



Department of Energy
Washington, DC 20585

STATE ENERGY PROGRAM NOTICE 13-001
EECBG PROGRAM NOTICE 13-001
EFFECTIVE DATE: MARCH 21, 2013

SUBJECT: GUIDANCE FOR RETURNING INTEREST EARNED

PURPOSE

To provide an overview to the Department of Energy's (DOE) State Energy Program (SEP) and Energy Efficiency and Conservation Block Grant (EECBG) Program prime recipients (hereafter referred to as grantees) on guidance for the procedural requirements of returning interest earned on advanced Federal funds. This guidance does not create new requirements for grantees that have already closed out their grants, nor is it intended to supersede SEP Program Notice 10-011, nor EECBG Program Notice 10-013, Guidance for State Energy Program and Energy Efficiency and Conservation Block Grant Recipients on Payment Procedures, which were issued on June 23, 2010.

SCOPE

The provisions of this guidance apply to grantees and subgrantees (i.e., States, units of local government, Indian Tribes, and other nonprofit organizations receiving Federal grants) named in a Financial Assistance Agreement as the grantees of financial assistance under the DOE SEP and/or EECBG Program.

LEGAL AUTHORITY

DOE is authorized to administer SEP under the Energy Policy and Conservation Act of 1975, as amended. Title V, Subtitle E of the Energy Independence and Security Act of 2007, as amended, (42 U.S.C. § 17151 et seq.) authorizes DOE to administer the EECBG Program. All awards made under these Programs shall comply with applicable law and regulations, including the American Recovery and Reinvestment Act of 2009 (ARRA or Recovery Act; Pub. L. No. 111-5) and other authorities applicable to these programs. See 10 C.F.R. Part 600 and the SEP regulations contained in 10 C.F.R. Part 420, as applicable.

BACKGROUND

Recent financial oversight conducted on the SEP and EECBG programs indicates that some grantees, as well as subgrantees, have not been returning interest earned on advanced Federal funds, or have not been following proper procedures to remit interest earned.

Subject to allowances for administrative expenses described in the DOE Financial Assistance Regulations applicable to State, local and Tribal governments receiving Federal grants, grantees, as well as subgrantees, are required to remit interest earned on advances of Federal funds to the government under 10 C.F.R. § 600.122 and 10 C.F.R. § 600.221, as applicable.

GUIDANCE

Returning Interest Income

This guidance assumes that the grantee is familiar with the Department of Treasury Automated Standard Application for Payments (ASAP) System and information necessary to receive and post payments originated by the Federal Government through the ASAP system. Grantees that utilize the ASAP System as their payment method (per the terms and conditions of the award) may not reverse an ASAP draw to return any interest earned. Grantees that have returned interest using the ASAP system need to draw down that amount and return the funds with a money order or paper check. This option ensures that the remitted interest is recorded properly in DOE's Standard Accounting and Reporting System (STARS).

Please include the grant number, grantee ID number, and grantee name on all submissions or correspondence and send the money order or paper check to:

U.S. Department of Energy
Cash Deposits
P.O. Box 979019
St. Louis, MO 63197-9000

The money order or paper check should be made payable to the U.S. Department of the Treasury. **IMPORTANT** – Be sure to state that this is a miscellaneous receipt and reference the grant number, grantee ID number and Beneficiary Identifier (account number - 89000001) on the check or money order. Once the grantee has forwarded the check, it will take about three or four weeks for the Cash Deposits Office to process the payment through DOE's system.

For additional information or to discuss other payment options, please contact your designated DOE Contracting Officer.

Calculating Interest Income

Grantees and sub-grantees shall promptly, but at least quarterly, remit to the federal agency interest earned on advances drawn in excess of disbursement needs.

Any interest earned on funds that have been drawn down but not yet expended (outlaid) by an eligible State, unit of local government or Indian tribe is subject to 10 C.F.R. § 600.221 (i)¹, which requires interest re-payment on the "advance" funds to be paid quarterly to DOE (with the exception of up to \$100 per year for administrative costs) based upon the interest rate specified by the Department of Treasury's Financial Management Service at <http://www.fms.treas.gov/cmia/interest-10.html>. Grantees are required to retain records documenting the activities and invoices associated with each drawdown, any interest earned on funds, and remittance payments to DOE.

¹ 10 C.F.R. § 600.221(i) states "[u]nless there are statutory provisions to the contrary, grantees and subgrantees shall promptly, but at least quarterly, remit to the Federal agency interest earned on advances. The grantee or subgrantee may keep interest amounts up to \$100 per year for administrative expenses."

CONCLUSION

It is critical that grantees and subgrantees follow the requirements of 10 C.F.R. § 600.122 or 10 C.F.R. § 600.221 or 10 C.F.R. § 600.312, as applicable, and understand the procedure for remitting interest earned to the Federal government.

The Department of Energy appreciates your continued effort and contributions to the program.

A handwritten signature in blue ink that reads "Anna Maria Garcia". The signature is written in a cursive style with a large initial "A" and "M".

AnnaMaria Garcia
Program Manager
Weatherization and Intergovernmental
Program Office
Energy Efficiency and Renewable Energy