



## DCMA Manual 2501-08

# Grants, Cooperative Agreements, and Other Transactions

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<b>Office of Primary Responsibility</b>	<b>Contract Maintenance Capability</b>
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**Purpose:** This issuance, in accordance with the authority in DoD Directive 5105.64, establishes procedures and assigns responsibilities for administering grants, cooperative agreements, and other transactions.

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## **SECTION 1: GENERAL ISSUANCE INFORMATION**

### **1.1. APPLICABILITY.**

a. This Manual applies to all DCMA Operational Units and Contract Management Offices (CMOs) administering nonprocurement instruments (NPIs) that are identified as grants, cooperative agreements, and other transactions (OTs) unless higher-level regulations, policy, guidance or agreements take precedence. This Manual applies to the DCMA pre-award support and post-award administration of NPIs.

b. NPIs are nonprocurement awards, contain their own terms and conditions, and are not awarded under or contain Federal Acquisition Regulation (FAR) or Defense Federal Acquisition Regulation Supplement (DFARS) clauses. NPIs may include requirements to follow principles and procedures described in FAR Part 31, "Contract Cost Principles and Procedures," and DFARS Part 231, "Contract Cost Principles and Procedures." Procedures in Part 200, Subpart F of Title 2, Code of Federal Regulations (CFR), "Audit Requirements," set forth standards for obtaining consistency and uniformity among federal agencies for the audit of non-federal entities expending federal awards.

c. In accordance with Parts 21 through 37 of Title 32, CFR, grants and cooperative agreements must not provide for the payment of fee or profit to the recipient. For prototype OTs, profit or fee is permitted, although not generally allowed for projects that are cost-shared. Cost-shared means that a portion of a project or program cost is not borne by the federal government.

### **1.2. POLICY.** It is DCMA policy to:

a. Maintain current Administrative Grants Officer (AGO)/Administrative Agreements Officer (AAO) warrant appointments for DCMA personnel who administer NPIs.

b. Provide acquisition insight by maintaining DCMA support, periodic engagement, and business advice to NPI awarding activities.

c. Execute this Manual in a safe, efficient, and ethical manner.

## SECTION 2: RESPONSIBILITIES

**2.1. DIRECTOR, DCMA.** The DCMA Director, as the Agency Senior Procurement Executive, must assign AGO and AAO warrant appointment authority.

**2.2. DIRECTOR, STRATEGIC ENGAGEMENT AND TALENT MANAGEMENT DIVISION.** In accordance with DCMA-MAN 4201-01, “Acquisition Warrants and Appointments,” the responsibility to manage the Warrant Program, with authority to sign and terminate DCMA warrants, was delegated from the Director, DCMA to the Executive Director, Contracts. That responsibility has been further delegated to the Director, Strategic Engagement and Talent Management Division.

**2.3. OPERATIONAL UNITS.** The Operational Units (Regional Commands, International Command, and Special Programs Command) must:

- a. Ensure CMOs understand and correctly follow NPI workload acceptance, receipt and review (RR), and post-award actions to NPI closeout.
- b. Ensure the closeout of grants and cooperative agreements meets or exceeds the timeframes outlined in the Grants Oversight and New Efficiency (GONE) Act requirements.
- c. Follow applicable Host Nation reciprocal agreements for NPIs awarded to recipients located outside the United States.
- d. Issue independent Special Programs guidance on Grants, Cooperative Agreements, and OT NPI guidance utilizing the procedural information identified in this Manual, as needed.
- e. Comply with Agency policy and meet the intent of this Manual to the maximum extent practicable for all Special Access Programs (SAP)/Sensitive Compartmented Information (SCI) NPIs.

**2.4. CMO CONTRACTS DIRECTOR.** The CMO Contracts Director must:

- a. Align the AGO/AAO positions within their area of responsibility (AOR).
- b. Ensure the AGO/AAO maintains and displays both valid AGO/AAO and Administrative Contracting Officer (ACO) warrant appointment certificates at their office of operation. Only AGOs/AAOs have authority to make commitments or change the terms of a Grant, Cooperative Agreement, Technology Investment Agreement (TIA), or OTs.
- c. Manage the full spectrum of NPI workload within their AOR as assigned according to the Purpose Code Management (PCM) site in the Procurement Integrated Enterprise Environment (formally known as Wide Area Work Flow.) See Resource Page for additional PCM information.

d. Ensure the AGO/AAO performs timely disposition to audit findings in accordance with (IAW) Section 200.512 of Title 2, CFR.

e. Ensure the closure of Grants, Cooperative Agreements (including the TIAs that are Cooperative Agreements), and OTs in accordance with the GONE Act.

f. Establish cross-servicing agreements, as applicable, with primary DCMA customers to ensure clear delineations of authority and delegations between the awarding grants office to ensure efficient, value-added DCMA administrative oversight, to include the empowerment of the AGO/AAO to determine allowability of costs.

**2.5. AGO/AAO.** The AGO/AAO must:

a. Provide value-added administrative oversight and apply risk-based approaches to execute functions enumerated with Section 22.715 of Title 32, CFR, “Grant Administration Office Functions,” including, but not limited to the following:

(1) Serve as the business advisor to the awarding Grants Officer (GO) and Agreements Officer (AO).

(2) Manage the NPI agreements separately from the recipients of FAR/DFARS procurement contracts; however, in some cases, FAR Part 31 cost principles do apply to for-profit recipients IAW Part 34 of Title 32, CFR.

(3) Review recipient’s accounting systems through reviews and compliance audits performed by a third party auditor under the Single Audit process (Part 200 Subpart F of Title 2, CFR, or Office of Management and Budget (OMB) Circular A-133), in accordance with the terms and conditions and date of award. This includes reviewing the recipient’s financial management, property management, and purchasing systems.

(4) Review and apply the NPI award terms.

(5) Conduct Post-Award Orientation Conference (PAOC), if warranted.

**2.6. AAO OT (RESEARCH) AND OT (PROTOTYPE).** The AAO must take the following actions with respect to OT (research) and OT (prototype):

a. Assist with pre-award surveys when requested. Pre-award survey requests must be initiated by the GO/AO through the Agency’s tool.

b. Administer the cost-sharing arrangement between the OT awarding officer and the recipient.

c. Coordinate any accountable property in accordance with Paragraph 4.4. of this Manual.

d. Provide advice on business proposals with respect to the OT NPI terms and conditions. Team with the awarding offices to assist in the development of the award documents.

**2.7. COST/PRICE ANALYST, PROPERTY ADMINISTRATOR (PA), AND PLANT CLEARANCE OFFICER (PLCO).** The Cost/Price Analyst, PA, and PLCO all support the AGO/AAO, as required, throughout the NPI post-award process. Only the AGOs/AAOs have signatory authority on a grant, cooperative agreement, TIA, or OT.

## SECTION 3: NONPROCUREMENT INSTRUMENTS (NPI)

### 3.1. TYPES OF NPI.

a. A grant is identified in the Procurement Instrument Identifier (PIID) as a “1” in the 9<sup>th</sup> position.

(1) A grant is a legal instrument that, consistent with Section 6304 of Title 31, United States Code (U.S.C.), is used to enter into a relationship in which:

(a) The principal purpose is to transfer a thing of value to the recipient to carry out a public purpose of support of stimulation authorized by a law of the United States, rather than to acquire property or services for the DoD’s direct benefit or use.

(b) Substantial involvement is not expected between the DoD and the recipient when carrying out the activity contemplated by the grant.

b. A cooperative agreement is identified in the PIID as a “2” in the 9<sup>th</sup> position.

(1) A cooperative agreement is a legal instrument that, consistent with Section 6305 of Title 31 U.S.C., is used to enter into the same kind of relationship as a grant, except that substantial involvement (i.e., corresponding clarification and interface) is expected between the DoD and the recipient when carrying out the activity contemplated by the cooperative agreement.

(2) A cooperative agreement does not include cooperative research and development agreements (CRADAs) as defined in Section 3710a of Title 15, U.S.C.

c. TIAs are a special class of assistance instruments used to increase the involvement of commercial firms in Defense research programs and for the purpose of stimulating or supporting research related to the integration of the nation’s commercial and Defense sector’s technological industrial base. TIAs include one kind of cooperative agreement with provisions tailored for involving commercial firms, as well as one kind of assistance transaction other than a grant or cooperative agreement. TIAs are subject to, and described more fully, in Part 37 of Title 32, CFR.

(1) TIAs that are cooperative agreements are identified in the PIID with a “2” in the 9<sup>th</sup> position.

(2) TIAs that are OTs (Research) are identified in the PIID with a “3” in the 9<sup>th</sup> position.

d. OTs are a special award vehicle used by federal agencies for obtaining or advancing research and development (R&D) or prototypes. Any instrument that is not a procurement contract, grant, or cooperative agreement, is considered an OT. An OT is **not** subject to the FAR, DFARS, or DoD Grants and Agreement Regulations (DoDGARs). They are awarded under the statutory authority of Sections 2371 or 2371b of Title 10, U.S.C.

(1) OTs for research are identified in the PIID with a “3” in the 9th position.

(2) OTs for prototype are identified in the PIID with a “9” in the 9<sup>th</sup> position.

e. Procurement Technical Assistance Programs (PTAPs) are awarded by the Defense Logistics Agency (DLA) in an effort to expand the number of businesses capable of participating in Government contracts. PTAPs are awarded pursuant to Part 22 Subpart G of Title 21, CFR, and are considered a cooperative agreement. DLA executes the DoD PTAP by awarding cost sharing cooperative agreements to assist state and local governments, private non-profit organizations, tribal organizations, and economic enterprises in establishing or maintaining a Procurement Technical Assistance Center (PTAC) that assists businesses in obtaining information and training related to contracting opportunities with the DoD, other federal agencies, and state/local governments.

(1) PTAPs are identified in the PIID with a “2” in the 9<sup>th</sup> position.

### **3.2. DCMA AND THE OFFICE OF NAVAL RESEARCH (ONR).**

a. Grants and cooperative agreement assignments are identified in Section 22.710 of Title 32, CFR.

(1) DCMA is responsible for grants and cooperative agreements with entities including:

(a) For-profit organizations.

(b) Non-profit organizations (Part 200 of Title 2, CFR).

(c) State and local governments.

(2) The ONR is responsible for grants and cooperative agreements with:

(a) Institutions of higher education and laboratories affiliated with such institutions, to the extent that such organizations are subject to the university cost principles outlined in Part 200 of Title 2, CFR.

(b) Non-profit organizations if the NPI is for R&D.



## SECTION 4: PROCEDURES

### 4.1. PERFORM RECEIPT AND REVIEW. The AGO/AAO will:

- a. Perform and document RR for every NPI in the official electronic award file. Use the procedures in DCMA-MAN 2501-05, "MOCAS Data Integrity Screening," during RR and clarify any inconsistencies with the awarding office. NPIs are assigned according to the DCMA office identified in PCM. The NPI may include specific terms, deobligation of funds, patent rights, property vesting, bank account closures, or other requirements (reports or other deliverables) identified in the NPI terms and conditions.
- b. Ensure NPIs are properly loaded in Mechanization of Contract Administration Services (MOCAS), unless security classification prohibits the use of this tool. Ensure the NPI terms and conditions include procedures for processing recipient claims, disputes, and appeals as well as the accurate flow of delegation responsibilities to DCMA.
- c. Identify Contract Management Team adjustments to the appropriate supervisor to ensure accurate receipt of NPIs from the awarding GO/AO who use PCM to assign post-award delegations through DCMA's workload assignment system.
- d. Ensure NPIs that are Defense Finance and Accounting Service (DFAS) paid and not previously loaded into MOCAS are input into MOCAS by the CMO's Trusted Agent/Input personnel to facilitate DFAS payment. (Reference the MOCAS Trusted Agent Procedural Guide and MOCAS Coding Quick Reference on the DCMA MOCAS Web Page).
- e. Ensure all grants and OTs, including modifications, are reported in the Defense Assistance Award Data System (DAADS) using a DD Form 2566, "DoD Assistance Award Action Report," via the DAADS website. See Resource Page for the link to the DAADS website.
- f. Review and apply the NPI award terms.

### 4.2. DEVELOP A PERFORMANCE PLAN.

- a. A critical part of managing an NPI is the establishment of a performance plan that outlines the milestones for performance/payment and actions leading to closeout. The performance plan is verification of continuity and Financial Improvement and Audit Readiness. The AGO/AAO shall establish a performance plan for grants, cooperative agreements, TIAs, and OTs that **exceed** the Simplified Acquisition Threshold. For awards under the Simplified Acquisition Threshold, the use of a performance plan is optional; however, the AGO/AAO is strongly encouraged to develop a performance plan for any award that is complex in nature and requires additional oversight. The performance plan may be written after the PAOC, if a PAOC was conducted. The performance plan must outline the details of the NPI to include the recipient's schedule and estimated completion date(s) for third party Single Audits, performance milestones, deliverables, submittals, associated payment provisions, property management and title, and closeout requirements. It is important to ensure the performance plan reflects the different requirements according to whether the award is a TIA that is a cooperative agreement or a TIA that is an OT.

Documentation of any Bayh-Dole Act patent and trademark intellectual property (Part 401 of Title 37, CFR) requirements should also be included. Discussions with the awarding NPI office is highly recommended. A performance plan template is available on the Resource Page.

b. The performance plan should address:

(1) How performance criteria or milestone completion is verified and by whom.

(2) The associated payment schedule to track expenditures and available funds.

(3) In what form data/reports are to be provided by the recipient to the AGO/AAO. The data/reports set forth the procedures for monitoring and reporting on the recipient's financial and program performance.

(4) The types and frequency of reviews to be conducted. Recipients are responsible for managing and monitoring projects. However, the AGO/AAO is responsible for ensuring that the reports are delivered to the appropriate program office and any other appropriate parties.

c. The AGO/AAO should also consider the following when creating the performance plan:

(1) Whether or not recognition of pre-award costs are included in the NPI, as these costs may have a significant bearing on initial payments. (Normally, these costs are only recognized as a part of the contributions received by the recipient. The recipient receives the money and later pays it out as an expense rather than a contribution.)

(2) Requirements for, and frequency of, cost/schedule reporting for the program. The recipient is to provide this information to the AGO/AAO.

(3) How the recipient's accounting system treats program costs and the period of time during which the recipient's accounting records are subject to examination.

(4) For any cost sharing, the sufficiency of information for the type (cash, in-kind contributions, independent research and development, technology transfers), amount, and timing of recipient contribution.

#### **4.3. PAOC.**

a. To mitigate performance issues, PAOCs are considered to be a best practice and are highly encouraged for recipients that lack substantive experience with federal assistance awards. The AGO/AAO will decide whether a PAOC is necessary and, if so, what form it shall take. The AGO/AAO shall consider, at a minimum, the following:

(1) Type, value, and complexity of the award.

(2) DD Form 254, "Department of Defense Contract Security Classification Specification" requirements which indicates a classified deliverable or facility.

(3) Recipient's status, if any, as a small business.

(4) Recipient's experience and/or performance history.

b. If a PAOC is warranted, it must be conducted and documented using either the DD Form 1484, "Post-Award Conference Record," as outlined in DCMA-MAN 2501-01, "Contract Receipt and Review," or a no-form document covering the key aspects of the NPI post award. Specific areas of discussion and documentation are identified in the Post-Award Job Aide outlined on the Resource Page. Specific details of performance, invoicing, reconciliation of funding, and closeout must be discussed with the recipient and if possible the awarding GO/AO. The AGO/AAO must also inform the recipient to include them in the distribution list of Single Audits. The AGO/AAO documents the PAOC, shares the post-award documents with the recipient and the GO/AO, and includes the details along with the performance plan (if applicable) in the official file. Typically, if a PAOC is conducted, then a performance plan should also be developed to ensure effective post-award administration.

#### **4.4. PROPERTY MANAGEMENT.**

a. The AGO/AAO shall:

(1) Coordinate with the PA for the identification of federally-owned property (accountable property) that is provided to the recipient or transferred from another award which the U.S. Government already owns or acquires for the recipient and the U.S. Government retains title (or as stated in the NPI terms).

(2) Pre-coordinate with the awarding office and the recipient to determine the correct title vesting of the NPI property prior to NPI closeout. Ownership of the government property or recipient-acquired property including final disposition is contingent upon the terms and conditions of the NPI. If the NPI property is to reside with the recipient or with the U.S. Government, then title ownership transfer must be documented and proper disposition accomplished.

b. The PA or PLCO shall:

(1) Review the specific details of property are identified in the terms of the NPI. Plant clearance procedures are outlined in DCMA-MAN 2501-04, "Plant Clearance."

(2) Identify recipient-acquired property which the recipient purchases or otherwise acquires as part of the NPI performance. The recipient typically acquires title to such property; however, there may be restrictions based upon NPI terms and conditions and Parts 32 through 34 of Title 32, CFR.

(3) Identify property title vesting. The DoDGARs requirements for the acquisition, management, and disposition of property apply to property for which the Government has title, whether Government-Furnished Property (GFP) or recipient-acquired property (commonly referred to as Contractor-Acquired Property). The terms and conditions of the agreement may identify property title vesting to either the recipient or the awarding office.

#### 4.5. RECIPIENT EXPENDITURE RATES AND CASH MANAGEMENT.

a. Utilizing a risk-based approach, the AGO/AAO should monitor the recipient's expenditure rate of funds and determine if it is reasonably appropriate relative to a budget. To facilitate this performance, the AGO/AAO should request copies of the recipient's budget from the GO/AO. In addition to overall planned spend levels, particular care should be given to approved equipment purchases and authorized subcontractors. Material deviations from budget (both in spend rates or expenditures by cost categories) can raise concern and should be communicated to the GO/AO, in writing, for further research with program management (i.e., shifting research hours to unauthorized equipment purchases).

b. Where advance payments are authorized, the AGO/AAO should monitor the recipient's cash-on-hand IAW DoD 7000.14-R, "DoD Financial Management Regulations," Volume 12, Chapter 15, which states, "When the recipient that received the advance has performed under the grant or cooperative agreement, the DoD Component must record an expense in an amount equal to the cost of the services performed or cost incurred, and reduce the advance account by that amount. The recipient shall provide sufficient documentation to support the cost of the services performed or cost incurred, consistent with the award or contract." Tools to obtain visibility include, but are not limited to, the Standard Form (SF) 425, "Federal Financial Report", the SF 270, "Request for Advance or Reimbursement Payments", the NPI terms, and the monitoring methods detailed in Section 34.41 of Title 32, CFR. The objective of the AGO shall be to minimize time between disbursement of advance payments and actual expenditure of funds. AGO/AAO monitoring of the recipient's NPI expenditure rates and cash management process, to include the liquidation of advance payments, occurs throughout the post-award administration.

c. Examples of expenditure rate issues may include:

(1) The actual expenditure rate by the recipient may be on target in terms of costs (salaries, travel, equipment, etc.); however, the recipient may be late in requesting payments.

(2) The recipient may not be spending as much time on the program as originally indicated in the proposal due to involvement in another program.

(3) The prime recipient may have issued one or more awards to sub-recipients that may cause delays in submitting payment requests.

(4) Examining outliers that raise flags for concern that would merit validation of costs with the awarding office. The source of data for analysis could be a combination of any of the following:

- SF 270
- SF 425
- Business reports
- Unusual billing patterns
- Budget proposal incorporated into the award
- Any and all other available information deemed relevant by the AGO/AAO

With this information, the AGO/AAO may look for the following as a basis of exception:

- Burn rate unreasonable low or unreasonably high relative to the proposed budget plan
- Indications of research dormancy (lack of reporting)
- Other significant variations of expenditures from budget plan raising concerns IAW Section 34.15 of Title 32, CFR, (i.e. exchanging research budget for equipment budget without prior approval)
- Unexplained dramatic variations from quarter to quarter in costs incurred

d. The AGO/AAO and the recipient must track payments to remaining funds on NPIs containing payments based on payable milestones with cost reimbursement features.

e. Advance Payments. Should the NPI include advance payments and depending on the terms of the agreement, the AGO/AAO may be required to review each recipient submitted SF 425 to identify issues with excess cash on hand or other issues related to receiving advance payments. The AGO/AAO must ensure adequate funds are available to perform the work without large cash balances beyond what is required for immediate needs and to ensure the recipient has effective procedures to minimize the time elapsed between receiving and spending funds. The AGO/AAO will notify the awarding agency if the grant or cooperative agreement recipient has any interest earned from advanced payment accounts for return.

(1) The AGO/AAO's review of the SF 425 provides insight into potential problems with the management of excess cash and other problems with receiving advance payments. The NPI award document will identify the frequency of the SF 425 submission from the recipient. A final SF 425 is always required.

(2) If analysis reveals significant expenditure variances (usually +/- 10 percent at the aggregate level), or negative trends, the AGO/AAO must immediately contact the recipient (in writing) and obtain a written explanation. The NPI should contain language as to remedies (including milestone adjustment). The AGO/AAO must consult the awarding GO/AO regarding the need for corrective action and document the post-award file with analysis and any corrective action. If the NPI does not contain remedies, the AGO/AAO must contact the awarding GO/AO and discuss resolution approaches and document the post-award electronic file.

#### **4.6. REVIEW PAYMENT REQUESTS.**

a. Some NPIs award terms allow the recipient to submit interim payment requests directly to the payment office, according to the payment schedule and milestones. IAW Section 22.810 of Title 32, CFR, it is a government requirement for recipients to use electronic funds transfer via the Invoice, Receipt, Acceptance, and Property Transfer (iRAPT) tool for any payments, unless a waiver has been obtained. The AGO/AAO must track and monitor these payments and the final payment must have the appropriate AGO/AAO approval. The NPI terms and conditions may identify cost vouchers instead of grant vouchers. The standard types of payments are reimbursement, scheduled, or advance payments. The preferred payment method is reimbursement.

b. The payment methods are:

(1) Reimbursement. The SF 270 may be used by the NPI recipient for submitting individual payment requests for reimbursement of costs incurred during a specific time. The SF 270 is used to separate cost share from federal funding and should only be used if the recipient is **not** billing for indirect costs or does not have predetermined indirect rates. If the recipient is billing for indirect costs, they must submit a cost voucher (public voucher). The grant voucher is a replication of the SF 270; therefore, there is no need for the recipient to attach a separate SF 270 to their grant voucher submittal.

(2) Scheduled. Scheduled payments, typically associated with firm-fixed priced NPIs, do not require individual payment requests.

(3) Advance. An advance payment is made before expenditures are made by the NPI recipient. The amount of the advance payment is based upon the projections of the recipient's cash needs or on a predetermined payment schedule. Advance payments must be limited to the minimum amount needed and must be timed in accordance with the actual, immediate cash requirements of the recipient to carry out the purpose of the approved program or project.

c. NPI recipients maintain (or demonstrate the willingness to maintain) written procedures when paid in advance of expenditures. The AGO/AAO must review the time elapsed between transfer of funds and disbursements by the recipient through the recipient's financial management system to identify funds control and accountability. Advances of federal funds for NPIs must be deposited and maintained in insured accounts.

(1) When the grant or cooperative agreement payment request is based on payable milestones, the AGO/AAO must ensure the recipient accomplished the event or criteria. To determine if the event or criteria were accomplished, based upon the NPI award agreement terms, the AGO/AAO must obtain written concurrence from the awarding GO/AO's Government program manager or designated official prior to payment approval. The GO/AO's approval is documented in the electronic award file.

(2) OTs for prototype projects should include procedures for adjusting payable milestones based on actual expenditures. Payment of profit or fees is permitted on OT prototypes; however, payment of profit or fees is not permitted on portions of the project that are cost share. (Cost share is the portion of the project or program cost not borne by the federal government).

(3) AGOs/AAOs must review each NPI for payment request format, submittal requirements, approving official, and method of payment. Details regarding payment terms and procedures should be addressed during a PAOC, if one is conducted, or other initial contact with the awarding office and the recipient.

(4) AGOs/AAOs must ensure payment request(s) comply with the NPI terms and funds are available for payment.

(5) AGOs/AAOs must provide clear payment instructions to the payment office when payments include multiple Accounting Classification Reference Numbers.

d. Payments of profit or fee is not permitted for grants or cooperative agreements.

e. Incurred costs payments. When the payment request is based on incurred costs, the AGO/AAO must review the costs no less frequently than annually, and consistent with the terms of the NPI and the amount of funds at risk. This may include reviews by a DCMA Cost/Price Analyst, Defense Contract Audit Agency (DCAA), or reviews in accordance with the Part 200 of Title 2, CFR, Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards as implemented in DoD Instruction (DoDI) 7600.10, "Follow-Up and Oversight on Single Audits." For-profit entities must submit an incurred cost proposal each fiscal year for DCAA review and audit.

f. The AGO/AAO must coordinate with the awarding GO/AO (and as appropriate the awarding Program Manager) prior to withholding or disapproving payment requests. In situations where the non-federal entity (NFE) milestone requirements are not fulfilled, the AGO/AAO may consider a temporary withholding of payment or a portion of the payment until the NFE complies. (Example: OTs for prototype usually include withholding procedures for undelivered reports.)

#### **4.7. INDEPENDENT AUDIT.**

a. The AGO/AAO must identify the need for Single Audits and the requirement for the third party audit report to be submitted to the Federal Audit Clearinghouse (FAC). The FAC database is not searchable using the PIID or the Commercial and Government Entity (CAGE) code. The AGO/AAO can search the FAC for a copy of an audit using the employer identification number (EIN), fiscal year, or recipient name. DCMA is not always notified when an audit has been uploaded to the FAC, so it is imperative that the AGO/AAO requests the recipient to alert the AGO/AAO when the audit is completed, and provide either a copy of the audit or the date the audit was completed including the fiscal year.

b. The AGO/AAO will advise the GO/AO on audits by independent auditors (public accountants or federal auditors) or the DCAA. (Section 37.650 of Title 32, CFR)

c. Recipients receiving federal funds are subject to an independent audit conducted by an Independent Public Accounting (IPA) firm. The audit applies to state and local government and non-profit recipients that expend federal funds of \$750,000 or more in a fiscal year. In accordance with Part 34 of Title 32, CFR, and Parts 31 and 231 of Title 48, CFR, for-profit recipients do not need an independent audit as they should be audited annually by DCAA based on their incurred cost proposal submissions. These audits are referred to as "Single Audit Inquiries" following the procedures in Part 200 Subpart F of Title 2, CFR, and requires agencies to obtain and review Single Audit reports submitted to the FAC. See Resource Page for NPI audit thresholds.

d. The recipient initiates the IPA Single Audit. The IPA Single Audit provides the federal government with assurance that the NFE complies with the directives by having an independent external IPA report. The NFE may provide a portion of its award to another NFE. The NFE providing the award is called a Pass-Through Entity (PTE).

e. Upon completion of the audit by the IPA firm, the DoDIG's office reviews the audit. Subsequently, the DoDIG sends the audit findings for resolution to the AGO/AAO if the award administration is delegated to DCMA.

f. The AGO/AAO must follow up on audit findings impacting the assigned DoD awards to ensure NFEs take appropriate and timely corrective action. The FAC uses the term NFE as the recipient. "For-profit" award recipients are subject to the cost principles of FAR Part 31. They are required to submit annual incurred cost proposals and to have the rates established by audit conducted by cognizant federal audit agency (DCAA). There is no need for them to submit an additional separate "independent" audit as this, in fact, violates the premise of the Single Audit requirement.

(1) As part of the single audit follow-up process, the AGO/AAO must coordinate the management decision (disposition) with the awarding GO/AO on audit findings within 6 months of the date accepted into the FAC (Section 200.521 of Title 2, CFR). The management decision shall clearly state whether or not the audit finding is sustained, the reasons for the decision, and the expected auditee action to repay disallowed costs, make financial adjustments, or take other action. If the auditee has not completed corrective action, the AGO/AAO must provide the auditee a timetable for following up.

(2) It is imperative the AGO/AAO documents the audit disposition within the 6-month period after submission. The best practice is to ensure the AGO/AAO and the recipient are in communication during the audit process to further identify when the audit is entered into the FAC and allow the AGO/AAO time to disposition the audit within the 6-month period. There is no upload capability into the FAC; therefore, the AGO/AAO must include the management decision in the electronic award file. A copy must be provided to the DCMA IG for forwarding to the DoDIG. In addition, a copy should be provided to the GO/AO. See Resource Page for the link to the DCMA IG inbox.

(3) Program Specific Audits. If an NFE expends funds under only one program (excluding research and development) that meets the expenditure level and a financial statement audit is not required, then the NFE may arrange for a "Program Specific Audit" in place of a Single Audit.

(4) An NFE that expends less than the expenditure level is not required to have a Single Audit; however, upon request, it is required to make its records available for "review or audit" by the awarding GO/AO.

(5) NFEs subject to audit must:

(a) Arrange for a timely audit;



- (b) Prepare financial statements and an expenditures of federal awards;
- (c) Ensure the audit is properly completed;
- (d) Submit the Single Audit report when due;
- (e) Take corrective action on audit findings; and
- (f) Provide a copy of the audit to the AGO/AAO.

g. Cost of the Audit. The audit cost should be addressed in the NPI terms by the awarding agency. Unless prohibited by law or the limitations of Section 200.45 of Title 2, CFR, the cost of Single Audits made with the provisions of Part 200 Subpart F of Title 2, CFR, are allowable charges to federal awards. The charges are considered a direct cost or an allocated indirect cost, as determined in accordance with Part 200 Subpart E of Title 2, CFR.

#### **4.8. COGNIZANT AGENCY FOR AUDIT AND INDIRECT COSTS.**

a. The cognizant agency for audit is the federal agency designated to carry out the responsibilities described in Section 200.513 of Title 2, CFR. A list of cognizant agencies for audit may be found at FAC website. The designated cognizant agency for audit must be the federal awarding agency that provides the predominant amount of direct funding to an NFE unless OMB designates a specific cognizant agency for audit.

b. The AGO/AAO may also request assistance from the CMO Cost/Price Analysts and/or DCMA's Cost and Pricing Group for pricing assistance. Refer to Resource Page for information on how to request pricing assistance.

#### **4.9. TERMINATIONS.**

a. NPI terminations are accomplished by the awarding GO/AO in accordance with the terms and conditions of the NPI.

b. If the GO/AO requests the AGO/AAOs to assist in the termination of an NPI, the GO/AO must provide written direction and details, in accordance with the NPI terms, to assist in the termination process. The AGO/AAO must complete and record the final payment and/or deobligation determination in the official electronic document file. NPIs are not reportable in the Federal Procurement Data System (FPDS); therefore, modifications resulting from terminations, are not reportable to FPDS.

c. DCMA's Business Operations Center and Termination Group are not involved with NPI terminations as the authority resides with the awarding office.

#### **4.10. NPI CLOSEOUT.** The AGO/AAO shall:

- a. Ensure deobligation of any excess funds are returned to the awarding agency.
- b. When authorized by the NPI terms, make a settlement for any upward or downward adjustments to the federal share of costs after closeout reports are received. The AGO/AAO will coordinate with the recipient and the awarding GO/AO prior to settlement.
- c. Coordinate with the awarding GO/AO and follow the procedures in Section 22.820 of Title 32, CFR, to issue demands for overpayment and transferring debts to DoD payment offices for collection. The AGO/AAO provides written notice including the decision, procedure, and time frame to the recipient outlining the demand for payment. See DoD 7000.14-R, Volume 10, Chapter 19, “Debt Collection for Grants and Cooperative Agreements,” and DCMA-MAN 2501-10, “Contract Debts.”
- d. Coordinate the NPI closeout process with the recipient and the awarding officer, and ensures that all NPI requirements are met. The AGO/AAO will only close the NPI when it is determined that all applicable administrative actions and required work are completed. Refer to the Contract Closeout Guidebook on the Resource Page for an example of a checklist that can be used for NPIs to ensure accurate closeout.
- e. Begin the closeout process within 90 days after the end of the performance period. Pursuant to Sectopm 200.343(b) of Title 32, CFR, recipients of grants and cooperative agreements must liquidate all obligations incurred under their awards within 90 days after the end of the period of performance unless the Federal awarding agency authorizes an extension or program-specific statutes specify a different liquidation period. Funding obligated under cost reimbursement items may require settled rates prior to closure and may exceed the 90-day closure period.
  - (1) IAW the GONE Act, ensure grants and cooperative agreements are closed within 2 years after performance has ended (IAW the GONE Act). Since “for-profit” awards are subject to the cost principles of FAR Part 31, closeout of these awards can be held up for many years while awaiting the settlement of final indirect rates; therefore, the GONE Act may not be feasible for these awards. The AGO/AAO must communicate this to the Contracts Director who is responsible for ensuring closeout within 2 years and for Congressional reporting.
  - (2) The NPI may include specific terms, deobligation of funds, patent rights, property vesting, bank account closures, or other requirements identified in the NPI terms and conditions.
- f. Identify significant areas in closeout to include, but not limited to, the following:
  - (1) Has the Program Manager accepted and approved all reports/submittals?
  - (2) Have all invoices been submitted and paid?
  - (3) Has the recipient fulfilled its cost share?
  - (4) Has the final patent report been submitted and approved?

(5) Were patent rights formally identified?

(6) Were required Government-purpose licenses obtained?

(7) Has the NPI been manually closed out of MOCAS (Interim PK9 notice or DD Form 1594, "Contract Completion Statement," submitted to the awarding officer to assist with documenting closure)?

(8) Has a closeout Memorandum been prepared?

(9) Should a closeout audit be performed IAW Section 22.825 of Title 32, CFR, Closeout Audits?

g. Provide the DD Form 1594 or a funds reconciliation statement to the GO/AO, if requested. Typically, providing the MOCAS "interim" notice (PK9) to the buying activity notifies the GO/AO the NPI is closed; however, the GO/AO may still request the DD Form 1594 if the PK9 notice was not received.

**4.11. BUSINESS ADVISOR.** The AGO/AAO will:

a. Serve as the NPI business advisor during the pre- and post-award process (awarding office, DCMA, DoDIG, and audit services) on grants, cooperative agreements, and OTs. An ACO without an AGO/AAO warrant appointment has no authority to make any commitments or changes that affect a grant, cooperative agreement, or OT. CMO personnel may assist the AGO/AAO; however, only the AGO/AAO has authority to bind the Government on these nonprocurement transactions. During performance of this work, AGOs/AAOs may obtain assistance from the GO/AO, other DCMA AGO/AAOs, Cost/Price Analysts, PAs, PLCOs, and assigned Legal Counsel as required.

b. Assist the awarding agency, when requested, by providing rates on the proposed or existing NPI award. However, before executing this authority, the AGO/AAO should determine the extent of his/her delegation to determine allowability of costs. If the awarding office wishes to retain final authority on cost allowability determinations, such inquiries should be referred to the DCMA Cost Pricing Center and the AGO/AAO should refrain from attempting to finalize rates. Risk-based approaches should be strongly considered when considering indirect rates for small dollar recipients.

c. Assist the awarding offices on pre-award and post-award rate reviews.

d. Provide advice on business proposals on the NPI terms and conditions that will promote effective administration of the award. Team with the awarding office to assist in the development of the award documents.

e. Assist with pre-award surveys when requested by the GO/AO. Pre-award survey requests must be initiated by the GO/AO through the Agency's tool.

**4.12. TIA, OT (RESEARCH), AND OT (PROTOTYPE) ADMINISTRATION.** The AAO must:

- a. Review the delegated TIAs that are OT (Research), or OT (Prototype) terms and discuss with the awarding AO if clarification is required.
- b. Review the OT NPIs that are delegated to DCMA for payment only during RR and Workload Acceptance.
- c. Ensure the OT NPIs are properly loaded in MOCAS, unless security classification prohibits the use of this tool. Ensure the NPI terms and conditions include procedures for processing recipient claims, disputes, and appeals or awarding officer final decisions.
- d. Not combine claims, disputes, or audits of an NPI recipients with FAR/DFARS procurement contracts.
- e. Conduct a PAOC based upon complexity, whether the NPI has been made to a new recipient, or if the award includes a DD Form 254, "Department of Defense Contract Security Classification Specification," indicating a classified deliverable or classified facility requirements.
- f. Establish a performance plan, if warranted, for each OT NPI and include in the electronic award file.
- g. Coordinate any pricing and audit support with the OT officer and include in the performance plan the payment schedule, the cost-sharing agreements, and Bayh-Dole Act patent and trademark intellectual property (Part 401 of Title 37, CFR) requirements.
- h. Determine the process for the OT submission to the appropriate OT Program Office and any other appropriate parties, in accordance with the terms and conditions of the OT NPI.
- i. Ensure the awarding research or prototype OT officer does not delegate DCMA Quality Assurance, Industrial Specialists, or Engineering functional specialists or identify DCMA technical delegation in the OT document. The only exceptions are when a prototype OT includes an low rate initial production (LRIP) or full-rate production (FRP) follow-on in the original OT agreement and the LRIP or FRP is clearly identified in the original prototype OT agreement or if DCMA local leadership has approved the delegation and acceptance of these functions. DCMA technical engineering and manufacturing development oversight may be required for effective contract administration of any follow-on FAR-based contract. The awarding OT Program Office is responsible for accepting a research or prototype OT. Prototype OTs that typically enter LRIP or FRP are awarded under a separate FAR/DFARS procurement contract which could be accepted under DCMA's workload acceptance procedures in accordance with DCMA-MAN 2501-01.

- j. Confirm the payment requests comply with the NPI terms and that funds are available for payment.
- k. Confirm the AO is responsible for OT NPI terminations.

## SECTION 5: OTHER TRANSACTIONS (OT)

### 5.1. MANAGING OT. The AGO/AAO will use the following for managing OTs:

a. As outlined in Section 3, research OTs are identified with a “3” in the 9<sup>th</sup> position of the PIID. The statutory authority for research OTs is found in Section 2371 of Title 10, U.S.C. Prototype OTs are identified by the PIID with a “9” in the 9<sup>th</sup> position of the PIID. The statutory authority for prototype OTs is found in Section 2371b of Title 10, U.S.C. and authorizes the DoD to carry out prototype projects using a legal instrument other than a procurement contract, grant, or cooperative agreement. The Secretary of Military Departments and DoD Agencies may use this authority to carry out prototype projects that are directly relevant to enhancing the mission effectiveness of military personnel and the supporting platforms, systems, components, or materials proposed to be acquired or developed by the DoD, or to improvement of platforms, systems, components, or materials in use by the armed forces.

b. The Acquisition, Technology, and Logistics (AT&L) “Other Transactions Guide for Prototype Projects” (located on the Resource Page) outlines procedures for awarding OT (Prototypes). The FAR/DFARS are not applicable. The NPI will identify if the recipient must follow the Generally Accepted Government Auditing Standards accounting rules or have the option to propose the use of their own accounting system and processes. The handling of intellectual property rights between the parties is also negotiable.

c. The AGO/AAO manages the post-award function after coordinating with the awarding GO/AO program office, defining the performance plan (if required) and milestones, and documenting the electronic award file. The GO/AO program office provides all technical support and product acceptance. However, only on a case-by-case basis, if DCMA already handles similar quality control on contracts at a location, the CMO may agree to handle quality control of OTs if they are capable and have qualified personnel to accept this delegation. The AGO/AAO shall coordinate with their local leadership for approval of quality control and engineering acceptance/delegation. (See DCMA-MAN 2501-01 Resource Page for workload acceptance guidance.) If the delegation is approved, the AGO/AAO must ensure it is clearly documented in the OT. The AGO/AAO manages the NPI agreements separately from the recipient’s FAR/DFARS contracts.

d. The AGO/AAO should refer to Paragraph 4.10. of this Manual for OT closeout procedures. Advance pre-closeout coordination with the awarding GO/AO allows AGO/AAOs to fully support the OT closeout function.

### 5.2. COOPERATIVE RESEARCH AND DEVELOPMENT AGREEMENTS (CRADAs).

a. CRADAs are issued per Section 3710a of Title 15, U.S.C., and are written agreements between a private company and government agency working together on a project by using either federal laboratories or non-federal partner laboratories to achieve a specific goal.

b. The government provides laboratories, personnel, services, facilities, equipment, intellectual property or other resources “without funds” (\$0.00). The NFE funds the project,

provides personnel services, facilities, equipment, intellectual property, or other resources toward the conduct of specified research or development efforts consistent with the laboratory mission. Therefore, DCMA does not administer CRADAs.

## **SECTION 6: PROCUREMENT TECHNICAL ASSISTANCE PROGRAM (PTAP)**

**6.1. MANAGING PTAP.** The AGO/AAO will use the following for managing PTAPs:

a. PTAPs are awarded annually by DLA, usually during the first part of the fiscal year to expand the number of businesses capable of participating in future Government contracts. DLA executes the DoD PTAP by awarding cost-sharing cooperative agreements to assist states/local governments, private non-profit organizations, tribal organizations and economic enterprises in establishing or maintaining PTACs that serve as a resource for businesses to obtain information and training related to contracting opportunities with the DoD, other federal agencies, and state and local governments.

b. DLA PTAP agreements are administered by the AGO/AAO with assistance from DCMA's Small Business Compliance Center, Small Business Professionals (SBP). The DLA PTAP is sent via the Agency's electronic contract filing system (currently known as IWMS) and visible in the Electronic Document Access (EDA) to the assigned AGO/AAO. No later than 60 calendar days prior to the end of the performance period, the assigned AGO/AAO must coordinate with the DCMA SBP to initiate and complete an annual PTAC performance review and provide a final written report to the DLA Small Business Office and the DCMA Small Business Compliance Center. The AGO/AAO will record the completed joint AGO/AAO/SBP coordination/review on the Performance Review Template located on the Resource Page.

(1) The PTAP outlines the payment details to include advance payments and the appropriate payment office. The AGO/AAO must monitor the recipient's cash balances on advance payments by reviewing the SF 425. The Prompt Payment Act does not apply; therefore, late payments do not incur interest.

(a) Expenditures for equipment and other capital assets, use of third-party in-kind contributions towards cost-sharing requirements, sub-awards, and the use of indirect cost rates require GO/AO advanced approval unless otherwise identified in the PTAP agreement terms.

(b) Any cost sharing will be outlined in the PTAP agreement.

(c) PTAP agreement reporting responsibilities include performance and financial reports. DLA Form 1806, "Procurement Technical Assistance Center Cooperative Agreement Performance Report" is used for performance reports and SF 425 is used for financial reports. Both reports are normally due for the reporting periods ending March 31, Jun 30, Sep 30, Dec 31, and on the end date of the award's period of performance; therefore, there may be 4 or 5 reports. The AGO/AAO must ensure the reporting details are discussed upon receipt of the PTAP with the GO/AO and recipient. No later than 60 days prior to the end of the current period of performance, the AGO/AAO, with the assistance from the DCMA Small Business Center, will complete an annual performance review of the DLA-awarded PTACs cooperative agreement. The AGO/AAO will provide a final written report to the DLA Small Business Office and the DCMA Small Business Center utilizing the Performance Review Template as a guide. Depending on the information contained in the report, DCMA may be requested to perform an



additional review prior to the end of the performance period. See Resource Page for the DCMA Small Business Center inbox link.

(d) Pursuant to Section 22.710 of Title 32, CFR, PTAPs must be administered by DCMA. Further, if payment office SL4701 was assigned, the AGO/AAO must issue a Contract Deficiency Report and direct the GO to change the Pay Office to a MOCAS pay office.

(2) PTAP awards are generally renewed annually by DLA. The AGO/AAOs must input the recipient's performance are submitted no later than 60 calendar days prior to the end of the performance period to the awarding GO/AO. PTAC reviews are required for the following:

- (a) New PTAP recipient.
- (b) On-site review not accomplished in the past 3 years.
- (c) PTAP recipient received a previous unsatisfactory rating.
- (d) All PTAP reviews that do not fit these criteria can be performed virtually after informing/coordinating with the DCMA Small Business Center.

## SECTION 7: GRANTS OVERSIGHT AND NEW EFFICIENCY ACT

**7.1. GRANTS OVERSIGHT AND NEW EFFICIENCY (GONE) ACT.** The AGO/AAO will adhere to the following:

a. GONE Act. The goal of the GONE Act is to close out expired grants and cooperative agreements. The GONE Act requires the OMB to instruct each agency, in coordination with the Department of Health and Human Services (HHS), to submit to Congress and HHS by December 31 of the first calendar year beginning after this Act's enactment a report that covers the following:

- (1) Lists each federal grant award held by such agency.
- (2) Provides the total number of federal grant awards, including the number of grants by time period of expiration, the number with zero dollar balances, and the number with undisbursed balances.
- (3) Describes the challenges leading to delays in grant closeout.
- (4) Explains, for the 30 oldest federal grant awards, why each has not been closed.

b. The grants and cooperative agreements to which the GONE Act applies are those within an agency's cash payment management system that have been expired for 2 or more years and have not been closed out. No later than 1 year after the head of an agency submits its report, the agency head will notify HHS whether the agency has closed out the covered grants discussed in its report. HHS is required to compile this information and provide it to Congress. If DCMA is delegated a NPI to administer, it is DCMA's responsibility to report the grants and cooperative agreements with the period of performance ended two (2) or more years ago and the NPI has not been closed out.

(1) The CMO Contracts Director will obtain a listing of all grants and cooperative agreements that are not closed within 2 years after the Period of Performance to ensure prompt closeout. For those not closed within 2 years, the AGO/AAO will submit to the CMO Contracts Director a detailed explanation, which includes the information identified in paragraph 7.1.a. This information is submitted annually to the DCMA Director for issuance to the DoD focal point and eventually to Congress.

(2) Grants with PIID "1" in the 9<sup>th</sup> position and cooperative agreements with PIID "2" in the 9<sup>th</sup> position assigned to the CMO are the grants and cooperative agreements that need review.

c. Federal Grant Awards (**only** grants and cooperative agreements) as defined in Sections 200.24 and 200.51 of Title 2, CFR, are subject to the GONE Act. Pursuant to Section 200.343(b) of Title 2, CFR, recipients of grants and cooperative agreements must liquidate all obligations incurred under their awards within 90 days after the end of the period of performance unless the federal awarding agency authorizes an extension or program-specific

statutes specify a different liquidation period or settlement of rates on cost reimbursements. The AGO/AAO must manage the performance milestone plan for each grant and cooperative agreement to ensure funds reconciliation and closeout does not exceed 2 years past the end of the performance period. A representative from DCMA Performance Management Division (DCMA/AQDA) will issue an annual Tasking Memo based upon DoD directions.

## GLOSSARY

### G.1. DEFINITIONS.

**AGO/AAO.** Primary responsibility is to advise and assist nonprocurement awarding offices and recipients prior to and after award to ensure the recipient fulfills all requirements in law, regulation, award terms, and conditions. A valid certificate of appointment must be obtained prior to assuming AGO/AAO duties.

**Auditee.** Any NFE that expends federal awards which must be audited.

**Cooperative Agreement.** A legal instrument used to enter into the same kind of relationship as a grant, except that substantial involvement is expected between the DoD and the recipient when carrying out the activity contemplated by the cooperative agreement. The term does not include “cooperative research and development agreements.” (Section 6305 of Title 31, U.S.C).

**CRADA.** A written agreement between a private company and a government agency to work together on a project. It is a mechanism used by federal laboratories to engage in collaborative efforts with non-federal partners to achieve a technical goal. The government provides no funds.

**DAADS.** The system utilized to capture the obligation all types of assistance awards made by DoD agencies. Its purpose is to support and assist DoD with inputs to meet statutory requirements of Chapter 61 of Title 31, U.S.C. and the Federal Funding Accountability and Transparency Act. All grants and OTs, including modifications, are required to be reported in this system by using the DD Form 2566, “DoD Assistance Award Action Report.”

**DoDGARs.** A system of policies and procedures for DoD grants and cooperative agreements. The FAR and DFARS do not apply.

**Federal Awarding Agency.** The federal agency that provides a federal award directly to an NFE.

**FAC.** The clearinghouse designated by the OMB as the repository of record where non-Federal entities are required to transmit the single audit reporting packages. The mailing address of the FAC is Federal Audit Clearinghouse, Bureau of the Census, 1201 E. 10th Street, Jeffersonville, IN 47132 and the web address is: <http://harvester.census.gov/sac/>.

**Grant.** A legal instrument used to enter into a relationship where the principal purpose is to transfer a thing of value to the recipient to carry out a public purpose of support or stimulation authorized by a United States law, rather than to acquire property or services for the DoD’s direct benefit or use. It is a relationship in which substantial involvement is not expected between the DoD and the recipient when carrying out the activity contemplated by the grant.

**GONE Act.** The GONE Act requires the head of each agency to submit to Congress, in coordination with the Secretary of Health and Human Services, an annual report on federal grant

and cooperative agreements which have not been closed out and for which the period of performance, including any extensions, elapsed for more than 2 years.

**IPA.** An independent auditor is a certified public accountant (CPA) or chartered accountant who examines the financial records and business transactions of a company with which they are not affiliated.

**iRAPT.** The iRAPT application is part of the Wide Area Workflow (WAWF) e-Business Suite. iRAPT is a secure web based system for electronic invoicing, receipt, and acceptance. It allows vendors to submit and track invoices and receipt/acceptance documents over the web and allows government personnel to process those invoices in a real-time, paperless environment.

**Management Decision.** Audit findings that identify gaps or irregularities that must be addressed by the AGO/AAO and provide a management decision to the awarding AO/GO, recipient and the DoDIG. The management decision is a written decision addressing the necessary corrective action.

**NPI.** These fall into three basic types: grants, agreements, and other transactions. Technology Investment Agreements may be either a cooperative agreement or other transaction.

**OT.** OT is the term commonly used to refer to Section 2371 of Title 10, U.S.C. which provided authority to enter into transactions other than contracts, grants or cooperative agreements. The authority to award OTs in certain circumstances for prototype projects that are directly relevant to weapons or weapon systems proposed to be acquired or developed by the DoD. OTs may be used for basic, applied, advanced research and prototype projects when it has been determined that it is in the government's best interest to enter into an agreement that is not a contract, grant, or cooperative agreement (Section 2371 of Title 10, U.S.C., and Section 815 of the National Defense Authorization Act (NDAA). OTs are not covered by the FAR or DFARS.

**PTE.** An NFE that provides a federal award to a sub-recipient to carry out a federal program.

**Performance Plan.** AGO/AAO-developed plan outlining the milestones for performance/payment and actions leading to closeout.

**Procurement Contract.** A legal instrument where the principal purpose is to acquire (by purchase, lease or barter) property or services for the direct benefit of the United States Government (Section 6303 of Title 31, U.S.C.) that meets the conditions specified in the FAR/DFARS.

**PIID.** A unique 13-digit number assigned to each award.

**Purpose Code Management.** A module within the Procurement Integrated Enterprise Environment (formally known as WAWF), that provides Contract Administration Office and their corresponding Pay Office Department of Defense Activity Address Code (DoDAAC) information.

**Recipient.** The organization or other entity receiving an award from a DoD Component. financial assistance directly from the federal awarding agencies to carry out a project or a program.

**Single Audit.** A Single Audit, previously known as OMB Circular A-133, is an audit of non-federal entities that expend funds of \$750,000 or more in a fiscal year.

**TIA.** TIAs are a class of assistance instruments that may be used to carry out basic, applied, and advance research projects when it is appropriate to use assistance instruments for research with a for-profit firm or a consortium that include a for-profit firm. A TIA is a special type of assistance instrument used to increase involvement of commercial firms for development and demonstration programs. A TIA may be either a cooperative agreement or a type of assistance transaction other than a cooperative agreement, depending on the intellectual property provisions. (Part 37 of Title 32, CFR)

## GLOSSARY

### G.2. ACRONYMS.

AAO	Administrative Agreements Officer
ACO	Administrative Contracting Officer
AGO	Administrative Grants Officer
AO	Agreements Officer
AOR	area of responsibility
CFR	Code of Federal Regulations
CMO	Contract Management Office
CRADA	Cooperative Research and Development Agreement
DAADS	Defense Assistance Awards Data System
DCAA	Defense Contract Audit Agency
DCMA-DM	DCMA Office of Internal Audit and Inspector General
DD Form 1484	Post-Award Conference Record
DD Form 1594	Contract Completion Statement
DD Form 254	Department of Defense Contract Security Classification Specification
DD Form 2566	DoD Assistance Award Action Report
DFARS	Defense Federal Acquisition Regulation Supplement
DFAS	Defense Finance and Accounting Service
DLA	Defense Logistics Agency
DoDGARs	Department of Defense Grants and Agreement Regulations
DoDI	Department of Defense Instruction
DoDIG	Department of Defense Inspector General
FAC	Federal Audit Clearinghouse
FAR	Federal Acquisition Regulation
FPDS	Federal Procurement Data System
FRP	full rate production
GO	Grants Officer
GONE	Grants Oversight and New Efficiency Act
HHS	Department of Health and Human Services
IAW	in accordance with
IG	Inspector General
IPA	Independent Public Accounting
iRAPT	Invoice, Receipt, Acceptance, and Property Transfer
IWMS	Integrated Workload Management System
LRIP	low rate initial production

MOCAS	Mechanization of Contract Administration Services
NFE	non-federal entity
NPI	nonprocurement instrument
OMB	Office of Management and Budget
ONR	Office of Naval Research
OT	Other Transactions
PA	Property Administrator
PAOC	Post-Award Orientation Conference
PCM	Purpose Code Management
PIID	procurement instrument identifier
PK9	Military Standard Contract Administration Procedures (MILSCAP) format identifier interim indicator physical completion status
PLCO	Plant Clearance Officer
PTAC	Procurement Technical Assistance Center
PTAP	Procurement Technical Assistance Program
PTE	pass-through entity
RR	receipt and review
R&D	research and development
SBP	small business professional
SF	Standard Form
SF 270	Request for Advanced or Reimbursement Payments
SF 425	Federal Financial Report
TIA	Technology Investment Agreement
U.S.C.	United States Code
WAWF	Wide Area Workflow



## REFERENCES

Code of Federal Regulations, Title 2  
Code of Federal Regulations, Title 32  
Code of Federal Regulations, Title 37  
Code of Federal Regulations, Title 48  
DCMA Manual 2501-01, "Contract Receipt and Review," TBD  
DCMA Manual 2501-04, "Plant Clearance," February 14, 2019  
DCMA Manual 2501-05, "MOCAS Data Integrity Screening," TBD  
DCMA Manual 2501-10, "Contract Debts," April 13, 2018  
DCMA Manual 4201-01, "Acquisition Warrants and Appointments," January 17, 2019  
Defense Federal Acquisition Regulation Supplement, Part 231, "Contract Cost Principles and Procedures," August 30, 2016  
DoD Directive 5105.64, "Defense Contract Management Agency (DCMA)," January 10, 2013  
DoD 7000.14-R, "DoD Financial Management Regulations (FMRS), current edition  
DoD Instruction 7600.10, "Follow-up and Oversight on Single Audits," March 22, 2016  
Federal Acquisition Regulation, Part 31, "Contract Cost Principles and Procedures," August 22, 2018  
National Defense Authorization Act (NDAA) for Fiscal Year 2016, Section 815  
Office of the Under Secretary of Defense for Acquisition and Sustainment, Other Transactions Guide, November 2018  
OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," June 27, 2003  
Public Law 104-156, "Single Audit Act Amendments of 1996"  
Public Law 114-117, Section 1115, "Grants Oversight and New Efficiency (GONE) Act," January 28, 2016  
United States Code, Title 10  
United States Code, Title 15  
United States Code, Title 31