DOE Financial Assistance Awards: Active Project Management

Jim Alkire

Wednesday, May 15, 2013
## Recent Opportunities

<table>
<thead>
<tr>
<th>EERE Program</th>
<th>Posted Date</th>
<th>NOI or Solicitation/FOA #</th>
<th>NOI/Solicitation/FOA Title</th>
<th>Anticipated Funding</th>
<th>Closing Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vehicle Technologies</td>
<td>12/3/2012</td>
<td>DE-FOA-0000722</td>
<td>Electrochemical Storage Technologies Suitable for Automobile Industry Applications</td>
<td>$62.5M</td>
<td>1/31/2013</td>
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<tr>
<td>Fuel Cell Technologies</td>
<td>10/05/2012</td>
<td>DE-FOA-0000748</td>
<td>Hydrogen Pathway Analyses</td>
<td>$1M</td>
<td>11/13/2012</td>
</tr>
</tbody>
</table>

### Subscribe for News Alerts:

**Fuel Cell Technologies:** [https://www1.eere.energy.gov/hydrogenandfuelcells/subscribe.html](https://www1.eere.energy.gov/hydrogenandfuelcells/subscribe.html)

Award Mechanisms

• Financial Assistance
  – **Principal Purpose**: to accomplish a *public purpose* of support or *stimulation* authorized by Federal Statute

• Cooperative Agreement
  – Includes **substantial involvement** including but not limited to:
    • Agency power to halt an activity if detailed performance specifications are not met
    • Agency review and approval of one stage before work can begin on a subsequent stage during the period covered by the assistance instrument
    • Agency involvement in the selection of sub-grants or key personnel
    • Agency and recipient collaboration or joint participation
    • Agency monitoring to permit specific kinds of direction or redirection of work
  – See Statement of Substantial Involvement provision in Award T&Cs
DOE Assistance Framework

Assistance Agreement

Incorporated by Reference

Cost Principles

- 10 CFR 600
- F.D.P
- Application / Proposal
- National Policy Assurances

- 2 CFR
- FAR31.205
- Audit A-133/Section 316
Awardee Reporting Requirements

• Standard Reporting Requirements
  o Found in the Federal Assistance Reporting Checklist and/or the Project Management and Reporting Task of the SOPO
  o Due 30 days after the end of each quarter
  o Reports are uploaded to the PMC (Project Management Center Website): https://www.eere-pmc.energy.gov/SubmitReports.aspx

• Quarterly Financial Report (SF425)
  o Report formatted to help DOE track project spending versus federal dollars released and cost share requirements

• Quarterly Performance Progress Report
  o Summarizes task specific work for the quarter & key programmatic issues
  o Includes information for tasks to be completed in the next quarter and any key issues that will affect progress
  o Do not include confidential or proprietary information

• Final Reporting Requirements Includes:
  o Due 90 days after expiration or termination of award

• Participation in Annual Merit Review / Peer Evaluation Meetings
• Brief Annual Project Summary Report for Annual Program Progress Report
Additional Publications

• Recipients are encouraged to publish or otherwise make publicly available the results of the work conducted under the award.

• An acknowledgment of DOE support and a disclaimer must appear in the publication of any material, whether copyrighted or not, based on or developed under this project, as follows:

**Acknowledgment:** “This material is based upon work supported by the Department of Energy under Award Number DE-EE####.”

**Disclaimer:** “This report was prepared as an account of work sponsored by an agency of the United States Government. Neither the United States Government nor any agency thereof, nor any of their employees, makes any warranty, express or implied, or assumes any legal liability or responsibility for the accuracy, completeness, or usefulness of any information, apparatus, product, or process disclosed, or represents that its use would not infringe privately owned rights. Reference herein to any specific commercial product, process, or service by trade name, trademark, manufacturer, or otherwise does not necessarily constitute or imply its endorsement, recommendation, or favoring by the United States Government or any agency thereof. The views and opinions of authors expressed herein do not necessarily state or reflect those of the United States Government or any agency thereof.”
**Technical and Financial Oversight of Projects**

- SMART Milestones used to gauge project progress
- DOE site visits and regular communications with TM
- Go/No-Go Decision Points aligned with Budget Periods
  - Quantitative criteria used to measure project performance and determine whether project will continue to next phase
- Provide supporting documents with invoice approval requests
- Project Management Plan
  - Schedule of tasks, milestones, and decision points
  - Baseline quarterly spend plan for both the DOE share and non-federal cost share
  - Update as required
Prime Recipient Responsibilities

- Ensure appropriate billing and incurred costs are allowable, reasonable and allocable
- Require and maintain sufficient records and supporting documentation for subrecipient invoicing
- Informing subrecipient of the flow down of DOE requirements
Important highlights from the 10CFR600:

(incorporated by reference into all DOE financial assistance agreements). Link to 10CFR600 (E-link to 10 CFR 600 at Electronic Code of Fed Regulations). Also found in MS word form on PMC Website Recipient Forms Tab.

- Prior Approvals are required:
  
  For All Recipients required for:
  o Change in scope or objectives
  o Need for additional Federal funds

  For Universities and Non-Profits (600.125) required for:
  o Change in key personnel or 25% reduction in key personnel effort
  o Transfer or contracting out of any work under the award
  o Transfer of amounts budgeted for indirect costs to absorb increases in direct costs, or vice versa

  For State and Local Governments (600.230) required for:
  o Changes in key personnel
  o Obtaining the services of a third party to perform activities which are central to the purposes of the award

  For Profit Entities (600.315) required for:
  o Change in Project Director, key personnel listed, or 25% reduction in key personnel effort
  o Sub-award or contracting out of substantive program performance
## Audit Requirements

<table>
<thead>
<tr>
<th>Entity</th>
<th>Type</th>
<th>Regulation</th>
<th>Due Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial Organization</td>
<td>Compliance audit</td>
<td>10 CFR 600.316 Policy Flash 2012-39**</td>
<td>6 months after Recipient Fiscal Year End</td>
</tr>
<tr>
<td>Non-Profit Organization</td>
<td>Compliance audit</td>
<td>OMB Circular A-133</td>
<td>9 months after Recipient Fiscal Year End</td>
</tr>
<tr>
<td>Educational Institution</td>
<td>Compliance audit</td>
<td>OMB Circular A-133</td>
<td>9 months after Recipient Fiscal Year End</td>
</tr>
<tr>
<td>All Entities charging Indirect Costs</td>
<td>Annual Indirect Cost Proposal</td>
<td>FAR 52.216-17</td>
<td>6 months after Recipient Fiscal Year End. Send to Cognizant Agency.</td>
</tr>
</tbody>
</table>

Common Audit Deficiencies

- Billing costs to the Government that were not incurred
- An appropriate time-tracking system not in place
- Accounting system is not in full operation
- Lack of Internal Controls
- Billed unallowable costs to the Government
- Expressly unallowable costs in its indirect cost pools
- Not segregating costs by cost objectives (i.e., project)
- Not segregating direct and indirect costs appropriately
- Review of billings is inadequate; not monitoring its indirect rates and costs
- Financial reporting is not accurate

- Reminder: Document all costs including those of the subcontractor / vendor (e.g., document why one vendor was selected over another)
Generally Unallowable Costs

- Alcoholic beverages
- Entertainment
- Meals in your home town/not traveling, including working lunches
- Unauthorized airfare upgrades
- Auto expenses, when already being reimbursed for mileage
- Car washes
- Most expenses for which receipts are not provided
- Pre-award costs not previously approved in writing by DOE Contracting Officer
- Cost of fines paid
- Cost overruns incurred on other Federal awards
- Contributions or donations, including cash, property, and services
- Goods or services above market prices
- Fee or profit for award recipients

- Direct Expenses not related to the Federal project
- Expenses not ordinary and necessary for the performance of the Federal award
- Overtime that should be compensated as regular time
- Advertising and public relations costs not related to the performance of the Federal award
- Bad debt, and related collection and legal costs
- Cost incurred for an organized fund raising activity
- Contributions or donations, including cash, property, and services
- Interest on borrowings
- Merger & Acquisition costs
- Lobbying expenses
- Certain patent expenses not required by the Federal award
Questions?

• ASK your DOE Project Officers and Technology Managers
• Consult DOE online resources at the following links:

Fuel Cell Technologies Home Page:

https://www1.eere.energy.gov/hydrogenandfuelcells/

Vehicle Technologies Home Page:

https://www1.eere.energy.gov/vehiclesandfuels/

EERE Project management Center Recipient Resources:

https://www.eere-pmc.energy.gov/Resources.aspx

EERE Exchange (Find and Apply for Funding Opportunities):

https://eere-exchange.energy.gov/

Grants.gov (Find and Apply for Federal grants): http://grants.gov/
### Recipient Type

<table>
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<th>State &amp; Local Government</th>
<th>Non Profit Organization</th>
<th>Educational Institutions</th>
<th>Commercial Organizations</th>
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<tbody>
<tr>
<td>Administrative Requirements</td>
<td>10CFR600.000</td>
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<tr>
<td></td>
<td>10CFR600.200</td>
<td>10CFR600.100</td>
<td>10CFR600.100</td>
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<td>Audit</td>
<td>A-133</td>
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### Other Relevant Laws, Regulations, and Authorities

- Public Law 95-224: Federal Grant and Cooperative Agreement Act (FGCAA)
- Public Law 106-107: Federal Financial Assistance Management Improvement Act
- Code of Financial Regulations (CFR)