

## **Part 2        Pre-Award**

### **Section 04    Awarding Grants**

#### **A. Principles**

Purpose. This Grants Policy Directive (GPD) outlines key policies pertinent to the HHS grant award process.

Scope. The policies contained in this GPD apply only to discretionary grant awards.

#### **B. Competitive Review**

Basic Policy. Grants may only be awarded pursuant to duly approved, written applications. It is HHS policy to maximize competition to the greatest extent practicable. Therefore, grant applications, including supplements to grants which constitute a change in scope, must receive a competitive review, except as provided in sub-section F of this directive. It should be noted that commercial organizations shall be eligible for assistance awards unless awards to those organizations are inconsistent with legislative intent and program purposes. In program announcements, terms such as "private organizations" -- when unqualified -- shall be construed as including commercial organizations.

Optional Policy for Noncompeting Continuation Applications. OPDIVs can accept progress reports in lieu of complete application packages when evaluating noncompeting continuation awards.

Independent Review Policy. Applications must be reviewed objectively by a minimum of three qualified independent reviewers. Reviewers should be sufficiently independent of the entities applying for assistance and must otherwise be able to render an objective and unbiased evaluation, as well.

Conflict of Interest Requirements. Independent reviewers are required to file a financial disclosure report with the OPDIVs conducting the reviews. OPDIV officials managing the grant review process should identify whether any prospective reviewer has an actual or apparent conflict of interest (see conflict of interest definition in GPD 1.02, Definitions). If an independent reviewer has a conflict of interest regarding an application, the reviewer must not participate in, or remain present, during the review of that application.

Selection of Reviewers. OPDIVs should take appropriate steps to rotate and replace independent reviewers as frequently as feasible. Federal and non-Federal personnel may be used as reviewers. When Federal personnel are used as independent reviewers, they should be as far removed as possible organizationally from the OPDIV approval official and his or her program office and grants office staff.

Conduct of Review. Independent reviewers, whether serving on a panel or acting as field readers, shall numerically score each application using only criteria published in the program announcement. OPDIV offices awarding competitive grants shall maintain at a minimum for each competitive review, documents identifying the independent reviewers, their qualifications, and their compliance in filing a financial disclosure report.

### **Ranking Applications**

For each grant competition, OPDIVs are responsible for ranking all applications based on scores prepared by the independent reviewers. In preparing the ranking, OPDIVs shall use only the scores given by the independent reviewers.

### **Approval of Applications**

An OPDIV approval official is responsible for reviewing the application ranking list and determining which applications to approve for funding. Should the official approve an application for funding out of rank order, the reason(s) for doing so must be documented in writing.

### **Funding Policy**

Funded Applications. As outlined GPD 1.04, subsection E., grants management officers are responsible for signing or countersigning the ranking of applications and working with both applicants and program officials to ensure that approved applications adhere to administrative, programmatic, and technical requirements.

All grant awards must be signed by the cognizant grants management officer, OPDIV head, or OPDIV regional office head in order to be binding.

### **Approved but Unfunded Applications.**

OPDIVs have the option to carryover for consideration in the next competition of the same program an approved application for which there is no funding currently available. Carried-over applications, however, must be rescored with the new applications unless the OPDIV Chief Grants Management Officer determines that effective means exist for normalizing scoring to ensure that all applicants are provided a fair opportunity to compete.

### **Exceptions to Competitive Review for New Applications**

Although OPDIVs should make every effort to competitively review all applications, there are three types of new applications which do not require deviations from the competitive review requirement: unsolicited; sole source; and urgent. (Noncompetitive continuation applications within incrementally funded project periods do not need to be competed.)

In the absence of a competitive review, however, these three types of applications should be submitted to an ad hoc independent review group for evaluation. In reviewing such applications, the evaluators should use evaluation criteria contained in either OPDIV regulations or in general OPDIV administrative guidance on the subject.

Notification of unsolicited, sole source, and urgent grant awards must be published in the Federal Register prior to or simultaneous with the award of these grants. These notifications should include at a minimum the following information: 1) recipient(s) name(s), 2) amount(s) of award(s); 3) project period(s); 4) reason(s) for no competition; and 5) name and address of official to be contacted for more information on these awards.

Although awarding grants based on these applications without competition does not require formal deviations, OPDIVs must document their justifications for noncompetitive awards.

Regarding grant awards to be made on an urgent basis, OPDIVs should limit the delegation of authority for designating an award as urgent to a high level within the OPDIV.

## **Award Policy**

Contents of Notice of Grant Award (NGA). An NGA will state, at a minimum, the following:

- Name(s) of the grantee(s) and the awarding OPDIV.
- Type of financial assistance, i.e., grant or cooperative agreement.
- Purpose of the grant.
- For cooperative agreements, an explicit statement of the nature, character, and extent of anticipated Federal programmatic involvement.
- Application control number of the grant
- Citations of statutes and regulations under which the grant is made.
- All grant terms and any special conditions determined necessary as a condition of award. Name(s) of key grantee personnel (e.g., Principal Investigator).
- Name(s) of key grantee personnel (e.g., Principal Investigator).
- Names of the OPDIV project officer and grants management officer, including office addresses, telephone numbers and, when available, Internet addresses. Information necessary for the fiscal administration of the grant such as the grant number; the obligation document number (if different from the grant number); grantee's employer identification number or the HHS Central Registry number, as appropriate; grantee address and name and address of grantee business office; and the accounting classification numbers (appropriation, fiscal year/common accounting number, and object class code).
- The project period.
- Approved budget and any required matching or cost sharing. If the budget is incrementally funded, include the dates of the budget period, the amount authorized (both direct and indirect) including any carryover, as well as the cumulative Federal funds authorized to date, and the amounts recommended for subsequent budget periods.
- Name and address of the Federal payment office and HHS contact official for information about HHS payments as appropriate.

Assignment of Grant Payments to Financial Institutions. HHS permits a grantee to assign to a financial institution its payments under a grant when payment is made after the grantee incurs costs and such an assignment is necessary to finance the costs of the grant project. OPDIVs are advised to contact the Department's Payment Management System for further information concerning the guidelines and procedures for assigning payments.

NGA Signature Certification. In signing an NGA, the cognizant grants management officer, OPDIV head, or OPDIV regional office head is certifying that the grant award is being made in accordance with all applicable laws, regulations, and policies of HHS and the OPDIV.

Congressional Liaison Office Notification. OPDIVs are required to notify the Congressional Liaison Office (CLO), Office of the Assistant Secretary for Legislation, of all new and competing awards and significant large supplements in order to assure that members of Congress receive prompt notification of grant awards. Generally, a 72 hour waiting period will be required between CLO notification and mailing the NGA. Questions regarding the content of the CLO notifications, the procedures for transmitting them, and changes to the waiting period should be directed to the CLO.

### **Discretionary Grant Funding**

Budget and Project Periods. OPDIVs will fund multi-year grant projects in 12 month increments known as budget periods with the allowed project period not exceeding 5 years. Exceptions to this policy are identified below in subsection 2.04 (H)(2). OPDIVs shall follow the waiver provisions identified in GPD 1.03, Applicability, subsection C. when deviating from these budget and project period time-frames.

Full Funding. A single award covering a multi-year project period is permissible under the following circumstances:

- The project is exclusively for construction, alterations or renovations, or acquisition of property; or,
- The total project period is anticipated to be less than 18 months; or,
- The length of funding is explicitly sanctioned by Congress.

Funding Disclaimer for Incrementally Funded Project Period. OPDIVs should include explicit language that funding for future continuation awards is conditioned on the availability of funds, satisfactory progress by the grantee, and an OPDIV determination that continued funding of the award is in the best interest of the Government.

Carryover of Unobligated Balances. In accordance with all laws and regulations, carryover of unobligated balances by the grantee is authorized only from one budget period to the next.

Low-cost and No-cost Extensions. An OPDIV grants management officer may noncompetitively extend a grant project period for up to 12 months to provide for an orderly phase out of Federal support, or for administrative reasons.

These extensions may entail a small amount of Federal funds or no additional funds being awarded to the grantee. Such extensions which are greater than 12 months, however, will require explicit approval from the OPDIV chief grants management officer.

Public Access to Grant Award Information

Grant documents, including those prepared for or by independent reviewers, are available to the public except to the extent that the authorized OPDIV official asserts applicable exemptions from the disclosure mandates of the Freedom of Information Act (5 U.S.C. 552), the Privacy Act (5 U.S.C. 552a), and the Department's implementing regulations (45 CFR, Parts 5, and 5b).