



NOAA

**NATIONAL OCEANIC AND
ATMOSPHERIC ADMINISTRATION**
UNITED STATES DEPARTMENT OF COMMERCE



Fishery Management Councils Executive Director Session Grants

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Overview

- **Background**
- **FY10 Multi-year Applications**
 - Benefits
 - Multi-year awards
 - Authorities
 - Administrative and Cost Principles
- **Wrapping Up the 2005 Awards**
 - Close out
 - Extensions

Background

- **Maryland resident**
- **Graduated from University of Maryland**
 - College of Business and Management
- **19 years Federal Service**
 - NOAA
- **Specialist/Team Leader: 1989 - 1998**
- **Chief of Operations in GMD: 1998 - 2001**
- **Chief of Grants Policy: 2001 – 2007**
- **Director Grants Management Division: 2007 - present**

Multi-year Applications

- **Benefits of Application:**
 - **One application lasting up to five years**
 - One SF-424, SF-424a, SF-424b, and CD-511
 - **One budget covering five years**
 - No annual budget submissions
 - **Total Estimated Amount is large to allow Grantee more flexibility to rebudget without prior approval**

Multi-year Award

▪ Benefits of Award

- **Ease of funding for years two through five;**
- **Over the five years, this ease to fund will save 180 processing days.**
- **Fewer close-out actions in GMD;**
- **Fewer administrative actions on behalf of the Grantee.**

Multi-year Awards – Budget Submissions

- **Multi-year awards may be amended to provide increases in the total estimated amount of the five year award. This may be a result of a new program that was designed or implemented during the five year period.**
- **Multi-year awards will be funded incrementally, either annually or multiple times during a year.**
- **Grantees are put on notice that they may incur costs up to the obligated amount, not the total estimated amount.**

Authorities

- **50 CFR 600 (Establishment of FMCs)**
- **15 CFR Part 14 (OMB Circular A-110 Administrative Requirements)**
 - 2 CFR Part 215
- **OMB Circular A-122 (Cost Principles)**
 - 2 CFR Part 230
- **OMB Circular A-133 (Audit Requirements)**
- **Statement of Organization Practices and Procedures (SOPP) for each FMC**
- **Internal policies and procedures for each FMC**
- **Department of Commerce Grants and Cooperative Agreement Manual**

Why Change?...Simple!

- **Consolidation...Streamlining**
- **Consistency...Standardization**
- **Co-location...Single spot**

Cost Principles

- **OMB Circular A-122 (2 CFR Part 230)**
- **What is allowability, reasonableness, and allocability?**

Cost Principles (Allowability)

- **Factors affecting allowability of costs:**
 - **Be reasonable for the performance of the award and be allocable**
 - **Conform to any limitations or exclusions set forth in the principles or the award as to types or amount of cost items**
 - **Be consistent with *policies and procedures* that apply uniformly to both federal and other activities *of the organization***

Cost Principles (Allowability – cont'd)

- **Be accorded consistent treatment**
- **Be determined in accordance with generally accepted accounting principles (GAAP)**
- **Not be included as a cost or used to meet cost sharing or matching requirements of any other federal financed program in either the current or prior period**
- ***Be adequately documented***

Cost Principles (Reasonableness)

- **“A cost is reasonable if, in its nature or amount, it does not exceed that which would be incurred by a *prudent person* under the circumstances prevailing at the time the decision was made to incur the cost”.**
- **The quote is from OMB Circular A-122, Attachment A, General Principles, section A.3**

Cost Principles (Reasonableness – Cont'd)

▪ Considerations:

- Is the cost ordinary and necessary for the operation of the organization or performance of the award?**
- Restraints or requirements imposed by such factors as accepted sound business practice, arms length bargaining, Federal and State laws and regulations, and terms of the award**

Cost Principles (Reasonableness – cont'd)

▪ Considerations (cont'd)

- Whether the individuals concerned acted with *prudence* in the circumstances, considering their responsibilities to the organization, its members, employees, and clients, the public at large, and the Federal Government
- Significant deviations from the established practices of the organization which may unjustifiably increase award costs

Cost Principles (Allocable Costs)

- **A cost is allocable to a particular cost objective, such as a grant, in accordance with the benefits received. A cost is allocable to a Federal award if it is treated consistently with other costs incurred for the same purpose in like circumstances and if it:**
 - **(1) is incurred specifically for the award.**

Cost Principles (Allocable Costs – cont'd)

- **(2) Benefits both the award and other work and can be distributed in reasonable proportion to the benefits received, or**
- **(3) Is necessary to the overall operation of the organization, although a direct relationship to any particular cost objective cannot be shown.**

Cost Principles (Allocable Costs – cont'd)

- **Any cost allocable to a particular award or other cost objective under these principles may not be shifted to other Federal awards to overcome funding deficiencies, or to avoid restrictions imposed by law or by the terms of the award.**

Cost Principles

- **Attachment B of OMB Circular A-122 provides examples of 52 selected items of cost and how to handle them**
- **Items of cost that are expressly identified as unallowable may not be recovered, i.e., Contingencies (item 9) or Alcoholic beverages (item 3)**
- **Items of cost that are expressly identified as allowable may be recovered, i.e., Advisory Councils (item 2) or Labor relations costs (item 24)**

Cost Principles

- **Items of cost that are not expressly identified as allowable or unallowable, may be allowable as long as the item of cost and its treatment is identified in the organizations policies and procedures (refer to slide on allowability), treated consistently in the organization on all federal awards, and must be reasonable (refer to first slide on reasonableness).**

Cost Principles

- **Items of cost that are identified as unallowable in OMB Circular A-122, and are not identified as part of the organizations policies and procedures, are unallowable.**



Budget

Object Class Categories

- **Personnel (Salaries and Wages)**
- **Fringe Benefits**
- **Travel**
- **Equipment**
- **Supplies**
- **Contractual**
- **Construction**
- **Other**
- **Total Direct**
- **Indirect**
- **Total Costs**

Wrap Up of FY 2005 Awards

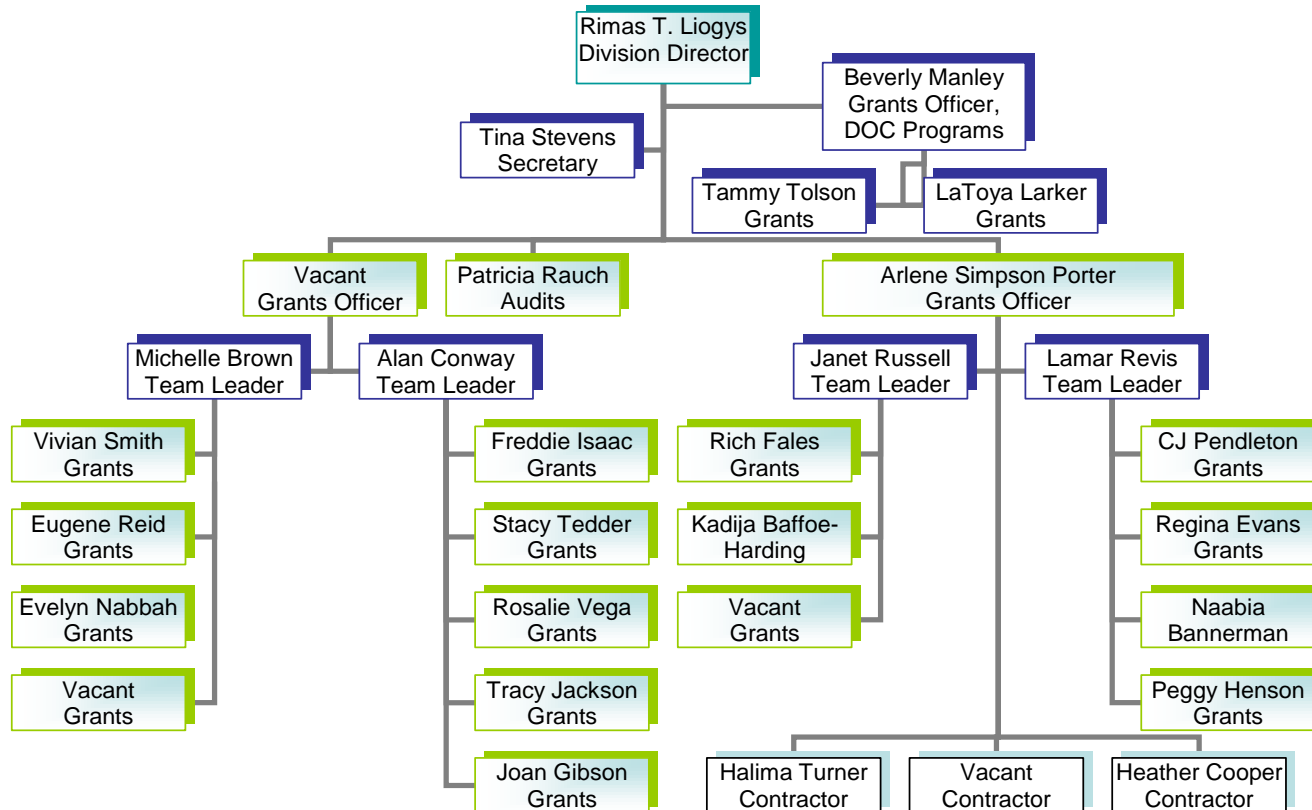
▪ Close out documents

- Final Progress Report
- Final Financial Report(s)
 - Final draw down of funds
- Patents, Inventions, Copyrights etc.
- Equipment Disposition

▪ Extensions

- Close out period
- Extension to award

GMD Organization Chart



Current Staffing Levels

NOAA	DOC/HCHB
25 FTEs	3 FTEs
<u>3 FTE Vacancies</u>	<u>0 FTE Vacancy</u>
22 Onboard	3 Onboard

3 – Contractors (obligations, GMS support)

Michelle Brown – CI's OAR/NESDIS/NWS & OE
 Janet Russell – OAR (Sea Grant, CPO, NURP)
 Alan Conway - NMFS
 Lamar Revis – NOS