

## CHAPTER 10. IMPROVING ADMINISTRATION OF FEDERAL ASSISTANCE PROGRAMS

### Background

The Department awards over \$1 billion each year in funding for grants, cooperative agreements, Indian Self-Determination contracts, and Self Governance Compacts to State and local governments, Indian tribes, colleges and universities and other non-profit organizations. The administrative standards, cost principles for determining allowable and unallowable expenditures of Federal dollars, and the requirements for auditing non-Federal parties' management of Federal dollars for these awards are based on OMB Circulars, implementing regulations, Departmental Manual issuances, and specific statutory provisions.

The Department implements these requirements through a broad regulation at 43 CFR Part 12, Subpart A. This regulation states the applicability of the OMB Circulars to all financial assistance awards and subawards in the form of grants and cooperative agreements made by the Department. In addition, the regulation provides that the circulars published in the Federal Register are made a part of the regulation including changes published in the Federal Register by OMB. By adopting the policies included in these Circulars, the Department ensures that the awards are administered in accordance with governmentwide standards in a consistent manner.

The Department joined in the publication of the governmentwide grants management common rule that specifies uniform administrative requirements for State and local grantees, published a regulation implementing the administrative requirements for non-governmental entities, (OMB Circular A-110), and joined in the publication of an implementing regulation for OMB Circular A-133. The Departmental Manual includes corresponding Departmental issuances implementing OMB Circulars A-102 and A-110.

As part of governmentwide rulemaking, the Department joined in the publication of regulations implementing lobbying restrictions, drug-free workplace requirements, and nonprocurement debarment and suspension. In addition, the Department has published regulations implementing Buy-American requirements for financial assistance. These requirements have been included in the Department's Appropriations Acts.

### Continued Efforts for Improvement

As required by revisions made to OMB Circulars as well as statutory provisions, the Department will continue to implement any policy changes in the administration of awards made.

The Department is an active participant in the Inter-Agency Electronic Grants Committee and is a partner in the U.S. Electronic Grant Pilot Project. Through this effort the Department is helping to develop an electronic system which will improve the grants process through the use of electronic commerce.

The Department, with input from the Interior Federal Assistance Working Group, has begun the implementation process for the recommendation from the CFO Council Committee on Grants Management and the Sub-Committee on Cash Requests to reduce the number of payment systems being used by grantees.

### **Planned Actions for 1999, 2000, and Beyond**

- Participation in the U.S. Electronic Grant Pilot Project will continue.
- Implementation of the recommendation for fewer grant payment systems will continue.
- Implementation of the proposed Grants Management Professionalism Career Management Program will begin.

As required, further implementation of changes in OMB Circulars, statutes, and regulations, regarding the administration of awards made will be done.