EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

July 15, 2003

EPUTY DIRECTOR
OR MANAGEMENT

M-03-16
MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: Clay Johnson III

SUBJECT: OMB Issues Grants Management Policies

The purpose of this memorandum is to announce the issuance of several grants management policies as described below. Each final policy notice is available on OMB's website at www.whitehouse.gov/omb/grants/grants_docs.html.

- Revision to OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," was published on June 27, 2003 [68 FR 38401]. The revision increases the threshold for audit from $300,000 to $500,000 per year; increases the threshold for cognizant agency for audit from $25 million to $50 million; and makes related technical changes.

- New policy requiring agencies to use a standard format for announcing Federal funding opportunities was published on June 23, 2003 [68 FR 37370]. This policy becomes effective on July 23, 2003, thirty days from the publication date. All implementing actions other than regulatory revisions must be completed by Executive departments and agencies within 3 months of the effective date. Regulatory revisions must be completed within 12 months.

- New policy requiring use of a Dun and Bradstreet (D&B) Data Universal Numbering System (DUNS) number when applying for Federal grants or cooperative agreements was published on June 27, 2003 [68 FR 38402]. This policy becomes effective on July 27, 2003, thirty days from the publication date, and requires use of a DUNS number on any application for Federal grants or cooperative agreements beginning October 1, 2003.

These policies are the first of many improvements resulting from a government-wide initiative to simplify and streamline the Federal grant-making processes, as mandated by the Federal Financial Assistance Management Improvement Act of 1999 (P.L. 106-107). This effort provides tangible support for the President's Management Agenda, which calls for measurable results that matter in the lives of the American people. These policies reduce audit burden on grantees and make it easier to obtain information about that portion of the Federal budget (nearly one-sixth) provided to American citizens through grants and other cooperative agreements.

Questions regarding these policies should be directed to Joseph L. Kull, Deputy Controller, at 202-395-3993.

Attachment 1

PUBLIC LAW 106–107—NOV. 20, 1999

FEDERAL FINANCIAL ASSISTANCE MANAGEMENT IMPROVEMENT ACT OF 1999

Public Law 106–107
106th Congress

An Act

Nov. 20, 1999
[S. 468]

To improve the effectiveness and performance of Federal financial assistance programs, simplify Federal financial assistance application and reporting requirements, and improve the delivery of services to the public.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Federal Financial Assistance Management Improvement Act of 1999.
31 USC 6101 note.

SECTION 1. SHORT TITLE.

This Act may be cited as the "Federal Financial Assistance Management Improvement Act of 1999".

31 USC 6101 note.

SEC. 2. FINDINGS.

Congress finds that—

(1) there are over 600 different Federal financial assistance programs to implement domestic policy;

(2) while the assistance described in paragraph (1) has been directed at critical problems, some Federal administrative requirements may be duplicative, burdensome or conflicting, thus impeding cost-effective delivery of services at the local level;

(3) the Nation's State, local, and tribal governments and private, nonprofit organizations are dealing with increasingly complex problems which require the delivery and coordination of many kinds of services; and

(4) streamlining and simplification of Federal financial assistance administrative procedures and reporting requirements will improve the delivery of services to the public.

31 USC 6101 note.

SEC. 3. PURPOSES.

The purposes of this Act are to—

(1) improve the effectiveness and performance of Federal financial assistance programs;

(2) simplify Federal financial assistance application and reporting requirements;

(3) improve the delivery of services to the public; and

(4) facilitate greater coordination among those responsible for delivering such services.

31 USC 6101 note.

SEC. 4. DEFINITIONS.

In this Act:

(1) DIRECTOR.—The term "Director" means the Director of the Office of Management and Budget.

(2) FEDERAL AGENCY.—The term "Federal agency" means any agency as defined under section 551(1) of title 5, United States Code.

(3) FEDERAL FINANCIAL ASSISTANCE.—The term "Federal financial assistance" has the same meaning as defined in section 7501(a)(5) of title 31, United States Code, under which Federal financial assistance is provided, directly or indirectly, to a non-Federal entity.

(4) LOCAL GOVERNMENT.—The term "local government" means a political subdivision of a State that is a unit of general local government (as defined under section 7501(a)(11) of title 31, United States Code).

(5) NON-FEDERAL ENTITY.—The term "non-Federal entity" means a State, local government, or nonprofit organization.

(6) NONPROFIT ORGANIZATION.—The term "nonprofit organization" means any corporation, trust, association, cooperative, or other organization that—

(A) is operated primarily for scientific, educational, service, charitable, or similar purposes in the public interest;

(B) is not organized primarily for profit; and

(C) uses net proceeds to maintain, improve, or expand the operations of the organization.

(7) STATE.—The term "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the Trust Territory of the Pacific Islands, and any instrumentality thereof, any multi-State, regional, or interstate entity which has governmental functions, and any Indian Tribal Government.

(8) TRIBAL GOVERNMENT.—The term "tribal government" means an Indian tribe, as that term is defined in section 7501(a)(9) of title 31, United States Code.

(9) UNIFORM ADMINISTRATIVE RULE.—The term "uniform administrative rule" means a Governmentwide uniform rule for any generally applicable requirement established to achieve national policy objectives that applies to multiple Federal financial assistance programs across Federal agencies.

SEC. 5. DUTIES OF FEDERAL AGENCIES.

31 USC 6101 note.
Deadline.

(a) IN GENERAL.—Except as provided under subsection (b), not later than 18 months after the date of the enactment of this Act, each Federal agency shall develop and implement a plan that—

(1) streamlines and simplifies the application, administrative, and reporting procedures for Federal financial assistance programs administered by the agency;

(2) demonstrates active participation in the interagency process under section 6(a)(2);

(3) demonstrates appropriate agency use, or plans for use, of the common application and reporting system developed under section 6(a)(1);

(4) designates a lead agency official for carrying out the responsibilities of the agency under this Act;

(5) allows applicants to electronically apply for, and report on the use of, funds from the Federal financial assistance program administered by the agency;

(6) ensures recipients of Federal financial assistance provide timely, complete, and high quality information in response to Federal reporting requirements; and

(7) in cooperation with recipients of Federal financial assistance, establishes specific annual goals and objectives to further the purposes of this Act and measure annual performance in achieving those goals and objectives, which may be done as part of the agency's annual planning responsibilities under the Government Performance and Results Act of 1993 (Public Law 103–62; 107 Stat. 285).

(b) EXTENSION.—If a Federal agency is unable to comply with subsection (a), the Director may extend for up to 12 months the period for the agency to develop and implement a plan in accordance with subsection (a).

(c) COMMENT AND CONSULTATION ON AGENCY PLANS.—

Federal Register, publication.

(1) COMMENT.—Each agency shall publish the plan developed under subsection (a) in the Federal Register and shall receive public comment of the plan through the Federal Register and other means (including electronic means). To the maximum extent practicable, each Federal agency shall hold public forums on the plan.

(2) CONSULTATION.—The lead official designated under subsection (a)(4) shall consult with representatives of non-Federal entities during development and implementation of the plan. Consultation with representatives of State, local, and tribal governments shall be in accordance with section 204 of the Unfunded Mandates Reform Act of 1995 (2 U.S.C. 1534).

(d) SUBMISSION OF PLAN.—Each Federal agency shall submit the plan developed under subsection (a) to the Director and Congress and report annually thereafter on the implementation of the plan and performance of the agency in meeting the goals and objectives specified under subsection (a)(7). Such report may be included as part of any of the general management reports required under law.

31 USC 6101 note.

SEC. 6. DUTIES OF THE DIRECTOR.

(a) IN GENERAL.—The Director, in consultation with agency heads and representatives of non-Federal entities, shall direct, coordinate, and assist Federal agencies in establishing—

(1) a common application and reporting system, including—

(A) a common application or set of common applications, wherein a non-Federal entity can apply for Federal financial assistance from multiple Federal financial assistance programs that serve similar purposes and are administered by different Federal agencies;

(B) a common system, including electronic processes, wherein a non-Federal entity can apply for, manage, and report on the use of funding from multiple Federal financial assistance programs that serve similar purposes and are administered by different Federal agencies; and

(C) uniform administrative rules for Federal financial assistance programs across different Federal agencies; and

(2) an interagency process for addressing—

(A) ways to streamline and simplify Federal financial assistance administrative procedures and reporting requirements for non-Federal entities;

(B) improved interagency and intergovernmental coordination of information collection and sharing of data pertaining to Federal financial assistance programs,

including appropriate information sharing consistent with section 552a of title 5, United States Code; and

(C) improvements in the timeliness, completeness, and quality of information received by Federal agencies from recipients of Federal financial assistance.

(b) LEAD AGENCY AND WORKING GROUPS.—The Director may designate a lead agency to assist the Director in carrying out the responsibilities under this section. The Director may use interagency working groups to assist in carrying out such responsibilities.

(c) REVIEW OF PLANS AND REPORTS.—Upon the request of the Director, agencies shall submit to the Director, for the Director's review, information and other reporting regarding agency implementation of this Act.

(d) EXEMPTIONS.—The Director may exempt any Federal agency or Federal financial assistance program from the requirements of this Act if the Director determines that the Federal agency does not have a significant number of Federal financial assistance programs. The Director shall maintain a list of exempted agencies which shall be available to the public through the Office of Management and Budget's Internet site. Records.

(e) REPORT ON RECOMMENDED CHANGES IN LAW.—Not later than 18 months after the date of the enactment of this Act, the Director shall submit to Congress a report containing recommendations for changes in law to improve the effectiveness, performance, and coordination of Federal financial assistance programs. Deadline.

(f) DEADLINE.—All actions required under this section shall be carried out not later than 18 months after the date of the enactment of this Act.

SEC. 7. EVALUATION. 31 USC 6101 note.

(a) IN GENERAL.—The General Accounting Office shall evaluate the effectiveness of this Act. Not later than 6 years after the date of the enactment of this Act, the evaluation shall be submitted to the lead agency, the Director, and Congress. The evaluation shall be performed with input from State, local, and tribal governments, and nonprofit organizations. Deadline.

(b) CONTENTS.—The evaluation under subsection (a) shall—

(1) assess the effectiveness of this Act in meeting the purposes of this Act and make specific recommendations to further the implementation of this Act;

(2) evaluate actual performance of each agency in achieving the goals and objectives stated in agency plans; and

(3) assess the level of coordination among the Director, Federal agencies, State, local, and tribal governments, and nonprofit organizations in implementing this Act.

SEC. 8. COLLECTION OF INFORMATION. 31 USC 6101 note.

Nothing in this Act shall be construed to prevent the Director or any Federal agency from gathering, or to exempt any recipient of Federal financial assistance from providing, information that is required for review of the financial integrity or quality of services of an activity assisted by a Federal financial assistance program.

SEC. 9. JUDICIAL REVIEW. 31 USC 6101 note.

There shall be no judicial review of compliance or noncompliance with any of the provisions of this Act. No provision of this

Act shall be construed to create any right or benefit, substantive or procedural, enforceable by any administrative or judicial action.

31 USC 6101 note.

SEC. 10. STATUTORY REQUIREMENTS.

Nothing in this Act shall be construed as a means to deviate from the statutory requirements relating to applicable Federal financial assistance programs.

31 USC 6101 note.

SEC. 11. EFFECTIVE DATE AND SUNSET.

This Act shall take effect on the date of the enactment of this Act and shall cease to be effective 8 years after such date of enactment.

Approved November 20, 1999.

LEGISLATIVE HISTORY—S. 468 (H.R. 409):

SENATE REPORTS: No. 106–103 (Comm. on Governmental Affairs).
CONGRESSIONAL RECORD, Vol. 145 (1999):
July 15, considered and passed Senate.
Nov. 2, considered and passed House, amended.
Nov. 4, Senate concurred in House amendment.
WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 35 (1999):
Nov. 20, Presidential statement.

O

Federal Register

Monday,
June 23, 2003

Part VI

Office of Management and Budget

Office of Federal Financial Management; Policy Directive on Financial Assistance Program Announcements; Standard Data Elements and Government-Wide Guidance for Electronically Posting Synopses at Grants.gov FIND; Notices

OFFICE OF MANAGEMENT AND BUDGET

Office of Federal Financial Management Policy Directive on Financial Assistance Program Announcements

AGENCY: Office of Management and Budget.

ACTION: Notice of issuance of final policy directive.

SUMMARY: The Office of Federal Financial Management (OFFM) is issuing a policy directive to establish a standard format for Federal agency announcements of funding opportunities under programs that award discretionary grants or cooperative agreements. The purpose of the standard format is to have information organized in a consistent way in announcements for the hundreds of Federal programs that make financial assistance awards. A government-wide format will help potential applicants more easily and quickly find the information they need about Federal opportunities. The Federal awarding agencies jointly developed this format as part of their grant streamlining efforts to implement the Federal Financial Assistance Management Improvement Act of 1999.

FOR FURTHER INFORMATION CONTACT: Elizabeth Phillips, Office of Federal Financial Management, Office of Management and Budget, 725 17th Street, NW., Washington, DC 20503; telephone 202–395–3053; fax 202–395–3952; e-mail *ephillip@omb.eop.gov*.

SUPPLEMENTARY INFORMATION:

I. Background

In a Federal Register notice [67 FR 52548] published on August 12, 2002, the Office of Management and Budget (OMB) proposed a standard format for announcements of funding opportunities under Federal programs that make discretionary awards of grants or cooperative agreements. The OMB notice also proposed an OFFM policy letter to establish the announcement format as the government-wide standard for Federal agency use. We received comments from 22 organizations: two State governments; one local government; five universities; one association of academic institutions; a group of universities that participate with Federal agencies in a demonstration program on research administration; a non-profit organization; two organizations representing non-profit entities; an association of auditors; and eight Federal agencies. We considered all comments in developing the final announcement format and OFFM policy letter.

We will continue to consider these comments separately from this notice because some raise questions that are beyond the scope of the announcement format and associated policy letter. Most of those comments concern electronic business practices to be used in conjunction with announcements, and these will be considered as the Grants.gov (formerly called E-Grants) Program Management Office develops the Government-wide portal for electronic grants transactions. We also received comments related to another Federal Register notice published on the same day [67 FR 52554], which proposed data elements for electronically posting synopses of announcements at Grants.gov FIND (formerly called FedBizOpps). Those comments are mentioned here to the extent that changes to the announcement format could affect the Grants.gov FIND proposal. Comments that are specific to the Grants.gov FIND data elements are addressed in the Federal Register notice establishing the final data elements, which immediately follows this notice.

Comments on this notice strongly supported the overall proposal to create a government-wide standard format. The following paragraphs summarize the major comments and our responses. The comments are grouped by the portion of the OFFM policy letter or announcement format to which they apply. In addition to the changes to the policy letter and format that are described in the following paragraphs, we made other changes to increase readability or to maintain consistency with other streamlining initiatives that are taking place in parallel with this effort.

II. Comments and Responses

A. Comments on the Office of Federal Financial Management (OFFM) Policy Letter

Comment: Three commenters recommended that we require use of the standard announcement format in agency programs that either: (1) announce their funding opportunities in the Federal Register; or (2) do not have announcements separate from their *Catalog of Federal Domestic Assistance* (CFDA) listings. The commenters suggested that exempting those programs from the requirement to use the standard format could discourage agencies from publishing funding opportunities more broadly.

Response: No change. The proposed policy letter did not exempt programs that announce opportunities in the Federal Register from the requirement to use the standard format. It applies the requirement equally to all discretionary assistance programs that issue funding opportunity announcements separate from their CFDA listings, including programs that publish announcements in the Federal Register.

In contrast, the proposed policy letter distinguishes agency programs that do not issue separate announcements and rely on their CFDA listings to disseminate information to prospective applicants. We understand that the specific recipient communities for these programs are accustomed to doing business in this way. The policy letter therefore continues to exempt those programs from the requirement to use the standard announcement format. Those programs will continue to be subject to the CFDA's standard formatting requirements.

Comment: One commenter suggested that all funding opportunities be available on the Internet and hyperlinked to Grants.gov FIND.

Response: Agree. We modified the OFFM policy letter to require agencies to post on the Internet funding opportunity announcements that are open to domestic applicants. An agency either will upload its announcement to Grants.gov FIND or provide an Internet address that Grants.gov FIND may use to link from the synopsis to the full announcement.

Comment: One commenter indicated that the mechanism we use to require agencies to adopt the standard announcement format will affect whether the agencies adopt it uniformly and in a timely manner. The commenter urged us to require agencies to implement the new requirement at the same time, preferably through amendments to OMB Circulars A–102 and A–110.

Response: No change. Agencies will be required to adopt the common format by means of the OFFM policy letter. We expect all agencies to issue announcements using the standard format no later than 12 months after the effective date of the policy letter, which gives any agency that must amend a regulation to implement the new requirement sufficient time to do so. Amendments to OMB circulars are not prerequisites for implementing the requirement to use the standard announcement format and would only delay implementation.

B. Comments on Announcement Format

1. General

Comment: Two commenters indicated that announcement writers' formatting and writing styles, such as the use of headlines and more space between areas of text, could make announcements more user-friendly and effective. They recommended that we try to eliminate stylistic differences by further standardizing and improving the announcement format, perhaps through a government-wide form or template that also would ensure compliance with format and content requirements.

Response: No change. The OFFM policy letter is sufficient to ensure compliance with the broad format and content requirements of the standard announcement format. A form or template is not needed for that purpose. Individuals within the agencies necessarily must write the detailed content for inclusion in the standard format, to describe agency-specific and program-specific requirements and business rules. It is beyond the scope of this effort to try to regulate the writing styles and abilities of those individuals.

2. Overview Information

Comment: Seven commenters recommended that we increase standardization by requiring every Federal agency announcement to present overview information in the same sequential order. The commenters differed on what the basis should be for determining the standard order (*e.g.*, parallelism with the full text of the announcement or with the Grants.gov FIND synopses, as discussed in comments and responses following this one). Some of the commenters also recommended that funding opportunity announcements that are issued in the Federal Register should be required to present overview information in the same order as announcements appearing in other places.

Response: Agree in part. These comments raise four related issues described in the following paragraphs. We significantly revised the overview segment of the format to incorporate changes discussed below and to provide a clearer explanation of the use of overviews, since we could infer from some comments that this section in the proposed format was confusing.

The first issue is whether Federal agencies should be required to include an overview in every announcement. As proposed in August, the announcement format stated that agencies must display prominently certain key information in a location preceding the full text of the announcement. In that sense, it required every announcement to include overview information. The final format retains that requirement for presentation of certain key information before the full text.

The second issue is whether to mandate a standard way that each announcement must present the overview information. The proposed format gave agencies three options: to include the overview information in an Executive Summary, to display it on the cover and/or inside cover of the announcement, or to integrate it into the standard format of a Federal Register notice. Due to the widely varying nature of Federal programs that will use the standard announcement format, the final format retains the three options.

The third issue is whether to specify a standard set of information that each overview must contain. The proposed format had four overview elements labeled as "required"—the agency name, funding opportunity title, CFDA number, and key dates (such as application due dates). It listed three additional elements as optional—the program name, funding opportunity number, and CFDA title. It also gave examples of other information an agency might wish to include if it used an Executive Summary. We proposed the format with that approach after Federal agencies prepared some sample program announcements to test the viability of mandating a single set of overview elements for all announcements. The tests revealed that rigid use of a single prescription would make many program announcements harder to read and use, especially short announcements that were significantly lengthened by including a full set of overview information. Therefore, the final announcement format continues to specify some items of overview information that are required and suggest additional items that are optional.

The fourth issue is whether to specify a standard sequential order for the overview information. We revised the final announcement format to specify a standard order of presentation for required elements. We also added guidance advising agencies to present any optional elements in an order that parallels the organization of the full text of the announcement. This sequential order is the standard, whether the overview information is presented in an executive summary, on the cover or inside cover, or in the Supplementary Information section of a Federal Register notice. Grants.gov FIND will present synopsis information in an order paralleling this structure, to the extent that synopsis data elements are identical or similar to elements in the announcement overview.

Comment: Two commenters suggested making the overview section of the announcement identical, both in content and in sequential order, to the Grants.gov FIND synopsis of the funding opportunity.

Response: Agree in part. The Grants.gov FIND synopsis and the announcement overview should not be identical in *content*. The content of each should match its intended purpose and their purposes are not the same. The Grants.gov FIND synopsis should present only the minimum information a person needs in order to decide whether to review the full announcement. A full announcement's overview section, in contrast, is for people who have decided to review the full announcement and may be preparing applications. It therefore should have certain information elements that are not needed at Grants.gov FIND and also should include more detailed information about elements shared with Grants.gov FIND (*e.g.*, how much cost sharing is required). However, we did identify one new Grants.gov FIND data element—whether an announcement is for a new funding opportunity or modifies a previously announced opportunity—that is appropriate for the overview section of the full announcement. We therefore added it to the overview section.

While the content of the Grants.gov FIND and the announcement overview should not be identical, we agree that it would be helpful to make the *order* of presentation parallel in cases where they present identical or similar information. The order at Grants.gov FIND therefore will parallel the order in the overview.

Comment: One commenter suggested making the sequential order of the announcement's overview section identical to that of the full announcement text.

Response: Agree in principle. For elements of overview information that have corresponding sections in the full announcement text, we revised the format to make the order of overview presentation parallel that of the full text. This is not possible for other overview information, such as the agency name, that does not appear as a separate element in the full text.

Comment: Four commenters indicated that it would be helpful to add a "keywords" section relating to specific areas of funding, such as scientific and engineering research areas, to help people more quickly narrow their searches to announcements of interest.

Response: No change. It is extremely difficult to identify a single and unchanging set of keywords that can properly categorize the many overlapping areas across the broad spectrum of Federal programs. The use of a set of keywords that inadequately categorizes opportunities could lead a potential applicant to forego reading an announcement and thereby miss a relevant opportunity. A better approach is for program officials to ensure that each full announcement describes program areas using the current terminology that performers for that program—*e.g.*, principal investigators for a research program—would use, so potential applicants' full text searches will find opportunities of interest (note also that Grants.gov FIND synopses of funding opportunities will have full text search capabilities). We will consider adding keywords in future enhancements of the announcement format, if an appropriate set can be identified.

Comment: One research institution suggested adding an activity type classification that identifies the funding opportunity to facilitate classification of projects in the OMB Circular A–133 Schedule of Federal Expenditures and identification of R&D expenditures in the National Science Foundation (NSF) expenditure survey.

Response: No change. The information needed by a potential applicant differs significantly from the information required for either OMB Circular A–133 or the NSF expenditure survey. The CFDA number is the key for OMB Circular A–133, and the announcement format includes that number. For the NSF expenditure survey of research funding, one has the same complication described in the response to the previous comment; a recipient ultimately reports data based on researchers' actual disciplines, which frequently cannot be predicted at the time of announcement.

Comment: One commenter suggested that the overview element entitled "Agency Name" should not include the agency mailing address and zip code.

Response: Agree. The agency mailing address does not serve a purpose in the overview. In the full text of the announcement, mailing addresses are provided in the appropriate contexts (*e.g.*, where to submit a hard-copy application).

Comment: Four commenters recommended that the agency contact information in Section VII (including name, mailing address, e-mail address, and telephone and fax numbers) also appear in the overview section.

Response: No change. We did not include that information in the overview section because a person generally should not contact the agency after reading only the overview. If he or she has questions after reviewing the full announcement, it would be more appropriate to contact the agency at that time for clarification or further information.

Comment: Seven commenters suggested that we include additional information in the overview to help a potential applicant decide whether to review the full text of the announcement. The suggestions include information about eligible organizations; eligible expenses; whether funding will be for one year or a multi-year period; the total amount expected to be awarded; the anticipated number and average dollar amount of individual awards; types of funding instruments; geographic restrictions; cost-sharing requirements; and limits on numbers of proposals.

Response: Agree in part. We added the total amount expected to be awarded, anticipated amounts and/or numbers of awards, cost sharing, types of funding instruments, and limits on numbers of applications as examples of information that an agency might appropriately include in an overview in addition to the required elements. The proposed format already included eligible organizations as an example. We have not included the other suggested information elements for two reasons. First, an overview's primary purpose is to provide a high-level summary to help a potential applicant quickly decide whether to read the details of the full announcement. Second, the level of detail that an overview provides is much less than the level in the full announcement; trying to treat some of the suggested information in a shorthand fashion easily could mislead rather than aid the reader.

Comment: One commenter suggested that we change the description of the overview information element under the heading "Funding Opportunity Number—Optional." The description in the proposed format read: "Your agency may wish to assign identifying numbers to announcements." The commenter suggested changing it to: "Required if agency has assigned one. If your agency has assigned an identifying number to an announcement, list it here so that the announcement will be easier to locate on an agency or department web site by number."

Response: Agree with the substance of the comment and modified the language to require the information, if applicable.

Comment: One commenter said that if we use both a CFDA number and agency-based Funding Opportunity Number, we should explain the difference between the two and provide clear directions about when to use which number, or when both are required.

Response: No change to the announcement format. An agency must include the CFDA number in the announcement so that a potential applicant may consult the CFDA to obtain further information about the program. Because an agency may issue multiple announcements of funding opportunities under a given CFDA number, it may assign a number to each funding opportunity to: (1) Associate each incoming question or application with the specific announcement to which it relates; and (2) allow potential applicants to align any published changes to an announcement with the original announcement.

Comment: One commenter suggested the CFDA number and title are not necessary in the overview because that information is useful when preparing an application but not for preliminary review to determine interest in the announced opportunity as a potential source of funding.

Response: No change. The CFDA number serves the purposes described in the response to the comment immediately preceding this one.

Comment: One commenter indicated that it is reasonable to mandate an executive summary but the "cover and/or inside cover" seems redundant in relation to what is provided elsewhere in the overview.

Response: The executive summary and the cover/inside cover are not redundant. Rather, they are two alternative ways that an agency may present the overview information (*i.e.*, an agency could use one or the other, but would not use both). We revised the format to clarify that distinction.

Comment: One commenter asked us to clarify in the "dates" section whether the due date is the day the proposal must arrive at the agency or whether it is the postmark date.

Response: No change at this time. This announcement format is an interim product of the grants streamlining effort under the Federal Financial Assistance Management Improvement Act of 1999 (Pub. L. 106–107). We are issuing it now so that potential applicants can begin to realize the benefits of a standard format while we continue to consider other suggestions contained in the public comments we received under Pub. L. 106–107. One of those suggestions was to establish a uniform approach to

defining what constitutes a late application. Future updates to the format will reflect any changes we make as a result of that suggestion.

3. Full Text of Announcement

i. General Comments

Comment: Four commenters recommended increased use of data elements and table-driven formats, rather than text, to make it easier to locate data needed for electronic systems. The commenters noted that this approach would allow for system-to-system exchanges, set the standards for maintaining them, and help ensure consistent data for funding opportunities. They suggested that pre-loading data (*e.g.*, agency, program, CFDA number, deadline dates, and addresses) can streamline application preparation, simplify life cycle management, reduce data entry, and lessen the possibility of data entry error. As a specific example, one commenter suggested that the table of application components shown as an illustration in Section IV.3 be required (or be communicated as bullets) along with due dates.

Response: No change at this time. We appreciate the comment and the long-term potential of electronic capabilities, particularly as technology advances and more potential applicants acquire the capability for system-to-system connectivity. We therefore will consider increased use of tables and data elements as we prepare future updates of the announcement format.

Comment: Two commenters suggested that we instruct agencies to avoid use of cross-references whenever possible. For on-line announcements, any cross-references should be hyperlinked to the referenced information.

Response: We modified the announcement format to recommend that agencies provide hyperlinks to cross-referenced sections.

Comment: One commenter stated that some items of information identified for inclusion at the agency's option are important enough to be required for all announcements. The commenter mentioned a number of different items including information on: the level of funding available; the expected number of awards; application submission, with clear references or hyperlinks to any general requirements that apply to multiple opportunities; performance standards and goals; any eligibility and co-pay requirements for beneficiaries; and details of local match funds.

Response: Agree in part. We revised Section III.3 to clarify that the section must include any eligibility criteria for beneficiaries' eligibility. Section IV.2 already requires the information on application submission; for requirements applicable to multiple programs, that section must state the requirements or provide a reference to another source for the information.

We added a second reference to two other suggested items of information but retained them as agency options. Section II of the format listed information about the level of funding and expected number of awards as examples of information a program office might include in that section. In light of the comment, we revised the final format to also give them as examples of information that an agency could include in its overview.

The final format does not include requirements for the other suggested information elements. It is neither practical nor desirable to lengthen the format by trying to make it a comprehensive list of requirements for all Federal agency programs. The format is intended primarily as a framework to be used by program officials who prepare announcements, as they are in the best position to judge what is information is needed by potential applicants for their programs. The framework will help them organize the information so that potential applicants can find similar information in the same parts of all announcements.

ii. Specific Sections of the Announcement

Comment: One commenter suggested that Section II, "Award Information," include the earliest anticipated start date.

Response: No change. We expect that agencies will continue to provide information about "earliest anticipated start dates" when doing so is appropriate, given the agencies' business practices for the particular funding opportunities.

Comment: Two commenters suggested revising Section II as it relates to the information an agency supplies about its anticipated "substantial involvement" in cooperative agreements. One commenter recommended that an agency's inclusion of details on its anticipated involvement should be optional. In contrast, the other commenter thought it important for the announcement to include this information—and not refer potential applicants to other sources—because it is too important to their decisions about whether to apply.

Response: No change. The section's use of "should," rather than "must," already makes inclusion of the information an agency option, as recommended by the first commenter. We believe that agencies will provide this detail when they judge that it is relevant to potential applicants, both in deciding whether to apply and in preparing applications. As for allowing announcements to reference other sources for that information, doing so avoids lengthening announcements by having to fully restate information that appears elsewhere.

Comment: One commenter suggested including information concerning the eligibility requirements (if any) of the principal investigator in Section II, "Award Information."

Response: No change. Section III, "Eligibility Information," already states that the agency should address any factors affecting the eligibility of principal investigators or project directors.

Comment: One commenter suggested that the term "cost sharing" in Section III.2 may confuse readers and asked that we replaced it with the term "local match." The commenter stated that most non-profits use "local match" to refer to the type of requirement described in the announcement format and that, in some States, "cost sharing" refers to co-payments by beneficiaries.

Response: Agree in principle. In response to this comment, we expanded the title of the section to "cost sharing or matching." The revised section title includes both terms currently used in OMB Circulars A–102 and A–110, the circulars containing the government-wide guidance on this subject for awards to States, local and tribal governments, institutions of higher education, and other nonprofit organizations. In the full text of that section, we expect that each program office will use the term that conforms best with what is predominately used by their potential applicants.

Comment: Two commenters asked for additional coverage in Section III.2 on preferences for the type of cost sharing or matching. The commenters noted that OMB Circulars A–102 and A–110 allow recipients to meet matching or cost-sharing requirements either by providing cash or in-kind contributions but added that some agencies have additional requirements on the types of cost sharing or matching that they will accept. One commenter asked that the announcement be clear about any agency requirement and how it affects the evaluation of an application. The other commenter suggested that the format require Federal agencies to describe whether cost sharing at a particular level is required by statute or, although required, is negotiable. The second commenter also questioned

whether an agency, in the absence of a statute, has the authority to express a preference for the way in which an applicant/recipient may meet a cost-sharing or matching requirement.

Response: Agree in part. The format already distinguishes between cost sharing in Section III.2 as an eligibility criterion (*i.e.*, required for an application to be eligible, and not negotiable) and in Section V.1 as a review criterion. In response to the comments, we added statements in Sections III.2 and V.1 indicating the need to clearly state any restrictions on the allowability of cash or in-kind contributions. Section III.2 includes cost sharing imposed by statute, regulation, or administrative decision of the agency; the question of an agency's statutory or regulatory authority with respect to types of cost sharing for any particular program is beyond the scope of the announcement format and appropriately is raised with the agency.

Comment: One commenter asked that we clarify in Section III.3 whether "limiting the number of applications an applicant may submit" pertains to the organization, the individual principal investigator, or both.

Response: We revised this section to require agencies to address how any limitation on the number of applications applies.

Comment: One commenter suggested revising the full text of the announcement format to include the agency's World Wide Web address and an electronic link where one could get a copy of the application and other materials.

Response: The format's Section IV.1 already addresses the use of an Internet address.

Comment: One commenter suggested that we replace "should" with "must" in the sentence of Section IV.1 that says the agency should provide a way for potential applicants to request paper copies of materials that they would need in order to apply, in addition to any Internet address where a potential applicant could get the materials.

Response: No change. The guidance is sufficient for program officials to exercise judgment, based on the level of electronic sophistication in the communities of potential applicants for their particular programs.

Comment: One commenter suggested that the format clearly state Institutional Review Board (IRB) requirements for human subjects and, if possible, make them uniform.

Response: Agree in part. Although the final bullet in Section IV.2 of the proposed format already mentions human subjects requirements, we added them to the second paragraph of that section as well, as an example of a requirement with which an applicant may have to assure compliance. Establishing uniform, government-wide procedures for doing so, however, is beyond the scope of the announcement format.

Comment: One commenter asked that we add to Section IV.2 information about pre-award survey requirements, such as any certifications or independent assurances that the applicant has established proper financial management systems to administer Federal awards, because of their importance in determining applicant eligibility.

Response: No change. Government-wide guidance is not needed because agencies usually require pre-award surveys only in individual cases, after receiving and reviewing applications. Should there be a program where pre-award surveys are commonly done, the program office can include information about them in the appropriate section of the announcement format.

Comment: One commenter suggested replacing "should" with "must" in the first sentence of Section IV.2, which says that the agency should identify in that section the required content of an application and the forms or formats that an applicant must use to submit it.

Response: We made the suggested change.

Comment: One commenter noted confusing and seemingly contradictory guidance in Section IV.3, which initially says that the announcement "must" identify due dates for applications but states in the next paragraph that the announcement "should" state or provide reference to the deadline. The commenter observed that the announcement must state the due date and that a potential applicant should not have to look elsewhere for this critical information.

Response: We revised the second paragraph to eliminate "should."

Comment: One commenter noted that Section IV.3 does not address the permissibility or impact of submitting a partial application.

Response: No change. Section IV.3 already calls for the announcement to identify submissions that are required, give deadlines for their submission, and explain the effect of missing a deadline (*e.g.*, whether late applications are neither reviewed nor considered or are reviewed and considered under some circumstances). An announcement that includes this information addresses the effect of submitting a partial application.

Comment: One commenter indicated that the announcement format should include submission and contact information for State comments under Executive Order (E.O.) 12372. The commenter suggested that this should include: a requirement to give the Internet address for the OMB's State Single Point of Contact (SPOC) list; information on requirements, with applicable citations, for State Governors' involvement in the application submission process for Federal programs that have such requirements; and language encouraging applicants to contact their State's SPOC as early in the application development process as possible.

Response: No change. Section IV.4 already is a separate section dedicated specifically to E.O. 12372 requirements, in recognition of their importance to States. We believe the guidance in that section is sufficient to accomplish the commenter's objectives.

Comment: One commenter suggested that we move the material in Section IV.5, "Funding Restrictions" to Section III on eligibility because restrictions on costs can make an applicant ineligible.

Response: We agree that the material in Section IV.5 relates to Section III on eligibility, as well as Section IV on application and submission information. We therefore revised Section III.1 to say that the agency must identify in that section (either directly or by cross-reference to Section IV.5) any funding restrictions that could affect the eligibility of an applicant or project.

Comment: One commenter requested inclusion in Section IV.5 of the contemplated geographic code applicable to the eventual award as well as disclosure of the legislative, statutory history, or other impediments affecting award implementation (*e.g.*, earmarks).

Response: No change. Government-wide guidance is not needed on these subjects because they arise in few announcements. Should an agency need to inform potential applicants about geographic codes or legislative restrictions, it can include information about them in the appropriate section of the announcement format.

Comment: An interagency team working on a parallel grants streamlining initiative recommended that we include language in the announcement format to address the allowability of pre-award costs.

Response: We added a sentence to Section IV.5 to address pre-award costs.

Comment: One commenter, based on difficulties with agency electronic systems, suggested that we add a requirement in Section IV.6 for agencies

to specify any legitimate circumstances in which submissions received after a published deadline date would be accepted because of technical problems. The commenter also recommended that we require agencies to have back-up systems for their electronic systems.

Response: No change. Section IV.3 already deals with the effect of missing a deadline and whether it varies based on the means of submission. The portion of the comment dealing with back-up systems is an electronic business process issue that is beyond the scope of the announcement format.

Comment: Two commenters recommended that Section V.2 address whether and how an applicant can receive a copy of the reviews of its application, especially when its application was not successful.

Response: As noted in a response to a previous comment, the announcement format is an interim product that we plan to update in the future to incorporate results of continued interagency deliberations on a number of pre-award issues. Feedback to unsuccessful applicants is one of the policy issues we will review for possible inclusion in future issuances of the format. In light of the comment, however, we added language in Section V.3 indicating that the section appropriately could include information about anticipated dates for notifying unsuccessful, as well as successful, applicants.

Comment: One commenter suggested that we move the discussion of "other" selection criteria from Section V.2 to Section V.1 and further revise Section V.2 to state whether reviews will be blind or double blind, if applicable.

Response: No change. "Other" selection criteria are appropriately included in Section V.2, which addresses selection criteria (Section V.1 addresses evaluation criteria, which are not the same thing). Section V.2 lets agency program officials describe the nature of the review.

Comment: Three commenters suggested that we require agencies to provide the information in Section V.3 on anticipated announcement and award dates.

Response: No change. Agency business practices vary widely and some current practices do not always permit the agency to provide this information at the time it issues a funding opportunity announcement. With the guidance in Section V.3, we believe that agencies will provide this information when they can do so.

Comment: One commenter suggested replacing "should" with "must" in the first sentence of Section VI.1, which says that the agency should identify in that section what a successful applicant can expect to receive following selection (*e.g.*, a notification letter prior to the official award document that authorizes the recipient to begin performance).

Response: We made the suggested change.

Comment: Two commenters suggested we add to Section VI on award administration language addressing any special requirements on intellectual property, data sharing, or security requirements (*e.g.*, access to research information, materials, or facilities).

Response: We added these items as examples in the discussion of special award terms and conditions in Section VI.2.

Comment: Two commenters suggested that Section VI.3 on post-award reporting should be required, rather than optional.

Response: We agree and revised the section accordingly.

Dated: June 17, 2003.

Linda M. Springer,

Controller.

To the Heads of Executive Departments and Establishments

Subject: Format for Financial Assistance Program Announcements

1. *Purpose.* This policy letter establishes a government-wide funding opportunity announcement format for Executive Branch departments and agencies to use in programs that make discretionary awards of grants or cooperative agreements. Program announcements include all paper and electronic issuances that Federal departments and agencies use to announce funding opportunities, whether they are called "program announcements," "notices of funding availability," "broad agency announcements," "research announcements," "solicitations," or something else.

2. *Authority.* This policy letter is issued to implement the Federal Financial Assistance Management Improvement Act of 1999 (Public Law 106–107).

3. *Background.* The Federal Financial Assistance Management Improvement Act of 1999 required the Office of Management and Budget (OMB) to direct, coordinate, and assist Executive Branch departments and agencies in establishing an interagency process to streamline and simplify Federal financial assistance procedures for non-Federal entities. It also required each Executive agency to develop, submit to the Congress, and implement a plan for that streamlining and simplification.

Twenty-six Executive Branch agencies jointly submitted a plan to the Congress in May 2001, as the Act required. The plan described the interagency process through which the agencies would review current policies and practices and seek to streamline and simplify them. The process involved interagency work groups under the auspices of the Grants Management Committee of the Chief Financial Officers Council. The plan also identified substantive areas in which the interagency work groups had begun their review.

One of the substantive areas that the agencies identified in the plan was the form and content of program funding announcements. The agencies stated in the May 2001 plan that their preliminary analysis suggested a potential for developing a more consistent announcement format across the many Federal agencies and programs. A standard announcement format with information content organized in a consistent way lets applicants quickly and efficiently find the information they need, in order to decide whether a particular funding opportunity is of interest and to prepare an application. An interagency work group developed the format attached to this policy letter and recommended that the OMB's Office of Federal Financial Management issue it as the standard for all programs that use discretionary grants or cooperative agreements.

4. *Policy.*

a. The format attached to this policy letter is the government-wide standard format to be used by agencies when publishing announcements for funding opportunities under programs that make discretionary awards of grants or cooperative agreements, with the exception of:

(1) funding opportunities under which domestic entities are not eligible recipients; and

(2) programs that do not issue separate announcements apart from the program description in the *Catalog of Federal Domestic Assistance* (CFDA). For those excepted programs, the format will continue to conform to the guidance in OMB Circular A–89 for program information in the CFDA.

b. An agency, at its discretion, may extend the use of the attached format to programs that use forms of financial assistance other than grants and cooperative agreements.

5. *Responsibilities.* Executive Branch departments and agencies must:

a. Issue any needed direction to offices that award grants or cooperative agreements under discretionary programs, in order to establish the attached format as the standard for those programs' announcements. All announcements must include information elements that are marked "required" in the format, in the sequence provided. An announcement for a given program may use elements that are marked "optional," as appropriate for the program. Whether or not the announcement includes any "optional" elements, the information that is included must be organized to conform with the standard format.

b. Post on the Internet all announcements of funding opportunities under which domestic entities are eligible recipients (note that publication in the Federal Register meets this requirement, since it is available on the Internet).

c. Request exceptions from this OFFM policy letter for any program announcement(s) with information organized in a way that deviates from the standard format.

6. *Information Contact.* Direct any questions regarding this policy letter to Beth Phillips, OFFM, 202–395–3993.

7. *Effective Date.* The policy letter is effective 30 days after issuance. All implementing actions other than regulatory revisions must be completed by the Executive departments and agencies within 3 months of the effective date; regulatory revisions must be completed within 12 months.

Dated: June 17, 2003.

Linda M. Springer,

Controller.

Announcement Format of Federal Funding Opportunity

This document is a uniform format for Federal agencies' announcements of funding opportunities under which discretionary awards of grants or cooperative agreements may be made. The format has two parts, the first part provides overview information, and the second part includes the full text of the announcement.

Overview Information

a. Required Overview Content

The agency must display prominently the following information, in the sequential order shown, in a location preceding the full text of the announcement:

• *Federal Agency Name(s)—Required.* Include the name of your department or agency and the specific office(s) within the agency (*e.g.*, bureau, directorate, division, or institute) that are involved in the funding opportunity.

• *Funding Opportunity Title—Required.* If your agency has a program name that is different from the Funding Opportunity Title, you also could include that name here.

• *Announcement Type—Required.* Indicate whether this is the initial announcement of this funding opportunity or a modification of a previously announced opportunity. If it modifies a previous announcement, provide the date of that announcement and identify the portions that are being modified. Note that a modification does not need to include all of the sections of the full announcement text.

• *Funding Opportunity Number—Required, if applicable.* Your agency may wish to assign identifying numbers to announcements. If you assign a number, you must include it. If it modifies a previous announcement, provide the number of that announcement.

• *Catalog of Federal Domestic Assistance (CFDA) Number(s)—Required.* You also may wish to include the program name listed in the CFDA for each CFDA number that you give.

• *Dates—Required.* Include key dates that potential applicants need to know. Key dates include due dates for applications or Executive Order 12372 submissions, as well as any letters of intent or pre-applications. For any announcement issued before a program's application materials are available, key dates also include the date on which those materials will be released.

b. Optional, Additional Overview Content

Following the required overview information described above, the agency may present other information. Present any optional overview information in a sequential order that parallels the organization of the full text of the announcement. Examples of overview information that could help potential applicants decide whether to read the full announcement are: a concise description of the funding opportunity, the total amount to be awarded, the anticipated amounts and/or numbers of individual awards, the types of instruments that may be awarded, who is eligible to apply, whether cost sharing is required, and any limitations on the numbers of applications that each applicant may submit. You also may include other information that could later help applicants more quickly and easily find what they need (*e.g.*, where one can get application materials).

c. Method of Presentation

The agency may include the summary information in any of the following ways:

• *Executive summary.* An agency may wish to include an executive summary of the announcement before the full text. Especially for announcements that are long (25 pages or more in length) or complex, agencies should consider including executive summaries with at least the required overview information described above in paragraph a., as well as any additional information described in paragraph b. An executive summary should be short, preferably one page, with information in concise bullets to give an overview of the funding opportunity.

• *Cover and/or inside cover.* If the agency does not wish to include an executive summary, an alternative is to provide at least the required overview information described above in paragraph a. on the cover and/or inside cover of the announcement (or the first screen a potential applicant would see, in the case of an electronic announcement).

Federal Register format. For an announcement that appears as a notice in the Federal Register, some of the required overview information will appear with other information near the beginning of the notice, due to the Federal Register's standard format for notices. Nonetheless, the agency must display the required overview information (described above in paragraph a.) in a single location preceding the full text of the announcement, which would be in the SUPPLEMENTARY INFORMATION section of the Federal Register notice. The agency may elect to include additional information, as described above in paragraph b.

Full Text of Announcement

The full text of the announcement is organized in sections. The format indicates immediately following the title of each section whether that section is required in every announcement or is an agency option.

The format is designed so that similar types of information will appear in the same sections in announcements of different Federal funding opportunities. Toward that end, there is text in each of the format's sections to describe the types of information that an agency would include in that section of an actual announcement.

An agency that wishes to include information on a subject that the format does not specifically discuss may address that subject in whatever section(s) is most appropriate. For example, if an agency chooses to address performance goals in the announcement, it might do so in the funding opportunity description, the application content, and/or the reporting requirements.

Similarly, when this format calls for a type of information to be in one particular section, an agency wishing to address that subject in other sections may elect to repeat the information in those sections or use cross references between the sections (there should be hyperlinks for cross-references in any electronic versions of the announcement). For example, an agency may want to include in Section I information about the types of recipients who are eligible to apply. The format specifies a standard location for that information in Section III.1 but that does not preclude repeating the information in Section I or creating a cross reference between Sections I and III.1, as long as a potential applicant can find the information quickly and easily from the standard location.

The sections of the full text of the announcement are described in the following paragraphs.

I. Funding Opportunity Description—Required

This section contains the full programmatic description of the funding opportunity. It may be as long as needed to adequately communicate to potential applicants the areas in which funding may be provided. It describes the agency's funding priorities or the technical or focus areas in which the agency intends to provide assistance. As appropriate, it may include any program history (*e.g.*, whether this is a new program or a new or changed area of program emphasis). This section may communicate indicators of successful projects (*e.g.*, if the program encourages collaborative efforts) and may include examples of projects that have been funded previously. This section also may include other information the agency deems necessary, such as citations for authorizing statutes and regulations for the funding opportunity.

II. Award Information—Required

Provide sufficient information to help an applicant make an informed decision about whether to submit a proposal. Relevant information could include the total amount of funding that your agency expects to award through the announcement; the anticipated number of awards; the expected amounts of individual awards (which may be a range); the amount of funding per award, on average, experienced in previous years; and the anticipated start dates and periods of performance for new awards. This section also should address whether applications for renewal or supplementation of existing projects are eligible to compete with applications for new awards.

This section also must indicate the type(s) of assistance instrument (*i.e.*, grant,

cooperative agreement, and/or other instrument) that may be awarded if applications are successful. If cooperative agreements may be awarded, this section either should describe the "substantial involvement" that the agency expects to have or should reference where the potential applicant can find that information (*e.g.*, in the funding opportunity description in Section I or award administration information in Section VI). If procurement contracts also may be awarded, you must say so.

III. Eligibility Information

This section addresses considerations or factors that make an applicant or application eligible or ineligible for consideration. This includes the eligibility of particular types of applicant organizations, any factors affecting the eligibility of the principal investigator or project director, and any criteria that make particular projects ineligible. You should make clear whether an applicant's failure to meet an eligibility criterion by the time of an application deadline will result in your agency's returning the application without review or, even though an application may be reviewed, will preclude the agency from making an award. Key elements to be addressed are:

1. *Eligible Applicants—Required.* You must clearly identify the types of entities that are eligible to apply. If there are no restrictions on eligibility, this section may simply indicate that all potential applicants are eligible. If there are restrictions on eligibility, it is important to be clear about the specific types of entities that are eligible, not just the types that are ineligible. For example, if your program is limited to non-profit organizations subject to Section 501(c)(3) of the tax code, your announcement should say so. Similarly, it is better to state explicitly that Native American tribal organizations are eligible than to assume that they can unambiguously infer that from a statement that non-profit organizations may apply. Eligibility also can be expressed by exception, (*e.g.*, open to all types of domestic applicants other than individuals). This section should refer to any portion of Section IV specifying documentation that must be submitted to support an eligibility determination (*e.g.*, proof of 501(c)(3) status as determined by the Internal Revenue Service or an authorizing tribal resolution). To the extent that any funding restriction in Section IV.5 could affect the eligibility of an applicant or project, you must either restate that restriction in this section or provide a cross-reference to its description in Section IV.5.

2. *Cost Sharing or Matching—Required.* You must state whether there is required cost sharing, matching, or cost participation without which an application would be ineligible (if cost sharing is not required, you must explicitly say so). Required cost sharing may be a certain percentage or amount, or may be in the form of contributions of specified items or activities (*e.g.*, provision of equipment). It is important that the announcement be clear about any restrictions on the types of cost (*e.g.*, in-kind contributions) that are acceptable as cost sharing. Cost sharing as an eligibility criterion includes requirements based in statute or regulation, as well as those imposed by administrative decision of the agency. This section should refer to the appropriate portion(s) of Section IV stating any pre-award requirements for submission of letters or other documentation to verify commitments to meet cost-sharing requirements if an award is made.

3. *Other—Required, if applicable.* If there are other eligibility criteria (*i.e.*, criteria that have the effect of making an application or project ineligible for award, whether you refer to them as "responsiveness" criteria, "go-no go" criteria, "threshold" criteria, or in other ways), you must clearly state them. For example, if entities that have been found to be in violation of a particular Federal statute are ineligible, it is important to say so. In this section you also must state any limit on the number of applications an applicant may submit under the announcement and make clear whether the limitation is on the submitting organization, individual investigator/program director, or both. Also use this section to address any eligibility criteria for beneficiaries or for program participants other than award recipients.

IV. Application and Submission Information

1. *Address to Request Application Package—Required.* You must tell potential applicants how to get application forms, kits, or other materials they need to apply (if this announcement contains everything they need, this section need only say so). You may give an Internet address where they can access the materials.* Since high-speed Internet access is not yet universally available for downloading documents, there also should be a way for potential applicants to request paper copies of materials, such as a U.S. Postal Service mailing address, telephone or FAX number, Telephone Device for the Deaf (TDD) or Text Telephone (TTY) number, and/or Federal Information Relay Service (FIRS) number.

2. *Content and Form of Application Submission—Required.* This section must identify the required content of an application and the forms or formats that an applicant must use to submit it. If any requirements are stated elsewhere because they are general requirements that apply to multiple programs or funding opportunities, this section may refer to where those requirements may be found. This section also should address any preliminary submissions that the agency requires or encourages, either to facilitate its own planning or to provide potential applicants with feedback to help them decide whether to submit a full proposal.

For a full application, this includes all content and forms or formats that constitute a complete application, including: general information (*e.g.*, applicant name and address), budgetary information, narrative programmatic information, biographical sketches, and all other required information (*e.g.*, documentation that an applicant meets stated eligibility criteria or certifications or assurances of compliance with applicable requirements, such as evidence of compliance with human subjects requirements). You must either include required forms or formats as part of this announcement or state where the applicant may obtain them.

In this section, you should specifically address content and form or format requirements for:

- Pre-applications, letters of intent, or white papers that your agency requires or encourages (see Section IV.3), including any limitations on the number of pages or other formatting requirements similar to those for full applications.
- The application as a whole. For hard copy submissions, that could include any limitations on the number of pages, font size and typeface, margins, paper size, number of copies, and sequence or assembly requirements. If electronic submission is permitted or required,* that could include special requirements for formatting or signatures.
- Component pieces of the application (*e.g.*, if all copies of the application must bear original signatures on the face page or the program narrative may not exceed 10 pages). This includes any pieces that may be submitted separately by third parties (*e.g.*, references or letters confirming commitments from third parties that will be contributing a portion of any required cost sharing).
- Information that successful applicants must submit after your agency notifies them of its intent to make awards, but prior to award. This could include evidence of compliance with human subjects requirements or information your agency needs to comply with the National Environmental Policy Act (NEPA).

3. *Submission Dates and Times—Required.* Your announcement must identify due dates and times for all submissions. This includes not only the full applications but also any preliminary submissions (*e.g.*, letters of intent, white papers, or pre-applications). It also includes any other submissions of information before award that are separate from the full application. If the funding opportunity is a general announcement that is open for a period of time with no specific due dates for applications, this section should say so. Note that the information on dates that is included in this section also must appear with other overview information in a location preceding the full text of the announcement (see "Overview Information" segment of this format).

For each type of submission that you address, indicate whether the submission is encouraged or required and, if required, any deadline date for submission (or dates, if the agency plans more than one cycle of application submission, review, and award under the announcement). The announcement must state (or provide a reference to another document that states):

- Any deadline in terms of a date and local time.
- What the deadline means (*e.g.*, whether it is the date and time by which the agency must receive the application, the date by which the application must be postmarked, or something else) and how that depends, if at all, on the submission method (*e.g.*, mail, electronic, or personal/courier delivery).
- The effect of missing a deadline (*e.g.*, whether late applications are neither

reviewed nor considered or are reviewed and considered under some circumstances).

• How the receiving Federal office determines whether an application or pre-application has been submitted before the deadline. This includes the form of acceptable proof of mailing or system-generated documentation of receipt date and time.

This section also may indicate whether, when, and in what form the applicant will receive an acknowledgment of receipt.

You should consider displaying the above information in ways that will be easy to understand and use. It can be difficult to extract all needed information from narrative paragraphs, even when they are well written. A tabular form for providing a summary of the information may help applicants for some programs and give them what effectively could be a checklist to verify the completeness of their application package before submission. For example, a summary table might look like:

What to submit	Required content	Required form or format	When to submit it
Preapplication (optional, but encouraged).	Described in Section IV.2 of this announcement.	Format described in section _ of grants policy manual at (give URL or where to obtain the manual)*.	By (give pre-application due date).
Application:			
Cover sheet	(per required form)	Form SF-__, available from (give source).	
Budget information	(per required form)	Form SF-__, available from (give source).	By (give application due date and time).
Narrative	Described in Section IV.2 of this announcement.	Format described in Section IV.2 of this announcement.	
Assurance	(per required form)	Form SF-__, available from (give source).	
Letters from third parties contributing to cost sharing.	Third parties' affirmations of amounts of their commitments.	No specific form or format.	
Statement of intent to comply with human subjects requirements.	(per required form)	Form SF-__, available from (give source).	Prior to award, when requested by grants officer (if application is successful).

4. *Intergovernmental Review—Required, if applicable.* If the funding opportunity is subject to Executive Order (EO) 12372, "Intergovernmental Review of Federal Programs," you must say so. In alerting applicants that they must contact their State's Single Point of Contact (SPOC) to find out about and comply with the State's process under EO 12372, you may wish to inform them that the names and addresses of the SPOCs are listed in the Office of Management and Budget's home page at: *http://www.whitehouse.gov/omb/grants/spoc.html.*

5. *Funding Restrictions—Required.* You must include information on funding restrictions in order to allow an applicant to develop an application and budget consistent with program requirements. Examples are whether construction is an allowable activity, if there are any limitations on direct costs such as foreign travel or equipment purchases, and if there are any limits on indirect costs (or facilities and administrative costs). You also must tell applicants if awards will not allow reimbursement of pre-award costs.

6. *Other Submission Requirements—Required.* This section must address any other submission requirements not included in the other paragraphs of this section. This might include the format of submission, *i.e.*, paper or electronic, for each type of required submission. Applicants should not be required to submit in more than one format and this section should indicate whether they may choose whether to submit applications in hard copy or electronically, may submit only in hard copy, or may submit only electronically.

This section also must indicate where applications (and any pre-applications) must be submitted if sent by postal mail, electronic means, or hand-delivery. For postal mail submission, this should include the name of an office, official, individual or function (*e.g.*, application receipt center) and a complete mailing address. For electronic submission, this should include the URL or e-mail address; whether a password(s) is required; whether particular software or other electronic capabilities are required; what to do in the event of system problems and a point of contact that will be available in the event the applicant experiences technical difficulties.*

V. Application Review Information

1. *Criteria—Required.* This section must address the criteria that your agency will use to evaluate applications. This includes the merit and other review criteria that evaluators will use to judge applications, including any statutory, regulatory, or other preferences (*e.g.*, minority status or Native American tribal preferences) that will be applied in the review process. These criteria are distinct from eligibility criteria that are addressed before an application is accepted for review and any program policy or other factors that are applied during the selection process, after the review process is completed. The intent is to give applicants visibility into the evaluation process so that they can make informed decisions when preparing their applications and so that the process is as fair and equitable as possible.

The announcement should clearly describe all criteria, including any sub-criteria. If criteria vary in importance, the announcement should specify the relative percentages, weights, or other means used to distinguish among them. For statutory, regulatory, or other preferences, the announcement should provide a detailed explanation of those preferences with an explicit indication of their effect (*e.g.*, whether they result in additional points being assigned).

If an applicant's proposed cost sharing will be considered in the review process (as opposed to being an eligibility criterion described in Section III.2), the announcement must specifically address how it will be considered (*e.g.*, to assign a certain number of additional points to applicants who offer cost sharing, or to break ties among applications with equivalent scores after evaluation against all other factors). If cost sharing will not be considered in the evaluation, the announcement should say so, so that there is no ambiguity for potential applicants. Vague statements that cost sharing is encouraged, without clarification as to what that means, are unhelpful to applicants. It also is important that the announcement be clear about any restrictions on the types of cost (*e.g.*, in-kind contributions) that are acceptable as cost sharing.

2. *Review and Selection Process—Required.* This section may vary in the level of detail provided. The announcement must list any program policy or other factors or elements, other than merit criteria, that the selecting official may use in selecting applications for award (*e.g.*, geographical dispersion, program balance, or diversity).

You also may include other details you deem appropriate. For example, this section may indicate who is responsible for evaluation against the merit criteria (*e.g.*, peers external to the agency or Federal agency personnel) and/or who makes the final selections for award. If you have a multi-phase review process (*e.g.*, an external panel advising internal agency personnel who make final recommendations to the deciding official), you may describe the phases. You also may include: the number of people on an evaluation panel and how it operates, the way reviewers are selected, reviewer qualifications, and the way that

conflicts of interest are avoided. In addition, if you permit applicants to nominate suggested reviewers of their applications or suggest those they feel may be inappropriate due to a conflict of interest, that information should be included in this section.

3. *Anticipated Announcement and Award Dates—Optional.* This section is intended to provide applicants with information they can use for planning purposes. If there is a single application deadline followed by the simultaneous review of all applications, the agency can include in this section information about the anticipated dates for announcing or notifying successful and unsuccessful applicants and for having awards in place. If applications are received and evaluated on a "rolling" basis at different times during an extended period, it may be appropriate to give applicants an estimate of the time needed to process an application and notify the applicant of the agency's decision.

VI. Award Administration Information

1. *Award Notices—Required.* This section must address what a successful applicant can expect to receive following selection. If your practice is to provide a separate notice stating that an application has been selected before you actually make the award, this section would be the place to indicate that the letter is not an authorization to begin performance (to the extent that you allow charging to awards of pre-award costs at the recipient's own risk). This section should indicate that the notice of award signed by the grants officer (or equivalent) is the authorizing document, and whether it is provided through postal mail or by electronic means and to whom. It also may address the timing, form, and content of notifications to unsuccessful applicants.

2. *Administrative and National Policy Requirements—Required.* This section must identify the usual administrative and national policy requirements your agency's awards may include. Providing this information lets a potential applicant identify any requirements with which it would have difficulty complying if its application is successful. In those cases, early notification about the requirements allows the potential applicant to decide not to apply or to take needed actions before award. The announcement need not include all of the award terms and conditions, but may refer to a document (with information about how to obtain it) or Internet site* where applicants can see the terms and conditions.

If this funding opportunity will lead to awards with some special terms and conditions that differ from your agency's usual (sometimes called "general") terms and conditions, this section should highlight those special terms and conditions. Doing so will alert applicants who have received awards from your agency previously and might not otherwise expect different terms and conditions. For the same reason, you should inform potential applicants about special requirements that could apply to particular awards after review of applications and other information, based on the particular circumstances of the effort to be supported (*e.g.*, if human subjects were to be involved or if some situations may justify special terms on intellectual property, data sharing or security requirements).

3. *Reporting—Required.* This section must include general information about the type (*e.g.*, financial or performance), frequency, and means of submission (paper or electronic) of post-award reporting requirements. Highlight any special reporting requirements for awards under this funding opportunity that differ (*e.g.*, by report type, frequency, form/format, or circumstances for use) from what your agency's awards usually require.

VII. Agency Contact(s)—Required

You must give potential applicants a point(s) of contact for answering questions or helping with problems while the funding opportunity is open. The intent of this requirement is to be as helpful as possible to potential applicants, so you should consider approaches such as giving:

- Points of contact who may be reached in multiple ways (*e.g.*, by telephone, FAX, and/or e-mail, as well as regular mail).
- A fax or e-mail address that multiple people access, so that someone will respond even if others are unexpectedly absent during critical periods.
- Different contacts for distinct kinds of help (*e.g.*, one for questions of programmatic content and a second for administrative questions).

VIII. Other Information—Optional

This section may include any additional information that will assist a potential applicant. For example, the section might:

- Indicate whether this is a new program or a one-time initiative.
- Mention related programs or other upcoming or ongoing agency funding opportunities for similar activities.
- Include Internet addresses for agency Web sites that may be useful to an applicant in understanding the program (NOTE: you should make certain that any Internet sites are current and accessible).*
- Alert applicants to the need to identify proprietary information and inform them about the way the agency will handle it.
- Include certain routine notices to applicants (*e.g.*, that the Government is not obligated to make any award as a result of the announcement or that only grants officers can bind the Government to the expenditure of funds).

[FR Doc. 03–15798 Filed 6–20–03; 8:45 am]

BILLING CODE 3110–01–P

* With respect to electronic methods for providing information about funding opportunities or accepting applicants' submissions of information, each agency is responsible for compliance with Section 508 of the Rehabilitation Act of 1973, as amended by the Workforce Investment Act of 1998.

OFFICE OF MANAGEMENT AND BUDGET

Standard Data Elements for Electronically Posting Synopses of Federal Agencies' Financial Assistance Program Announcements at Grants.gov FIND

AGENCY: Office of Management and Budget.

ACTION: Notice of standard data elements.

SUMMARY: The Office of Federal Financial Management (OFFM) is establishing a government-wide standard set of data elements for Federal agencies to use to electronically post, at Grants.gov FIND, synopses of announcements of funding opportunities under programs that award discretionary grants or cooperative agreements. The data elements are designed to give potential applicants: (1) Enough information about each funding opportunity to decide whether they are interested enough to look at the full announcement, which contains the detailed information they need to decide whether they wish to apply; and (2) a way to get the full announcement electronically (either directly at Grants.gov FIND or through an electronic link to another Internet site). The Federal awarding agencies jointly developed these Grants.gov FIND data elements as one part of the interagency grants streamlining effort under the Federal Financial Assistance Management Improvement Act of 1999 (Pub. L. 106–107).

FOR FURTHER INFORMATION CONTACT: Elizabeth Phillips, Office of Federal Financial Management, Office of Management and Budget, 725 17th Street, NW., Washington, DC 20503; telephone 202–395–3053; fax 202–395–3952; e-mail *ephillip@omb.eop.gov.*

SUPPLEMENTARY INFORMATION:

I. Background

In a Federal Register notice on August 12, 2002 (67 FR 52555), the Office of Management and Budget (OMB) proposed standard data elements for Grants.gov FIND posting of Federal funding opportunities leading to the award of grants, cooperative agreements, and other financial assistance instruments. Grants.gov FIND is modeled after FedBizOpps, an Internet site established by the General Services Administration, as the single site for giving the public access to relevant information about procurement contract opportunities that exceed $25,000. Many of the proposed data elements

1,000 to 500. This revision will allow Federal agencies to provide more focused attention where there is the greatest risk in terms of Federal awards expended, but still provide each non-Federal entity with an assigned oversight agency for audit from which to request technical advice. The revision also changes the base years for determining cognizant agency for audit assignments. (Currently, the cognizant agency for audit determination is based on the amount of Federal funding in the year immediately preceding each five-year audit cognizant period. This revision changes the base year to the second year preceding the five-year audit cognizant period to allow sufficient time to make cognizant agency for audit determinations before the start of the audit cognizance period.) Finally, the revision changes the definition of oversight agency for audit to permit Federal agencies to make reassignments.

Response to Comments

OMB received 43 comment letters: Eight from Federal agencies, seven from State governments, four from universities, five from non-profit organizations, 14 from certified public accountants, and five from individuals. Nearly all comments focused on raising the audit threshold: 28 were in favor and 10 opposed. Of the 10 that were opposed to raising the audit threshold, two were from Federal agencies; two were from one State; one from a university; and five from individuals. Opposition centered on concerns over specific programs and the perceived lack of accountability over Federal funds that would fall below the new threshold. On the other hand, several commenters suggested raising the threshold to $1 million to further alleviate the burden on non-Federal entities expending smaller amounts of Federal funds. OMB believes that, because the revisions only exempt an additional one-half of one percent of Federal dollars expended from audit while providing administrative relief to approximately 6,000 entities, the risk to Federal funds does not outweigh the benefits to grant recipients. OMB, however, appreciates the comments about reduced accountability and concerns expressed by several commenters that raising the audit threshold could provide more opportunities for fraud.

It is important to note that Circular A-133 audit is only one of many monitoring tools available to oversee the administration of and strengthen accountability over Federal grants. Grantee monitoring should occur throughout the year rather than relying solely on a once-a-year audit. Monitoring activities may take various forms; however, a first monitoring tool should be identifying to the grantee the Federal award information (*e.g.*, Catalog of Federal Domestic Assistance (CFDA) title and number, award name, name of Federal agency) and applicable compliance requirements. Other monitoring tools include reviewing grantee financial and performance reports, performing site visits to review financial and programmatic records and observe operations, and arranging for agreed-upon procedures engagements for certain aspects of grantee activities, such as described in § _.230(b)(2) of Circular A-133. Factors such as the size of awards, the complexity of the compliance requirements, and risk of grantee non-compliance as assessed by the grantor may influence the nature and extent of monitoring procedures. Federal laws or regulations may impose monitoring requirements specific to a Federal program. The 2003 OMB Circular A-133 Compliance Supplement clarifies the guidance to auditors related to subrecipient monitoring.

It should also be noted that the Federal Government has the authority to audit and/or investigate any entity suspected of using Federal funds improperly, regardless of the amount of funds involved. Allegations of fraud should be directed to the Federal awarding agency's Office of Inspector General fraud hotline phone numbers which are available on the Internet at *http://www.ignet.gov.*

Nine comments addressed the increase from $25 million to $50 million of the threshold for cognizant agency for audit. Seven commenters (two Federal and five non-Federal) supported the increase and two Federal agencies opposed. One concern was that the reduction in the number of cognizant agency for audit assignments would reduce Federal agency monitoring of audit quality. OMB is actively working with Federal agencies to strengthen quality control reviews of audits by selecting a statistical sample of single audits to measure audit quality across Federal programs. This work is expected to improve our ability to measure and improve audit quality.

Four comments concerned the technical changes. One Federal agency (which opposed all of the proposed revisions to Circular A-133) expressed concern about accountability over Federal funds. As noted above, OMB believes that the revisions to Circular A-133 provide an appropriate balance between administrative relief and the risk to Federal funds.

Availability of Revised Circular

OMB has prepared an updated version of Circular A-133, as amended herein. It is available electronically on the OMB Home Page at *http://www.omb.gov* and then select "Grants Management" followed by "Circulars."

Dated: June 23, 2003.

Augustine T. Smythe,

Acting Director.

1. OMB hereby amends Circular A-133 by replacing $300,000 with $500,000 in the following sections: § ____.200(a); § ____.200(b); § ____.200(d); § ____.230(b)(2); and § ____.400(d)(4).

2. OMB hereby amends Circular A-133 by replacing $25 million with $50 million in section § ____.400(a), first sentence.

3. OMB hereby amends Circular A-133 by replacing section § ____.400(a), third, fourth, and fifth (parenthetical) sentences with the following: § ____.400 Responsibilities.

(a) * * * The determination of the predominant amount of direct funding shall be based upon direct Federal awards expended in the recipient's fiscal years ending in 2004, 2009, 2014, and every fifth year thereafter. For example, audit cognizance for periods ending in 2006 through 2010 will be determined based on Federal awards expended in 2004. (However, for 2001 through 2005, the cognizant agency for audit is determined based on the predominant amount of direct Federal awards expended in the recipient's fiscal year ending in 2000).

* * * * *

4. OMB hereby amends Circular A-133, section § ____.105, by adding at the end of the definition of oversight agency for audit: "A Federal agency with oversight for an auditee may reassign oversight to another Federal agency which provides substantial funding and agrees to be the oversight agency for audit. Within 30 days after any reassignment, both the old and the new oversight agency for audit shall notify the auditee, and, if known, the auditor of the reassignment."

[FR Doc. 03-16355 Filed 6-26-03; 8:45 am]

BILLING CODE 3110-01-P

OFFICE OF MANAGEMENT AND BUDGET

Use of a Universal Identifier by Grant Applicants

AGENCY: Office of Management and Budget.

ACTION: Notice of final policy issuance.

SUMMARY: The Office of Management and Budget (OMB) is issuing a policy directive to implement the requirement for grant applicants to provide a Dun and Bradstreet (D&B) Data Universal Numbering System (DUNS) number when applying for Federal grants or cooperative agreements on or after October 1, 2003.

OMB has determined that there is a need for improved statistical reporting of Federal grants and cooperative agreements. Use of the DUNS number government-wide will provide a means to identify entities receiving those awards and their business relationships. The identifier will be used for tracking purposes, and to validate address and point of contact information. The DUNS number already is in use by the Federal government generally to identify entities receiving Federal contracts and by some agencies in their grant and cooperative agreement processes. Among existing numbering systems, the DUNS is the only one that provides the Federal government the ability to determine hierarchical and family-tree data for related organizations.

The DUNS number will be required whether an applicant is submitting a paper application or using the government-wide electronic portal (Grants.gov). By using the Grants.gov portal, entities will be able to store in a central repository organizational information that *does* not change from application to application. The DUNS number will be one of those stored elements.

The DUNS number will supplement other identifiers required by statute or regulation, such as tax identification numbers. It is our intent over time to use the DUNS number throughout the grants life cycle.

Organizations should verify that they have a DUNS number or take the steps needed to obtain one as soon as possible if there is a possibility that they will be applying for Federal grants or cooperative agreements on or after October 1, 2003. Organizations can receive a DUNS number at no cost by calling the dedicated toll-free DUNS Number request line at 1–866–705–5711. Individuals who would personally receive a grant or cooperative agreement award from the Federal government apart from any business or non-profit organization they may operate are exempt from this requirement.

DATES: A DUNS number must be included in every application for a new award or renewal of an award, including applications or plans under mandatory grant programs, submitted on or after October 1, 2003.

FOR FURTHER INFORMATION CONTACT: Sandra R. Swab, Office of Federal Financial Management, Office of Management and Budget, 725 17th Street, NW., Washington, DC 20503; telephone 202–395–5642; or e-mail sswab@omb.eop.gov.

SUPPLEMENTARY INFORMATION

A. Background

In a Federal Register notice [67 FR 66177] published on October 30, 2002, the Office of Management and Budget (OMB) proposed to establish the DUNS number as the universal identifier for Federal grant and cooperative agreement applicants. The OMB notice also included a proposed policy to establish this policy as a government-wide requirement. We received comments from 37 separate entities: 3 universities; 12 State/local governments; 7 non-profit organizations; 9 Federal agencies; 5 associations, and a for-profit business. We considered all comments in developing the final policy. Comments generally were in support of the concept of the Universal Identifier although there were concerns about the use of the DUNS number and the impact on certain types of recipients. These concerns are addressed in the responses below. Other comments which were outside the scope of this proposal, will be separately considered by the Grants.gov Program Management Office or the Public Law 106–107 working groups, as appropriate.

The following paragraphs summarize the major comments and our responses. For simplicity, the term "grant" used in the following section also means "cooperative agreement".

B. Comments and Responses

Comments on Applicability

Comment: Four commenters questioned whether the requirement to obtain a DUNS number should be applied to individuals. They urged that individuals that apply for grants directly from the Federal government be exempted from the requirement to obtain a DUNS number in order to apply.

Response: Agree. We clarified the policy directive to indicate that individuals who would personally receive a grant or cooperative agreement award from the Federal government, apart from any business or non-profit organization they may operate, are not required to provide a DUNS number in order to apply for or conduct subsequent business with the Federal government under a grant. Individuals may continue to apply under programs for which they are eligible applicants without providing a DUNS number.

Comment: Ten commenters indicated that applying the DUNS number requirement to subrecipients would create difficulty and perhaps delay primary applicants in preparing their funding requests.

Response: Agree. The final policy directive indicates that applicants are not required to submit DUNS numbers for entities with which they may enter into subawards. Only the primary applicant, *i.e.*, the entity that makes application to the Federal government, including State, local, and Tribal governments, and other entities receiving block or other mandatory grants, will need a DUNS number at time of application.

Comment: Five commenters recommended that non-U.S. recipients be excluded from the DUNS number requirement since it would be difficult for many foreign organizations to obtain the number.

Response: Disagree. Foreign applicant organizations which are able to apply for a grant and meet the normal terms and conditions, including reporting requirements should be able to apply for and receive a DUNS number.

Comments on Numbering System/ Alternate Process

Comment: Fourteen commenters recommended that the Federal Employer Identification Number (EIN) be considered for the universal identifier instead of the DUNS because it is already widely used during the Federal government's administrative processing of grants, or that an entirely new numbering system be designed.

Response: Disagree. Although other numbering systems currently are in use (and will continue), none is adequate to identify family tree relationships or can provide the access and validation capabilities offered by the DUNS. Many potential applicants already possess DUNS numbers. Further, the cost of developing and maintaining another numbering system for grantees would not be justified.

Comment: One commenter recommended we use the Social Security Number (SSN) as the universal identifier. The commenter suggested that the DUNS number be used only for organizations, or other entities for which a SSN would not be appropriate.

Response: Agree with the substance of the comment. We have exempted individuals who would personally receive a grant or cooperative agreement award from the Federal government apart from any business or non-profit

organization they may operate from the policy directive's applicability.

Comment: Two commenters appeared to misinterpret our proposal for a universal identifier and assumed that our intent was to have the DUNS number replace all other identifiers. One commenter also suggested that the multiple grant identifiers currently in use by various Federal agencies should be replaced by DUNS, and the DUNS should be used consistently throughout the grant life cycle to complement grant award numbers.

Response: Agree. The final policy directive clearly states the purpose of the DUNS and the continued existence of other numbering systems. It also is our intent over time to use the DUNS number in other parts of the grants life cycle, replacing other numbers if possible.

Comments on Implementation

Comment: Six commenters expressed concern regarding the burden required in obtaining a DUNS number for those organizations that do not currently have one, with one noting a particular burden for small and community and faith-based organizations.

Response: Disagree. OMB has determined that obtaining a DUNS number is not a significant burden under the Paperwork Reduction Act. There should be minimal burden on applicants. Obtaining a DUNS number is a one-time activity. With use of the toll-free request line, there will be an immediate DUNS number assignment at no charge to the requestor.

Comment: Nine commenters requested guidance for entities that have multiple DUNS numbers. They were particularly concerned that large organizations with multiple DUNS numbers may not use the appropriate DUNS number when applying, which would result in inaccurate tracking. They also questioned whether Federal agencies will be responsible for verifying that applicants are using valid DUNS numbers.

Response: Agree in part. Dun and Bradstreet (D&B) will work with an applicant to understand or change their numbers, however each organization is responsible for controlling its own DUNS hierarchy. D&B recommends a single point of contact for each entity. The DUNS will not affect the ability of the entity to structure its organizational delegations and authorities for submitting applications. A central Federal repository [currently named the Business Partner Network (BPN), formerly the Central Contractor Registry (CCR)], rather than individual Federal agencies, will be responsible for performing periodic verification of DUNS numbers.

Comment: Four commenters suggested that the universal identifier might enhance the ability of State governments to track recipients of Federal funds within their States. These commenters also requested clarification of whether payment processes will be affected, for example, if the DUNS number would be required as part of each request to draw down Federal funds.

Response: No change. OMB is working to ensure that, for applications subject to the DUNS number requirements, Federal grant financial reporting, payment, and audit requirements are modified to also incorporate use of the DUNS number. It is OMB's intent to expand use of the DUNS number throughout the entire grants life-cycle.

Comments on Education/Outreach

Comment: Three commenters strongly recommended that applicants be notified up front through both paper and electronic means of the need to apply for a DUNS number before submitting a grant application and/or verify their organization's DUNS number. In addition, they suggested that applicants should know in advance what information they would be asked to provide.

Response: Agree. Guidance on how to obtain a DUNS number, verify whether an entity already has a DUNS number, and obtain copies of the organization family-tree will be provided at the Grants.gov portal. Links to this guidance will be included on Federal web sites, and it will be used in outreach and other education efforts.

Comment: Three commenters asked for information concerning how the Federal government will conduct outreach on the new policy within the various grant communities. In particular, they asked whose responsibility it is to inform the public. They suggested that OMB work with technical assistance providers that currently provide services to nonprofits on the outreach and educational efforts.

Response: Agree. Federal agencies will be responsible for notifying their respective applicant/recipient communities of the change. A link to the guidance on how to obtain a DUNS number will be available from Federal web sites. In addition, we will work with associations representing various constituencies for their assistance in "getting the word out."

Dated: June 23, 2003.

Linda M. Springer,

Controller.

To the Heads of Executive Departments and Agencies

Subject: Requirement for a DUNS Number in Applications for Federal Grants and Cooperative Agreements.

1. *Purpose.* This policy directive establishes the requirement that applications for Federal grants or cooperative agreements include a Dun and Bradstreet (D&B) Data Universal Numbering System (DUNS) number.

2. *Authority.* This policy directive is part of the implementation of the Federal Financial Assistance Management Improvement Act of 1999 (Pub. L. 106–107). This policy is also designed to further implement the E-Grants.gov initiative, one of the 24 electronic government (E-Gov) initiatives under the President's Management Agenda.

3. *Background.* Public Law 106–107 requires the Office of Management and Budget (OMB) to direct, coordinate, and assist Executive Branch departments and agencies in establishing an interagency process to streamline and simplify Federal financial assistance procedures for non-Federal entities. It also requires executive agencies to allow applicants to electronically apply for, and report on the use of, funds from the Federal financial assistance programs administered by the agency.

Under the E-Grants.gov initiative, the Federal agencies are in the process of developing an electronic grant application system using standard core data elements. The DUNS number is one of those data elements. It will be used to link to fixed applicant data, such as name and address fields, maintained in a central Federal registration repository. This will allow the data to automatically populate corresponding fields in the electronic application. Applicants will not have to re-enter this information on each electronic application they submit. The DUNS number requirement is also applicable to paper applications because of planned reporting requirements.

4. *Policy.*

a. *Applicability.* This policy applies to all types of entities applying for Federal grants or cooperative agreements under discretionary and mandatory grant programs or activities except:

i. Individuals who would personally receive a grant or cooperative agreement award from the Federal government apart from any business or non-profit organization they may operate.

ii. Any applicant that receives an exemption, or an applicant under a

program that receives an exemption (see paragraph c. below).

For purposes of this policy, the applicant is the entity that meets the agency's or program's eligibility criteria and has the legal authority to apply. For example, a consortium formed to apply for a grant or cooperative agreement must obtain a DUNS number for that consortium. If a consortium is eligible, and the agency's policy is to make the award to a lead entity for the consortium, the DUNS number of the lead entity will be used.

b. *Effect.* Every application for a new award or renewal of an award, including applications or plans under mandatory grant programs, submitted on or after October 1, 2003 must include a DUNS number for the applicant. Unless an exemption is granted, an application will not be considered complete until a valid DUNS number is provided by the applicant.

For Federal purposes, the applicant is not required at this time to submit DUNS numbers for entities with which it may enter into subawards.

The DUNS number does not replace existing numbers, such as the Employer Identification Number (EIN), the Tax Identification Number (TIN), and State Application Identifier (SAI) numbers that are required by statute, Executive Order, or regulation.

c. *Exemptions.* Agencies may not grant exemptions from this policy. Requests for exemptions must be directed to OMB.

5. *Agency Responsibilities.* Agencies that award grants or cooperative agreements shall:

a. Issue any needed implementing direction to component offices to meet the requirements of this policy directive.

b. Provide outreach and education appropriate to their applicant communities regarding the requirement for a DUNS number. Agencies should encourage entities that anticipate applying for Federal grants or cooperative agreements to obtain a DUNS number in advance of a specific application. Agencies should inform entities that it is their responsibility to obtain a DUNS number.

c. Include this requirement in all funding opportunity announcements issued on or after the effective date of this policy directive with application due dates or acceptance dates on or after October 1, 2003. For all other funding opportunity announcements with due dates or acceptance dates on or after October 1, 2003, agencies must amend their announcements or take other appropriate measures to inform potential applicants of this requirement. These requirements apply equally to other types of notifications if funding opportunity announcements are not used.

d. Revise their grant and cooperative agreement applications and plans to include a DUNS number. OMB approval is not required to add a DUNS number field to previously approved forms.

e. Ensure that their grant-related processing systems, and other systems as appropriate, are able to accept the DUNS number.

6. *Information Contact.* Direct any requests for exemption or questions about this policy directive to Sandra Swab, Office of Federal Financial Management, 202–395–5642 (direct) or 202–395–3993 (main office), or via e-mail *(sswab@omb.eop.gov)*

7. *Effective Date.* This policy directive is effective 30 days after issuance.

Dated: June 23, 2003.

Linda M. Springer,

Controller.

[FR Doc. 03–16356 Filed 6–26–03; 8:45 am]

BILLING CODE 3110–01–P

OFFICE OF MANAGEMENT AND BUDGET

Final Report of the Small Business Paperwork Relief Task Force

AGENCY: Office of Management and Budget, Executive Office of the President.

ACTION: Notice.

SUMMARY: The Office of Management is publishing the Final Report of the Small Business Paperwork Relief Task Force on June 28, 2003. The Small Business Paperwork Relief Task Force recommends options regarding the feasibility of consolidating information collections, organizing a list of information collections, and creating interactive electronic systems. A Draft Report was released for public comment May 9, 2003 and the response to comments is included in Appendix 8 of the Final Report. The Final Report of the Small Business Paperwork Relief Task Force is posted on OMB's Web site, *http://www.whitehouse.gov/omb/inforeg/sbpr2003.pdf*, and on the Small Business Administration's Web site for business laws, *http://www.businesslaw.gov.*

FOR FURTHER INFORMATION CONTACT: Shivani Desai, Office of E-Government and Information Technology, Office of Management and Budget, E-mail: *shivani_desai@omb.eop.gov*, Telephone: (202) 395–3092.

SUPPLEMENTARY INFORMATION: Congress directed the Director of OMB to convene and have a representative chair a Task Force "to study the feasibility of streamlining requirements with respect to small business concerns regarding collection of information and strengthening dissemination of information" (44 U.S.C. 3520, Pub. L. 107–198). More specifically, this Small Business Paperwork Relief Task Force is charged with examining five ways to reduce the information collection burden placed by government on small business concerns. They are:

1. Examine the feasibility and desirability of requiring the consolidation of information collection requirements within and across Federal agencies and programs, and identify ways of doing so.

2. Examine the feasibility and benefits to small businesses of having OMB publish a list of data collections organized in a manner by which they can more easily identify requirements with which they are expected to comply.

3. Examine the savings and develop recommendations for implementing electronic submissions of information to the Federal government with immediate feedback to the submitter.

4. Make recommendations to improve the electronic dissemination of information collected under Federal requirements.

5. Recommend a plan to develop an interactive Government-wide Internet program to identify applicable collections and facilitate compliance.

The Small Business Paperwork Relief Task Force is required to submit a report of its findings on the first three issues no later than one year after enactment, or June 28, 2003. A second report on the final two issues is required no later than two years after enactment, or June 28, 2004. Both reports must be submitted to the Director of OMB; the Small Business and Agriculture Regulatory Enforcement Ombudsman; and the Senate Committees on Governmental Affairs and Small Business and Entrepreneurship; and, the House Committees on Government Reform and Small Business.

The Director of OMB appointed Dr. John D. Graham, Administrator of the Office of Information and Regulatory Affairs, and Mr. Mark A. Forman, Administrator for the Office of E-Government and Information Technology, to co-chair the Small Business Paperwork Relief Task Force.

The Act specifies the following agencies to be represented on the SBPRA Task Force: Department of Labor (including the Bureau of Labor