



**U · S · DEPARTMENT OF THE INTERIOR  
OFFICE OF SURFACE MINING  
RECLAMATION AND ENFORCEMENT  
DIRECTIVES SYSTEM**

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Transmittal Number:

602

Date:

2/26/90

Subject:

FEDERAL ASSISTANCE MANUAL

Approval:

*Harry M. Snyder*

Title:

*Director*

**EXPLANATION OF CHANGES:** These changes to the Federal Assistance Manual (FAM) incorporate the requirements of the Grants Management Common Rule (codified by the Department of the Interior at 43 CFR Part 12, Subpart C) and OMB Circular A-102 (Revised).

The change notice also:

- o Incorporates the Temporary Directive, "Grants Management: Use of Title V Regulatory Grant Funds to Cover Certain Bond Forfeiture Costs," into Chapter 3-01.
- o Rescinds Action Transmittals 80-1 through 80-4, and 83-1 and 83-2, and incorporates into the body of FAM the instructions outlined in those documents.
- o Streamlines FAM by:
  - combining many of the policy chapters (Part 1) with the procedures chapters (Part 5); and
  - deleting unnecessary duplication of definitions.

A chapter-by-chapter explanation of the major changes is attached.

**FILING INSTRUCTIONS:**

**NOTE:** Although not all chapters have been revised, the complete text of FAM is being provided.

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*See Signature 2/15/90*

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## **SUMMARY OF MAJOR CHANGES**

### Chapter 1-01 - Applicant Eligibility

Chapter deleted. Information contained in program chapters (Parts 3 and 4).

### Chapter 1-02 - Responsibilities for the Administration of Grants and Cooperative Agreements

Changes made to indicate that DFM now has the primary responsibility for calculating the AML grant allocations. New subsections added to outline OES' responsibilities for audit liaison and management control reviews.

### Chapter 1-10 - Distinguishing and Providing Specific Guidelines for Contracts, Grants and Cooperative Agreements

Chapter reorganized.

### Chapter 1-11 - Information Collection from Recipients

Chapter revised to reference 5 CFR 1320 vice OMB Circular A-40, which has been rescinded; and to note that the information collection responsibility has been moved from the Assistant Director, Budget and Administration to the Regulatory Development and Issues Management Staff.

### Chapter 1-12 - Grant/Cooperative Agreement Management Files

Chapter moved to Part 5, chapter 5-00.

### Chapter 1-13 - Monitoring and Reporting Program Performance

Chapter deleted. Information included in two chapters -- "Monitoring and Administration" and "Financial and Performance Reporting."

### Chapter 1-20 - Implementation of the Manual

Chapter deleted. Appropriate information contained in Chapter 1-00.

### Chapter 1-42 - Overdue Reports - OSM Grants and Cooperative Agreements

Chapter moved to Part 5, chapter 5-65.

### Chapter 1-43 - Retention, Access and Custodial Requirements for Records

Chapter revised to reference the Grants Management Common Rule.

### Chapter 1-57 - Standards for Evaluation of Applications

Chapter deleted. Information incorporated into Chapter 5-20.

Chapter 1-59 - Receipt and Initial Processing

Chapter deleted. Information incorporated into Chapter 5-10.

Chapter 1-67 - Grant and Cooperative Agreement Award

Instructions are provided for including an attachment to the grant agreement (which displays, if applicable, the project names, subaccount #s and amount of funding for each subaccount) for AML construction grants and grants funded from more than one source. Other changes made to coincide with Common Rule requirements.

Chapter 1-80 - Budget Report and Revision

Chapter deleted. Information incorporated into Chapter 5-30.

Chapter 1-81 - Extension of Grant

Chapter deleted. Information incorporated into Chapter 5-30.

Chapter 1-85 - Standards for an Accounting and Internal Controls

Chapter reorganized.

Chapter 1-100 - Requisitioning and Accounting for Cash

Chapter renamed "Accounting for Cash;" the information pertaining to requisitioning cash incorporated into the new chapter 1-102.

Chapter 1-102 - LOC-TFCS Procedures

This new chapter incorporates Action Transmittals 83-1 and 83-2 information and pertinent sections from chapter 1-100.

Chapter 1-105 - Financial Reporting Requirements

Chapter deleted. Requirements included in Financial and Performance Reporting chapter.

Chapter 1-120 - Audit

Chapter revised to reference the "Audit Policy and Procedures Manual."

Chapter 1-140 - Intergovernmental Review

New section added to list actions requiring intergovernmental review. Changes made to detail OSM's responsibilities if a State does not have a process.

Chapter 1-145 - Reporting Grant and Cooperative Information  
to the States

Chapter deleted. Information included in chapter 5-90.

Chapter 1-400 - Matching and Cost Sharing

Chapter revised to reference and incorporate information from the Grants Management Common Rule.

Chapter 1-405 - Protection of Properties Listed in the  
National Register of Historic Places

Chapter revised to clarify requirements and responsibilities for complying with the National Historic Preservation Act of 1966.

Chapter 1-410 - Property Acquired Under OSM Grants and Cooperative Agreements

Changes made to outline the requirements of the Common Rule and to revise disposal requirements for pre-October 1, 1988 equipment to allow FOD to make the final disposition determination.

Chapter 1-420 - Disposition of Grant Related Income

Revised to coincide with the Common Rule, and to specify the use of program income under OSM's grant programs. Renamed "Program Income."

Chapter 1-500 - Nonprocurement Debarment and Procurement

New chapter.

Chapter 1-510 - Drug-Free Workplace

New chapter.

Chapter 3-01, Regulatory Programs

Section added to provide guidance on use of Title V regulatory grant funds to cover certain bond forfeiture costs; section revised to describe current allocation process.

Chapter 3-06 - Characteristics of Interim Grants

Chapter deleted since OSM no longer awards Interim Grants.

Chapter 3-09 - Characteristics of SOAP Grants

Reference to SOAP Administration Grants deleted since funding for SOAP administration costs are included in the Administration and Enforcement Grant.

Chapter 4-01 - AMLR Program Overview

and

Chapter 4-06 - Characteristics of AMLR Federal Assistance

Chapters combined; new chapter is Chapter 4-01 - Characteristics of AMLR Federal Assistance.



Chapter 4-10 - Subsidence Insurance Program

New chapter.

Chapter 4-20 - Set-Aside Program

Section added to clarify that only grants for current year funding can be executed.

Chapter 4-30 - State-Administered Emergency Program

New chapter.

Chapter 5-00 - Grant/Cooperative Agreement  
Numbering System and Files Organization

Old chapter 1-12. Chapter renamed and revised to incorporate grant numbering system and to delete unnecessary filing information.

Chapter 5-10 - Application Process

Incorporates Action Transmittals 80-1 and 80-3 information and Chapter 1-59.

Chapter 5-11 - Environmental Compliance

New chapter. Includes updated instructions on preparing environmental documents as part of the application package.

Chapter 5-20 - Application Review

Incorporates the information from Chapter 1-57.

Chapter 5-30 - Post Award Changes that Require Prior Approval

Incorporates information from Chapters 1-80 and 1-81 and Action Transmittals 80-2 and 80-4. Clarifies requirement, in accordance with the Common Rule, regarding prior approval for budget changes for construction grants. Guidance on scope changes added.

Chapter 5-50 - Monitoring and Administration

Incorporates information from Chapters 1-13 and Action Transmittals 80-2 and 80-4.

Chapter 5-60 - Financial and Performance Reporting

New chapter. Incorporates information from Action Transmittals 80-2 and 80-4, and Chapters 1-13 and 1-105. Chapter provides guidance on an additional reporting requirement, the quarterly submission of the SF 272, Federal Cash Transactions Report, and provides guidance on submitting the SF 334 form (Minority Business Enterprises).

Chapter 5-65 - Overdue Reports

Old chapter 1-42. Chapter renamed and revised to compress the actions on overdue reports from three letters to two letters and to clarify that a report may be waived only before the due date of the report.

## Chapter 5-70 - Closeout Procedures

Incorporates closeout instructions from Action Transmittals 80-2 and 80-4.

### PART 6

Minor changes made to coincide with the requirements of the Common Rule.

### APPENDICES

The following appendices have been deleted:

Appendices 1 - 4, Action Transmittals

Appendix 40, Management of Federal Reporting Requirements

Appendix 96, OSM Directive GMT-8, Procedures for Grants Administration

Appendix 97, OSM Directive REG-6, Information Collection Request

Appendix 110, OSM "Letter of Credit Financing" Procedures

Appendix 113, Definition of Non-expendable Property, memorandum July 8, 1981

Appendix 114, Policy Addressing Changes in Scope, memorandum dated October 26, 1984

The following appendix has been revised:

Appendix 30, A-102

The following appendices have been added:

Appendix 1, Grants Management Common Rule, 43 CFR 12, Subpart C

Appendix 2, Intergovernmental Review of Department of the Interior Programs and Activities, 43 CFR 9

Appendix 3, Governmentwide Debarment and Suspension (Nonprocurement), 43 CFR 12, Subpart D