, observable, and verifiable measures of technical progress, outcomes, or other payable milestones.

As specified by 2 CFR 930.300(c), milestone payments are the preferred payment method when objective and well-defined outcomes can be identified.

Per 2 CFR 930.300(c), fixed-support awards must use a milestone payment mechanism, but an initial advance payment is also allowable to meet necessary immediate cash needs.

IV.A.5. Timing of Payments for Revolving Loan Funds, Loan Loss Reserve Funds, Interest Rate Buy-Downs, and Third-Party Loan Insurance¹

IV.A.5.i. Payments may be made to the recipient at the time the funds are obligated by the recipient. The Office of General Counsel has clarified that these authorities are contained in 31 CFR 205.25; 31 CFR 205.15; and 10 CFR 420.18(d).

IV.A.5.ii. Revolving loan funds are considered obligated by the recipient in any of the following circumstances:

- Receipt of a loan application from potential borrowers;

- State or local requirements (regulatory, statutory, or constitutional) dictate that funds be available in advance;²
- The distribution account is operated by a third party;³
- If a recipient establishes and operates a revolving loan fund, the fund would be considered obligated by the recipient upon submitting a letter to the project officer and receiving a confirmation response from the Project Officer.

The letter must provide the strategy for the revolving loan fund and identify the scope of the loan program.

IV.A.5.iii. Loan Loss Reserve Funds are considered obligated by the recipient when they are committed as a credit enhancement to support a loan portfolio of qualifying loans under the following circumstances:

- For loan loss reserves supporting a funded program operated by the recipient, loan loss reserves are considered obligated by sending a letter to the Project Officer indicating the establishment of the loan loss reserve.
- For loan loss reserves supporting third-party loans, loan reserve funds are considered obligated when the recipient enters a signed agreement with the third party.

IV.A.5.iv. Interest rate buy-downs and third-party insurance are considered obligated by the recipient when they have been committed to support a loan or loan program in any of the following circumstances:

- Receipt of a loan application from potential borrowers;
- Where state or local requirements (regulatory, statutory, or constitutional) dictate that funds be available in advance;
- When the recipient enters into a signed agreement with the third party to support an ongoing loan program with interest rate buy-downs or third party-loan insurance; and
- The distribution account is operated by a third party and the recipient enters an agreement with the third party.

IV.B. Payment Mechanisms

IV.B.1. Advance Payments

When the Grants or Agreements Officer determines that advance payments will be made for an award, Treasury's ASAP system must be used for processing the award payments unless the DFO approves an exception to use the Department's Vendor Inquiry Payment Electronic Reporting System (VIPERS).

If the DFO approves an exception to the use of ASAP for processing advance payments, invoices must be submitted to the CFO payment processing center for payments to be made through Electronic Funds Transfer (EFT), using VIPERS.

IV.B.2. Reimbursement and Working Capital Advances

Awards that provide for reimbursement and awards that specify a working capital advance may be paid either by ASAP or by EFT via VIPERS.

Payments by EFT are processed by the Department's payment center located in Oak Ridge, Tennessee. Payments are approved by the invoice approving official. The award documentation provides instructions to the recipient for submitting invoices.

IV.B.3. Withholding Payments

Payments will be withheld when specified by the Grants or Agreements Officer and permitted by applicable regulations and the terms of the award or agreement. The Grant or Agreement Officer will notify the cognizant Designated Financial Officer when payment is to be withheld.

Allowable reasons to withhold payment include:

When the recipient has failed to comply with the project objectives or the terms and conditions of the award, consistent with the provisions of 2 CFR 200.305(b)(6) and 2 CFR 930.345.

When the recipient or sub-recipient is delinquent on debt owed to the United States per 2 CFR 200.305(b)(6)(ii), 31 CFR 901.3, and 10 CFR 1015.203. For debts already referred to Treasury for collection (required after the debt is 120 days delinquent), the payment will be offset by Treasury. (See Chapter 8 of the Financial Management Handbook, Receivables and Debt Collection.)

IV.C. Cash Management for Recipients Receiving Advance Payments

The DFO shall coordinate with the Grants or Agreements Officer to assess compliance by the recipient with the requirement that cash

balances maintained at the recipient level are kept to the minimum amount necessary to meet immediate recipient disbursement needs.

IV.C.1. Monitoring

Recipient financial reports and information available in the ASAP system shall be used to monitor the cash position of a recipient of a financial assistance award.

Recipient financial reports may include:

- Standard Form (SF) 425, Federal Financial Report;
- SF-425A, Federal Financial Report Attachment;
- SF-270, Request for Advance or Reimbursement; and
- SF-271, Outlay Report and Request for Reimbursement for Construction Programs.

IV.C.2. Disposition of Earned Interest

Generally, interest earned on advances of Federal funds is not considered program income. Recipients shall remit to DOE any interest or other investment income earned on advances of DOE funds as required by the Cash Management Improvement Act of 1990 (31 USC 6501), the Treasury Financial Manual (TFM) Volume 1, Part 4A 2045.10.

However, the following recipient organizations are allowed to retain a portion of interest as follows:

- IV.C.2.i.** State and Local Governments may retain for administrative expenses up to \$500 in interest per year in accordance with 2 CFR 200.305(b)(9).
- IV.C.2.ii.** Institutions of Higher Education, Hospitals, Other Non-Profit Organizations may retain for administrative expenses up to \$500 in interest per year for awards in accordance with 2 CFR 200.305(b)(9).
- IV.C.2.iii.** Recipients for Revolving Loan Funds may use all interest earned on funds which have been drawn down may be used for program purposes, consistent with the provisions of 31 CFR 205.25.

IV.C.3. Refunds of Interest Income

Interest income to be refunded to DOE shall be deposited to Treasury Account 089 1435, General Fund Proprietary Interest Collections, Not Otherwise Classified in accordance with the TFM Volume 1, Part 4A-2045.10. Interest earned on advances funded with the Nuclear Waste Fund (NWF) shall be returned to the NWF.

IV.C.4. Inactive Revolving Loan Funds

A revolving loan fund may be administered by a recipient or a third party. Regardless of who is administering the revolving

loan, if the fund does not loan out funds for eligible activities under the program, the Department may take an enforcement action against the recipient for noncompliance of the terms of the award agreement and disallow all or part of the cost of the activity or action not in compliance or take other allowable remedies against the recipient as stipulated under 2 CFR 200.339.⁴

Additional information regarding the revolving loan funds is contained in the Energy Efficiency Conservation Block Grant (EECBG) Policy Notice 09-202D.

IV.C.5. Completion or Termination

Upon termination or completion of the award and after cognizant Grants or Agreements Officer notification, the DFO shall coordinate with the Grants or Agreements Officer (as appropriate) to take prompt action to recover any remaining unused cash balances advanced to the recipient.

IV.D. Program Income for Financial Assistance

As defined in 2 CFR 200.307, program income is gross income earned by the recipient that is directly generated by a supported activity or earned because of the Federal award.

Program income may include income from fees for services performed; the use or rental of real or personal property acquired under federally-funded projects; the sale of commodities or items fabricated under an award; license fees and royalties on patents and copyrights; and interest on loans made with award funds.

Program income must be either retained by the recipient for authorized purposes or refunded to DOE, as appropriate.

IV.D.1. Program Income Retained by the Recipient

Recipients are usually authorized to retain income in accordance with the terms and conditions of their award and the relevant regulations (2 CFR 200.307).

IV.D.2. Refunds of Program Income

When recipients are not authorized to retain program income, the recipient is required to refund that income to DOE. The refund shall be processed as a collection in accordance with Chapter 13.2 of the DOE Financial Management Handbook, *Collections*.

IV.E. Refunds

Refunds received for active awards (one whose period of performance is current and not expired) are credited back to the award and may be expended for purposes consistent with the original obligation.

Refunds received for closed awards (ones whose period of performance has expired and/or are in close-out) are credited back to the award and then must be subsequently de-obligated. Recoveries of funds that were obligated in prior years must be reapportioned before they can be obligated. Additional guidance is provided in Chapter 5 of the DOE Financial Management Handbook and in detailed process guidance for Prior Year Adjustments (PYAs) provided by the Office of Finance and Accounting.

If the appropriation account is closed, refunds are treated as miscellaneous receipts and deposited to Treasury Account 089 3200, *Collections of Receivables from Canceled Accounts*, (STARS Fund Code 02009) in accordance with 31 USC 1552(b). As necessary, the DFO should consult with their Budget Office to determine the proper disposition of the refund(s) so that prior year recoveries in current, expired, and closed appropriations are appropriately handled.

For recipients receiving funds using the ASAP system, any refunds being made within 32 calendar days of the drawdown should be made using the ASAP return payment process as detailed in the ASAP system guidance provided by Treasury.

For recipients receiving funds using EFT, refunds should be returned using the EFT refund process as provided in Chapter 4 of Department of the Treasury's *Green Book: A Guide to Federal Government ACH Payments*.

Checks should not be used to make refunds to DOE unless the other refund process methods have been exhausted. For instance, receiving a refund check may be the only viable option for a recipient to pay a refund after DOE closes out the award and the related ASAP account.

IV.F. Adjustments

The Grants or Agreements Officer may adjust the total amount of an award including any approved cost share or matching (if applicable) during the period of performance of the award in accordance with the terms and conditions of the award.

Adjustments shall be made through a modification or amendment to the award in The Approved Departmental Acquisition System and will be reflected in STARS and ASAP (if applicable) through system interfaces.

Program income shall not be reflected as an adjustment to the amount of the award. When authorized by the award and included in the terms and conditions, program income may be used to meet the cost share requirement of the award. Any requirements governing the disposition of program income earned after the end of the period of performance of an award must be explicit in the terms and conditions of the award.

V. CLOSEOUT

V.A. General Requirements

Detailed closeout requirements and procedures, including recipient reporting requirements, are contained in Chapter 7 of the DOE Guide to Financial Assistance, *Closeout*, and 2 CFR 200.344.

All awards shall be promptly closed out when applicable administrative actions and required work under the award have been completed. Prompt closeout is particularly important for awards made using time-limited funds. Any remaining amounts due to the recipient for such awards shall be paid before the cancellation of the funds (normally five years after the expiration of the appropriation).

After cancellation of the funds, any remaining payments due to the recipient will need to be made from currently available funding. See Chapter 5 of the DOE Financial Management Handbook, *Accounting for Obligations*, for more information regarding time-limited funding.

Awards in closeout shall no longer be accrued through the STARS automated accrual process. Additional accruals may be recorded manually if needed for awards in closeout.

V.B. Required Reporting of Expired Financial Assistance Awards

To promote timely closeout of awards, OMB Circular A-136 requires reporting on financial assistance awards that have expired but have not been closed. The CFO Office of Finance and Accounting leads DOE reporting efforts and may provide additional specific guidance as needed to meet current reporting requirements.

OT agreements are not financial assistance awards and are not subject to the closeout reporting required by OMB Circular A-136.

VI. DEFINITIONS

VI.A. Financial Assistance Agreements

As used in this chapter, financial assistance agreements include grants and cooperative agreements.

VI.B. Grant Agreement

This chapter utilizes the definition contained in 2 CFR 200.1.

VI.C. Cooperative Agreement

This chapter utilizes the definition contained in 2 CFR 200.1.

VI.D. Other Transaction (OT) Agreement

This chapter utilizes the definition contained in 2 CFR 930.105. An other transaction (OT) agreement means any agreement, including technology investment agreement (TIA), between the Department of Energy and/or the National Nuclear Security Administration and a non-Federal entity for

the principal purpose of carrying out a research, development, and demonstration project for which the use of a Federal procurement contract, grant, or cooperative agreement is not feasible or appropriate.

VI.E. Uniform Guidance

As used in this chapter, Uniform Guidance refers to the Government-wide financial assistance regulations codified at 2 CFR 200 and adopted by DOE in 2 CFR 910.

VI.F. Revolving Loan Fund

DOE may provide funding through grants to states that allow the establishment of revolving loan funds. These arrangements are separate and distinct from the direct loans and loan guarantees managed by the Department's Loan Program Office.

As defined by 31 CFR 205.2, a revolving loan fund:

"...means a pool of program funds managed by a State. States may loan funds from the pool to other entities in support of Federal assistance program goals. Investment income is earned on the funds that remain in the pool and on loans made from pool funds. A Federal Program Agency may require that all income derived from a revolving loan fund be used for Federal assistance program purposes."

A revolving loan fund is derived from financial assistance award(s) and managed by a recipient or a third-party administrator. As funds are repaid, they are used for new loans to other borrowers, allowing the fund to "revolve."

VI.G. Loan Loss Reserves

Loan loss reserves are used to provide partial risk coverage of third-party loans provided by a state under a DOE-funded revolving loan fund. DOE may provide funding for loan loss reserves under grant agreements with states.

VII. ACRONYMS

ASAP	Automated Standard Application for Payments
CFO	Chief Financial Officer
CF-10	Office of Finance and Accounting
CO	Contracting Officer
DFO	Designated Financial Officer
DOE	Department of Energy
EECBG	Energy Efficiency Conservation Block Grant
EFT	Electronic Funds Transfer
FASAB	Federal Accounting Standards Advisory Board
NNSA	National Nuclear Security Administration

OT	Other Transaction
STARS	Standard Accounting and Reporting System
VIPERS	Vendor Inquiry Payment Electronic Reporting System

VIII. REFERENCES

- 31 U.S.C 6501 – *Definitions*, establishing requirements for cash management practices in federal financial assistance.
- 2 CFR 200 – *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, establishing uniform administrative requirements, cost principles, and audit requirements for federal awards.
- 2 CFR 910 – *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, DOE-specific financial assistance regulations.
- 2 CFR 930 – *Other Transaction Agreements*
- 31 CFR 205.15 – Defines conditions for recipient obligation of federal funds.
- 31 CFR 205.25 – Provides guidance on handling interest earned and obligations in loan funds.
- Treasury Financial Manual (TFM) Volume 1, Part 4A-2000
- DOE O 130.1A, *Budget Approval and Execution*
- DOE Financial Management Handbook, Chapter 5, *Accounting for Obligations*
- DOE Financial Management Handbook, Chapter 6, *Payments and Cash Management*
- DOE Financial Management Handbook, Chapter 10.1 – *Accounting for Property, Plant, and Equipment*
- DOE Financial Management Handbook, Chapter 11, *Liabilities*
- DOE Financial Management Handbook, Chapter 13.2, *Collections*
- DOE Guide to Financial Assistance

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- ¹ See Section II of Chapter 5 of the DOE *Financial Management Handbook*, "Accounting for Obligations."
 2. The STRIPES Requisition record approval history (associated with the award) identifies both the designated budget approver and the program review official responsible for certifying the funds. The approval history of a STRIPES Requisition can be determined by accessing the subject requisition's "Route History" or "Status History" detail that is in the STRIPES procurement system. The accounting string information in STRIPES must contain the proper appropriation and accounting classification data before the system permits execution of the award and the consequent recording of the obligation. STRIPES performs various financial validations during this process and will reject any invalid accounting codes.
 3. If a recipient requires a payment under these two circumstances, the recipient is to document the relevant requirements and provide that documentation to their Project Officer.
 4. See Energy Efficiency Conservation Block Grant (EECBG) Program Notice 09-002D (or current version) and SEP Program Notice 10-008C (or current version) for further information on revolving and loan loss reserve funds and interest rate buy downs and third-party insurance.

SUBJECT: SEPTEMBER 2026 UPDATE TO CHAPTER 14, FINANCIAL ASSISTANCE AND OTHER TRANSACTIONS

1. **EXPLANATION OF CHANGES:** Chapter 14 was amended primarily to (1) implement current regulations regarding other transactions, (2) clarify procedures for recording costs for financial assistance awards, and (3) ensure consistency with the new assistance listing structure that will go into effect for FY 2027 (primary content for the assistance listings is in chapter 3.1). The chapter revised guidance for recording costs to address situations whereby awards are funded by multiple finding sources. The revised content also required manual cost adjustments for some financial assistance awards funded by multiple funding sources. Furthermore, the update required manual adjustments for only larger awards (over \$1 million in uncosted balances) where the cost data was more likely to be material for financial reporting.

The chapter also had a change that would eliminate accruals for awards paid through ASAP. This change recognized that there was no material time difference between incurrence of costs and payments for awards paid through ASAP, thus an accrual was not necessary. This change should reduce burden for financial offices because manual accrual reviews and adjustments will no longer be necessary for ASAP paid awards.

2. **LOCATIONS OF CHANGES:** Substantive changes made throughout the document are summarized in the following chart.

Page	Section	Section Title	Summary
14-2, 14-3	II.A, II.B	DOE Framework for Assistance Listings and Assistance Listings for Announcements and Awards with Multiple Funding Sources	The sections added information on: (1) the new assistance listing structure that will go into effect for FY 2027, and (2) identifying the assistance listing for awards with multiple funding sources.

14-3 through 14-7	III.A, III.B and III.C	Recording Commitments, Obligations, Accounting for Costs Incurred	The sections added information on commitments; clarified requirements for the obligation and deobligation of awards; and clarified requirements for recording costs.
14-9	IV.A.4	Milestone Payments for Other Transaction (OT) Agreements	The section added information on milestone payments for OT agreements.
14-11	IV.B.3	Withholding Payments	The section clarified requirements for withholding payments.
14-15 through 14-17	VI., VII., and VIII.	Definitions, Acronyms, and References	The chapter added definitions, acronyms, and references.