



United States Department of the Interior

FISH AND WILDLIFE SERVICE
Washington, D.C. 20240



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MAY - 2 2003



To: State Fish and Wildlife Agencies

Annually the Fish and Wildlife Service undergoes an audit, which includes a review of our adherence to the requirements that apply to grant programs. The most recent audit report noted the Service had not consistently received Financial Status Reports and Performance Reports in a timely manner. Due to the large number of delinquent grantee reports, this audit finding was identified as a reportable condition for the Service.

As part of our efforts to resolve this finding and to keep it from escalating to a material weakness, the Service needed to reiterate the reporting requirements for state and local governments receiving federal grant awards and emphasize the importance of compliance with these requirements. The requirements for financial reporting were addressed in a previous letter dated October 22, 2001. The specific requirements for both financial and performance reporting and remedies for noncompliance may be found in Title 43 Code of Federal Regulations, *Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*, Part 12.80, 12.81 and 12.83.

We plan to allow provisions for waiving annual reports under certain circumstances. Waivers may be granted upon request in the grant agreement. Failure to comply with reporting requirements may result in the Service taking one or more actions as appropriate under the circumstances. These actions are further defined in the enclosed *Federal Aid Guidance for Reports*.

Thank you for your cooperation in addressing this issue. If there are any questions please contact your Regional Federal Aid Office for further clarification.

Sincerely,


DIRECTOR

Enclosure

cc: 3012 MIB - Directorate Reading File

3012 MIB - CCU

Monica Taylor, DOI PFM *Office Final Mgmt.*

Nancy Cipriano, FWS *Rm 5417 MIB 5412-MIB*

FWS/AMBS/FA/Bennett/ja: 04/25/03: 703-358-2156

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**U.S. Fish and Wildlife Service, Division of Federal Aid
Federal Aid Guidance for Reports
Questions and Answers**

May 2003

Q1. What is the purpose of this Q&A document?

A. The purpose of this document is to provide information and guidance and understanding on grantee reporting requirements for annual interim and final Financial Status Reports (FSR) and performance reports. These reports must be provided to the U.S. Fish and Wildlife Service, Division of Federal Aid (Division). Guidance is provided to establish the procedures for obtaining Stewardship Investment information from grantees in a timely manner; and to provide information on the implementation of consequences for noncompliance with the reporting requirements.

Q2. What is the requirement regarding annual interim and final reports for Grant Agreements?

A. *Annual Interim Reports* - Grantees shall provide the Division with an annual interim FSR (form SF-269) and performance report following each 12-month anniversary of the effective date of each Grant Agreement. Annual interim reports must include costs, if any, for Stewardship Investment activities. (See Q6 for conditions for waiving annual interim report requirements and Q23 and Q25 for more specific information on Stewardship Investment activities).

Final Reports - Grantees shall provide the Division with a final FSR and performance report following the end date for each Grant Agreement. Final performance reports must include costs, if any, for Stewardship Investment activities reported in accordance with this guidance. Final reporting requirements may not be waived.

Q3. What is the authority for grantee reporting requirements and remedies for noncompliance?

A. The authority for annual interim grantee reporting requirements and remedies for noncompliance is Title 43 CFR Part 12.80 *Monitoring and reporting program performance*, Part 12.81 *Financial reporting*, Part 12.83 *Enforcement*, and *Statement of Federal Financial Accounting Standards No. 8*.

Q4. To which grant programs do the reporting requirements apply?

A. All grant programs administered by the Division.

Q5. Are there any exceptions to the annual interim reporting requirements?

A. Yes. Grant Agreements with a period of up to and including 15 months only require a final FSR and a final performance report. Current Grant Agreements with a balance of 15 months or less remaining since the previous 12-month anniversary date, also require only a final FSR and final performance report.

Q6. Under what circumstances may the annual interim reporting requirements be waived by the Division?

A. Annual interim report requirements *may* be waived by the Division in the Grant Agreement under the following circumstances:

1. The reporting requirements for the annual interim FSR and the annual interim performance report *may* be waived when the grant proposal budget does not contain any Stewardship Investment activities. (See Q25 for list of activities)
2. The reporting requirements for ~~both~~ the annual interim FSR and annual interim performance report *may* be waived for Grant Agreements that contain Stewardship Investment activities when the federal share of the Grant Agreement is less than \$200,000.
3. The annual interim performance reporting requirement *may* be waived if the annual interim FSR includes Stewardship Investment information required by this guidance (see Q25).

Q7. How may a grantee receive a waiver of annual interim reporting requirements for a Grant Agreement?

A. A waiver of annual interim reporting requirements for a Grant Agreement may be granted by the Regional Chief, Division of Federal Aid as either a waiver provision in the Grant Agreement notice of approval, or upon approval of a written request for a waiver received from a grantee. The criteria for granting waivers is addressed in Q6.

Q8. What is the effective date of this guidance?

A. *Annual interim performance reports:*

This guidance shall be effective May 15, 2003. That is, all Grant Agreements with a period that is longer than 15 months as of May 15, 2003, require an annual interim performance report at the end of each annual anniversary of the Grant Agreement. See exceptions in Q5.

Annual interim Financial Status Reports:

The requirement for an annual interim FSR was effective October 22, 2001. This was the date of the U.S. Fish and Wildlife Service Director's letter to all State Agency Directors informing them that annual interim FSRs were required in compliance with existing federal regulations. This effective date means that all Grant Agreements with a period longer than 15 months as of October 22, 2000, require an annual interim FSR at the end of each annual anniversary of the Grant Agreement. See exceptions in Q5.

Final FSRs and final performance reports:

This guidance, as it relates to final reports, shall be effective May 15, 2003.

Q9. What is the Grant Agreement period?

A. It is the period of time between the approved effective date and the end date of the Grant Agreement.

Q10. What is the anniversary date of a Grant Agreement period?

A. It is the date 12 months after the approved effective date of the Grant Agreement, and every 12 months thereafter until the end date of the Grant Agreement.

Q11. What is the required reporting schedule for Grant Agreements which have been in effect for longer than 12 months prior to the effective date of this guidance and for succeeding 12-month periods?

A. *Performance Reports* - For Grant Agreements which have been effective for 12 months or longer prior to the effective date of this guidance, the first annual interim report must cover the entire period from the approved effective date of the Grant Agreement or the end date of the last report, to the most recent 12-month anniversary date. See Q5 for exceptions to this reporting requirement. All succeeding reports must include required information since the previous 12 month period. The final performance report should provide cumulative information for the entire grant period.

Financial Status Reports - For Grant Agreements that have been effective for 12 months or longer prior to the effective date of this guidance, the first annual interim report must cover the entire period from the approved effective date of the Grant Agreement or the end date of the last report, to the most recent 12-month anniversary date. See Q5 for exceptions to this reporting requirement. Succeeding reports must include previously reported, current, and cumulative information from the effective date of the Grant Agreement.

Q12. When are reports due in to the Regional Federal Aid Office?

A. *Annual Interim Reports* - Annual interim FSRs and performance reports are due to the Regional Federal Aid Office within 90 days following the 12-month anniversary of the effective date approved in the Grant Agreement.

Final Reports - Final FSRs and performance reports are due to the Regional Federal Aid Office within 90 days following the end date of the Grant Agreement.

Q13. Can the grantee request an extension of the due date for annual interim and final reports?

A. Yes. The grantee may request an extension of the due date for up to 90 days. The request must be submitted to the regional Division on or before the current due date expires. Requests may be submitted in writing, by fax or e-mail and must include the amount of time requested along with a justification.

Q14. Who is authorized to submit and sign a request for an extension?

A. Requests for extensions for up to a total of 90 days may be submitted by State Federal Aid program coordinators, financial managers, or any other individuals with signature authority for Federal Aid Programs. All subsequent requests for extensions must include a detailed explanation and be signed by the Director of the grantee agency.

Q15. What consequences will be imposed on the grantee by the Division for noncompliance with the annual interim and/or final reporting requirements?

A. The Division will make reasonable efforts to obtain all required annual interim and final reports from grantees in a timely manner and in accordance with this guidance. However, the following consequences will be imposed on the grantee by the Division for noncompliance with the reporting requirements depending on the situation:

Situation 1 - Annual interim or final report has not been submitted to the Regional Federal Aid Office within the required 90 days.

Penalty: The Regional Director will not approve any subsequent grants or amendments submitted by the grantee for the **grant program** in which the report(s) is overdue until the delinquent report(s) has been received or extension request approved. The effective date for such grants and amendments held pending compliance with reporting requirements will be the date the delinquent report(s) is received by the Division or the date an extension request is approved. Incomplete or inaccurate reports will not be accepted as compliance with reporting requirements. When imposed, this penalty shall become effective on the day after the original due date.

Situation 2 - Annual interim or final report has not been submitted to the Regional Federal Aid Office within a total extended period of 90 days as approved by the Regional Director.

Penalty: The Regional Director shall stop all payments to the grantee for the **grant program** in which the report(s) is overdue until the delinquent report(s) has been received or extension request approved. In addition, the Regional Director will not approve any subsequent grants or amendments submitted by the grantee for the grant program in which the report(s) is overdue until the delinquent report(s) has been received by the Division or the date an extension request is approved. The effective date for such grants and amendments held pending compliance with reporting requirements will be the date the delinquent report(s) is received by the Division or the date an extension request is approved. Incomplete or inaccurate reports will not be accepted as compliance with reporting requirements. When imposed, this penalty shall become effective on day 181 after the 12-month Grant Agreement anniversary date or Grant Agreement ending date.

Q16. Are there other consequences that may be imposed for noncompliance with annual interim and final reporting requirements?

A. Yes. Other consequences are authorized in 43 CFR Part 12.83 *Enforcement* and may be imposed depending on the circumstances.

Q17. Who has the authority to enforce consequences for noncompliance?

A. The Regional Director has the authority to enforce consequences for noncompliance.

Q18. How will a grantee be notified of consequences for noncompliance?

A. The grantee's federal aid coordinator will be contacted by telephone, fax or e-mail to advise of consequences of noncompliance. A follow-up letter notifying the grantee of consequences for noncompliance will be sent to the Director of the grantee agency.

Q19. What form must be used for the annual interim and final FSR?

A. Standard Form 269. Box 6 - Final Report field of the form must be marked, “No” for annual interim reports or “Yes” for final reports. Instructions to the grantee are on the back of the form.

Q20. What are the standards for annual interim and final performance reports?

A. Annual interim and final performance reports must conform with the performance reporting requirements described in the applicable chapters in the Federal Aid Handbook and 43 CFR Part 12.80. Stewardship Investment information is additional pertinent information referred to in Part 12.80.

Q21. Are sub-grantees subject to the same annual interim and final reporting requirements?

A. Yes. The grantee is required to assure sub-grantees comply with all reporting requirements as outlined in Title 43 CFR Part 12.77 *Subgrants*.

Q22. Are annual interim reports as well as final reports subject to audit?

A. Yes.

Q23. How are Stewardship Investments defined?

A. Stewardship Investments are the Federal investment in nonfederal physical property. According to the *Statement of Federal Financial Accounting Standards No. 8*, Chapter 5, “Investment in nonfederal physical property” refers to those expenses incurred by the Federal Government for the purchase, the construction, or the major renovation of physical property owned by state and local governments, including major additions, alterations, and replacements; the purchase of major equipment; and the purchase or improvement of other physical assets. Grants for maintenance and operations are not considered investments. Land acquisitions and boating access developments are common examples Stewardship Investment activities.

Q24. Why is Stewardship Investment information required by the Division?

A. Stewardship Investment information is used to meet the Federal Financial Required Supplementary Stewardship Information reporting requirements contained in the *Statement of Federal Financial Accounting Standards No. 8*.

Q25. What activities funded with federal financial assistance monies must be reported as Stewardship Investments?

A. Attached is a list of activity codes in the Federal Aid Information Management System (FAIMS) in which activities and costs must be reported by the grantee as Stewardship Investments.

Q26. What reports must include Stewardship Investment information?

A. *Annual Interim Reports*: Grant Agreements that include one or more of the activities listed in Q25 must have an annual interim performance report or FSR that reports on the cost of these activities, unless the annual interim reporting requirement has been waived in accordance with Q6.

Final Performance Reports - Grant Agreements that include one or more of the activities listed in Q25 must include the cost of these activities in the final performance report.

Q27. How should Stewardship Investment activities be reported?

A. Annual Interim Reports: The cost by the grantee for Stewardship Investment activities listed in Q25 must be reported as a single total of all activities during the report period and recorded in the “Remarks” section of the FSR (form SF-269) or on the performance report as “Total costs for Stewardship Investment activities is \$XXX”. The “Total” amount should include the federal and matching share of costs.

Final Performance Reports: The cost by the grantee for Stewardship Investment activities listed in Q25 must be reported by activity. The amount should include the federal and matching share of costs.

Q28. Who is responsible for reporting Stewardship Investment information to the Division (Washington, D.C. Office)?

A. Interim Annual Reports: Division Regional Offices will prepare and submit Regional Stewardship Investment Summary Reports from stewardship investment data provided by grantees in interim annual performance reports or FSRs. Report forms will be provided by the Division (Washington, D.C. Office).

Final Reports: A Stewardship Investment Summary Report is prepared by the Division (Washington, D.C. Office) from data extracted from the FAIMS database which has been entered from grantee final **performance** reports.

Q29. When is the Regional Office Stewardship Investment Summary Report due to the Division (Washington, D.C. Office)?

A. The date the Regional Office Stewardship Investment Summary Report is due to the Division (Washington, D.C. Office) may vary from year to year depending on year end closing procedures.

Q30. Could the implementation of Title 43 CFR Parts 12.80, 12.81, and 12.83 change?

A. Yes. The Department of Interior is reviewing reporting requirement issues for all bureaus. A Department policy may impact the Division’s implementation of the CFRs.

09/04/2002

FAIMS Capital Investment Activity Codes
user for Stewardship Investment Reporting

Activity Description

Activity	Description
1111	Land Acquisition, Fee Title, Non-Wetland
1112	Land Acquisition, Fee Title, Wetland
1321	Watering Facilities Development
1322	Habitat Improvement Developments
1331	Road & Trail Development
1332	Campground & Parking Lot Development
1333	Boating Access Development
1334	Miscellaneous Facilities Development
1341	Waterfowl Impoundment Development
1342	Waterfowl Impoundments Improvement
1351	Support Facilities Development
1561	Ranges Developed
2111	Land Acquisition, Fee Title, Not Boating
2112	Land Acquisition, Fee Title, Boating Acc
2314	Hatchery Facility Development
2315	Hatchery Facility Renovation
2316	Fish Passage Facility Development
2317	Fish Passage Facility Renovation
2331	Fishing Access
2332	Boating Access Development
2333	Boating Access Renovation or Improvment
2334	Miscellaneous Facilities Development
2341	Impoundment Development
2342	Impoundment Improvement
2351	Support Facilities Development
2561	Construction
2563	Facilities Development and Maintenance
3111	Land Acquisition, Fee Title, Non-Wetland
3112	Land Acquisition, Fee Title, Wetland
3322	Habitat Improvement Developments
3334	Miscellaneous Facilities Development
3341	Waterfowl Impoundment Development
3342	Waterfowl Impoundment Improvement
3351	Support Facilities Development
4111	Land Acquisition, Fee Title
5310	Inland Facilities Construction
5315	Inland Pumpout Renovation
5316	Coastal Pumpout Renovation

- 5320 Coastal Facilities Construction
- 5321 Inland Dump Station Construction
- 5322 Coastal Dump Station Construction
- 5325 Inland Dump Station Renovation
- 5326 Coastal Dump Station Renovation
- 7111 Land Acquisition, Fee Title, Non-Wetland
- 7112 Land Acquisition, Fee Title, Wetland