

**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
1901 and 1902	Clarified references.	Update
190401	Clarified guidance on forms to be used for payment requests.	Update

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CHAPTER 19

PAYMENT PROVISIONS FOR GRANTS AND OTHER INSTRUMENTS OF ASSISTANCE1901 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 those instruments. The [DoD Directive 3210.6-R “Department of Defense Grant and Agreement Regulations”](#) (DoDGAR) Part 22, Subpart B, 22.205 describes statutory criteria that distinguish grants and cooperative agreements from procurement contracts. These criteria are codified at [Title 31 United States Code \(USC\), Chapter 63](#). The [Office of Management and Budget \(OMB\) Circular A-102](#) establishes consistency and uniformity among Federal agencies in the management of grants and cooperative agreements.

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. The DoDGAR provides the regulatory framework for the overall management of functions related to grants and cooperative agreements. The DoDGAR 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 \(CMIA\)](#), codified at [Title 31, Code of Federal Regulations, Part 205](#), 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. [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](#) and [DoD Directive 7600.10, "Audits of States, Local Governments and Non-Profit Organizations."](#)

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. For construction programs, each Federal awarding agency will use the [SF 271, Outlay Report and Request for Reimbursement for Construction Program](#), as the standard form; 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. The [SF 425, Federal Financial Report](#), and [SF 425a, Federal Financial Report Attachment](#), will be used for financial reporting for grants and cooperative agreements prescribed by [OMB](#).

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 [31 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.