

**SUMMARY OF MAJOR CHANGES TO
DoD 7000.14.R, VOLUME 10, CHAPTER 19
“PAYMENT PROVISIONS FOR GRANTS AND OTHER INSTRUMENTS OF
ASSISTANCE”**

All changes are denoted in blue font

Substantive revisions are denoted by a ★ preceding the section,
paragraph, table, or figure that includes the revision

Hyperlinks are denoted by *underlined, bold, italic, blue font*

PARAGRAPH	EXPLANATION OF CHANGE/REVISION	PURPOSE
All	Reworded and reformatted chapter for clarity and ease of reading. Revised references and added electronic links.	Update/Add
1901	Added an Overview section.	Add
190105 (previous version)	Deleted the Administrative Office Review of Payment Request. This information is located in Volume 12, Chapter 5 of this Regulation.	Delete
1902	Added a Policy section.	Add
1903	Added a Quality and Internal Controls section.	Add
1904	Added a Payment section	Add
1905	Added Debt Collection for Grants and Cooperative Agreement section	Add
190501.B.2	Added requirement that Grants officers will obtain each recipient's Tax Identification Number (TIN).	Add
191003 (previous version)	Deleted the methods of payment. This information is located in Volume 12, Chapter 5 of this Regulation.	Delete

TABLE OF CONTENTS

PAYMENT PROVISIONS FOR GRANTS AND OTHER INSTRUMENTS OF ASSISTANCE

- ★ 1901 Overview
- ★ 1902 Policy
- ★ 1903 Quality and Internal Controls
- ★ 1904 Payment Request
- ★ 1905 Debt Collection for Grants and Cooperative Agreements

CHAPTER 19

PAYMENT PROVISIONS FOR GRANTS AND OTHER INSTRUMENTS OF ASSISTANCE★1901 OVERVIEW

This chapter provides the necessary guidance to ensure that payments are made **and recorded** properly for expenditures of funds under Department of Defense (DoD) grants, cooperative agreements, and other instruments of assistance not covered in other chapters or volumes. Guidance also is included for cash management and debt collections associated with grants and other instruments of assistance. **Office of Management and Budget (OMB) Circular A-102** describes statutory criteria that distinguish grants from cooperative agreements. These criteria are codified at **Title 31 United States Code (USC), section 63**.

190101. The office that issues the grant or other type of instrument of assistance distributes a copy of the award to the **office designated to administer the grant or cooperative agreement**. Modifications made by the awarding or administering office also will be promptly distributed to the **Defense Finance and Accounting Service (DFAS) office designated to make the payments to the recipient**.

190102. The award designates the specific disbursing office which will make payment. **The entitlement office verifies propriety, adequacy, and completeness of documentation to substantiate amounts to be paid by the DoD**. The **entitlement office's** copy supports the payment and is attached to the retained copy in the payment file or document. Close working relations between **all involved offices** are necessary for timely and accurate handling of financial transactions in issuing and paying the assistance instruments.

190103. **Electronic Commerce (EC) and Electronic Funds Transfers (EFT)** are the preferred methods to process payment requests and related actions. The **EC** guidance contained in **Chapter 17** of this volume also is applicable to payment actions in this chapter.

★1902 POLICY

190201. **DoD Directive 3210.6-R "Department of Defense Grant and Agreement Regulations"** (DGARS) provides the overall management of functions related to grants and cooperative agreements. The DGARS is codified at **Title 32, Code of Federal Regulations (CFR), Parts 21-37**.

190202. **Volume 12, Chapter 5** of this Regulation contains the accounting guidance to be followed by DoD Components for grants and cooperative agreements.

190203. **Volume 5** of this Regulation contains additional disbursing guidance.

190204. The **Cash Management Improvement Act (CMIA)** sets rules, including interest liabilities, and procedures for the transfer of funds between Federal agencies and the states for financing Federal Assistance Programs.

★1903 QUALITY AND INTERNAL CONTROLS

190301. Quality and Internal Controls are necessary to ensure grant funds are being used for the purpose awarded and expended within the constraints reflected in the grant.

190302. Office of Management and Budget (OMB) Circular A-123 Appendix A, "Management's Responsibility for Internal Control" requires financial statement audits of non-Federal entities that receive or administer grant awards of Federal monies. The financial statement audits include testing the effectiveness of internal controls, and determining whether the award monies have been spent in compliance with laws and regulations. Each Federal agency that provides Federal grant awards will review the audits of the recipients to determine whether corrective actions are implemented with respect to audit findings. For additional information, see the Single Audit Act information prescribed in OMB Circular A-133.

★1904 PAYMENT REQUEST

190401. For non-construction program agreements with states, local governments, universities, and other non-profits, DoD 3210.6-R requires requests for advance payments or reimbursements to be made on Standard Form (SF) 270, Request for Advance or Reimbursement or other forms may be used if authorized by OMB. Each Federal awarding agency will use the SF 425, Federal Financial Report, as the standard form to be used for requesting reimbursement for construction programs; however, a Federal awarding agency may substitute the SF-270 when the Federal awarding agency determines that it provides adequate information to meet Federal needs.

190402. For payments to commercial recipients, DoD Components may authorize recipients to use SF 270 or SF 271, or prescribe other forms as necessary.

190403. See Volume 12, Chapter 5 of this Regulation for information concerning payment types.

190404. The entitlement office will certify and submit the voucher for payment as soon as practicable in accordance with the following guidelines:

A. No more than 7 days after receipt of the recipient's request at the administering office whenever electronic commerce is used, e.g., Electronic Data Interchange (EDI) to request the payment and EFT to make the payment;

B. No more than 30 days after receipt of the recipient's request at the administering office when it is not possible to use electronic commerce; and

C. No more than 7 days after each date specified when payments are authorized in advance based on a predetermined payment schedule provided the payment schedule was received in the disbursing office at least 30 days in advance.

★ 1905 DEBT COLLECTION FOR GRANTS AND COOPERATIVE AGREEMENTS

190501. Any funds paid to a recipient in excess of the amount to which the recipient is entitled constitutes a debt to the DoD. Primary responsibility for collecting the debt may rest with the disbursing office or the grants office.

A. Chapter 18 of this volume applies to contractor debts which all applicable offices have responsibility for collecting. This section extends those responsibilities to grants and cooperative agreements whenever overpayments or duplicate payments are made. Follow the guidance contained in both Chapter 18 of this volume, and in part 22, section 820 of the DoD Directive 3210.6-R, for collecting debts arising from grants and cooperative agreements.

B. Grant officers have the initial responsibility for collecting all other debts arising from assistance agreements, except those described in paragraph 190501.A.

1. When the grant officer has exhausted all means and the debt has not been resolved, the grant officer will follow the procedures in Chapter 18 of this volume.

★ 2. Grant officers will obtain each recipient's Taxpayer Identification Number (TIN) and notify the recipient that the TIN is being obtained for the purpose of collecting and reporting on any delinquent amounts that may arise out of the recipient's relationship with the Government.

C. Upon receipt of the debt package from the grants officer, the Debt Management Office (DMO) will pursue collection of the debt.

190502. In accordance with the provisions of OMB Circular A-129, "Policies for Federal Credit Programs and Non-Tax Receivables," an administrative offset may be used to collect delinquent debts owed by a recipient. If an administrative offset is taken, then the entitlement office will follow the due process as provided in Title 31 United States Code, section 3716, 31 Code of Federal Regulations (CFR) 901.2, "Demand for Payment," and 31 CFR 901.3, "Collection by Administrative Offset," where the statute and regulations are applicable. Use of an administrative offset is not required in every instance in which there is an available source of funds. Either the entitlement office or the accounting office will make the determination on a case-by-case basis in conjunction with the grants officer responsible for the award against which the offset will be applied. The following are examples of when an offset will not be taken:

A. Recovery of debt by an administrative offset will not be taken when the grants officer determines that the offset will substantially interfere with, or defeat the purpose of, the program for which the offset is contemplated.

B. Grants and cooperative agreements paid in advance generally are not subject to offset. If deemed to be in the best interest of the government, then the entitlement office may request the issuing grant officer to convert the agreement to a reimbursable method of payment which would enable the use of an administrative offset.

190503. The office responsible for collecting the debt will apply interest, penalty, and administrative costs to delinquent debts according to guidance contained in Volume 4, Chapter 3, Annex 1 of this Regulation. See Chapters 29, 31, and 32 of Volume 5 of this Regulation for additional information.

190504. Any debt that is determined uncollectible will be written off in accordance with Volume 4, Chapter 3 and Volume 5, Chapters 29 and 31, of this Regulation.