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FREQUENTLY ASKED QUESTIONS (FAQs)

**U.S. Industry Opportunities for Advanced Nuclear Technology
Development**

Funding Opportunity Announcement (FOA) Number DE-FOA-0001817

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1. What's the first thing I should do prior to starting my application?

Determine if you are eligible for an award. This step is relatively stress-free, inexpensive and fast. Before beginning the application process, you should make sure you or your organization is eligible to apply for the grant. The key to eligibility is understanding legal eligibility per the funding opportunity announcement (FOA).

For the full legal eligibility requirements, you need to carefully read the FOA, particularly Section III. If you don't double check that you are eligible in the FOA's Application Instructions, you could waste a lot of time and money completing the application process for a grant you cannot legally receive, regardless of how well you write your application.

2. The FOA indicates I need to be registered in several systems; how do I go about getting registered?

The instructions below are for new organizations or organizations that have never applied for a federal grant before. Most applicants work for organizations that already completed these steps to do business with the federal government.

Before your organization can apply for a federal grant, there are several steps an organization must complete outside of Grants.gov prior to submitting an application through Grants.gov. An organization is an entity that submits grant applications on behalf of the group, such as a state government, [nonprofit organization](#), or [a private business](#). Once you form a legal entity with an [Employer Identification Number \(EIN\)](#), you are ready to complete the steps below.

Below are the main steps and links to more information to complete this process. The process below can take between three business days and five weeks, so please make sure to begin early. If you do not complete these steps by the submission deadline, you are unlikely to be allowed to submit an application.

A. [Obtain a DUNS Number](#).

A DUNS Number from Dun & Bradstreet is a business identification number that is used much like your social security number. This is a cost free service for companies wanting to do business with the federal government. If you do not have one, contact Dun and Bradstreet as shown below.

How do I get a DUNS number?

Call 1-866-705-5711 or access the Dun & Bradstreet website <http://fedgov.dnb.com/webform>.

→ How long does this step usually take?

1-2 business days

B. [Register with SAM](#)

You must be registered in SAM to be awarded a contract from any federal civilian or military agency. You can complete this process in www.sam.gov. This is a free service.

How do I register with the System Award Management (SAM)?

Access <https://www.sam.gov> and complete the online registration process. You also need the authorizing official of the organization to send a [notarized letter](#) to SAM and an EIN.

→ How long does this step usually take?

After SAM receives the notarized letter, [up to 2 weeks \(up to 5 more weeks to acquire EIN\)](#)

C. [Register with Grants.gov](#)

How do I register a Grants.gov account?

Click [here](#) and complete the on-screen instructions.

→ How long does this step usually take?

Same day

NOTE: Passwords expire every 60 days. Accounts inactive for 1 year or more result in removal of all account roles.

D. **Register with FedConnect.**

FedConnect is a web portal that bridges the gap between DOE and grants applicant communities to streamline the process of doing business with government. Through this portal you will be able to review opportunities and receive awards. Applicants must register with FedConnect to submit questions. FedConnect website: www.fedconnect.net.

Click [here](#) to see FedConnect frequently asked questions.

E. **Registration Help**

Help: Online User Guide

Find registration, search, and application instructions for all users in the [Grants.gov Online User Guide](#).

For detailed applicant information, review the Applicants section of the online user guide.

Help: Support Center

Contact the Grants.gov Support Center to get help from a representative.

Email us at support@grants.gov or [visit our Support page](#).

3. What rules does DOE go by when processing financial assistance awards?

DOE follows the uniform administrative guidance at [2 CFR 200](#), as well as [2 CFR 910](#). 2 CFR 910 includes special rules for for-profit applicants. DOE has implementing guidance in the [DOE Guide to Financial Assistance](#), as well as in the [DOE Merit Review Guide](#). You should familiarize yourself with Federal and DOE financial assistance procedures - the more familiar you are with these procedures, the better you will understand how DOE does business for financial assistance actions, apply for DOE financial assistance awards, and perform the requirements of those awards.

In addition, the Government offers free [training resources](#) and Frequently Asked Questions by Applicants ([FAQs](#)) which you are encouraged to use.

4. What's an FOA and why is it important?

For competitive grants and cooperative agreements, DOE announces specific funding opportunities by providing specific information in a public notice known as a Funding Opportunity Announcement (FOA).

The FOA will tell you all about the opportunity, including its objectives, award information, eligibility information, application and submission information including submittal due dates, application review information, award administration information, and agency contact information, etc. Essentially, everything you need to know about this financial assistance opportunity is in the FOA; accordingly, it is imperative that you read the FOA.

5. Indirect cost rates.

As part of your application you must submit a detailed narrative description of the proposed project (i.e., a project plan) and an associated budget with supporting justification. The budget is the financial plan for the proposed project. The budget will normally include indirect costs. When deciding whether to submit an application in response to the FOA, determine if your organization already has a federally established indirect cost rate. If so, identify this in your budget supporting documentation along with a copy of any federally established rate agreement. If not, you will need to:

- a. Determine if you are eligible to use a de minimus indirect rate of 10% (see 2 CFR 200.414 for details), or
- b. Obtain a federally established indirect cost rate. If you do not have a current federally established indirect cost rate you will be required to submit additional information including an indirect rate cost proposal, and additional Government reviews will be required to evaluate, negotiate and determine an appropriate rate. ***These actions can take an extended period of time (up to six months) to complete so it is vitally important to begin these as early on as possible so as not to unduly delay the application submittal or award process.***

To start the process if you do not have a federally established indirect cost rate:

- a. Identify and contact your cognizant federal agency for indirect costs (see 2 CFR 200.19) and/or request the agency provide you with information/requirements needed to submit an indirect rate cost proposal. While the process to establish indirect rates and information needed to do this may vary between agencies, attached is an informational briefing from one agency, DCAA regarding this (see FAQ Attachment 1).
- b. If you are unable to identify your cognizant agency or do not have a cognizant agency, notify the iFOA DOE contract specialist Brandon Stike at stikebm@id.doe.gov of your intent to submit an application and to request assistance. Provide the following: Organization name, address and organization representative name, title and email address.

6. What is the difference between a direct cost and an indirect cost?

A direct cost is any cost that can be easily identified with a specific project (grant/contract): e.g., Salaries and Wages, Materials & Supplies, Subcontracts, Consultants.

An indirect cost is any cost that cannot be easily identified (or it would not be cost effective to identify) to a specific project, but identified with two or more final cost objectives. There are three types of indirect costs:

- a. Fringe Benefits: services or benefits provided to employees, e.g., Health Insurance, Payroll Taxes, Pension Contribution, Paid Absences, etc.
- b. Overhead: indirect costs associated with the performance of a project, e.g., Facility Costs (rent, heat, electricity, etc.), General Laboratory Supplies, etc.
- c. General and Administrative (G&A – used by for-profit entities): indirect costs associated with the overall management of an organization, e.g., President’s Office, Human Resources Office, Accounting Office, office supplies, etc.

Note: For institutions of higher education and nonprofit entities, indirect facilities & administrative (F&A) costs are used. See FAQ #7 below.

7. What is an F&A rate?

An F&A rate is a Facility and Administrative rate – a term which is synonymous with an indirect cost rate. F&A costs are costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved. To facilitate equitable distribution of indirect expenses to the cost objectives served, it may be necessary to establish a number of pools of indirect F&A costs. F&A cost pools must be distributed to benefitted cost objectives on bases that will produce an equitable result in consideration of relative benefits derived.

8. How long does it take to negotiate an indirect cost rate(s) once the cognizant federal agency receives the proposal?

It varies, depending on such factors as: whether the entity has had an established rate in the past; the adequacy of the proposal; the organization’s responsiveness to the cognizant federal agency’s questions regarding the proposal; and the cognizant federal agency’s workload at the time the proposal is received, etc. See also answer to #5 above.

9. Is the Organization required to negotiate a rate prior to submitting a grant application/contract proposal?

No. However, the rate(s) and base(s) the organization proposes should be consistent with the rate(s) submitted to the cognizant federal agency for review. See also answer to #5 above.

10. What's an indirect cost rate proposal and where do I go to learn more about it?

Indirect cost rate proposal means the documentation prepared by a non-Federal entity to substantiate its request for the establishment of an indirect cost rate. DOE awards financial assistance actions to a diverse population of awardees. Each organization must comply with the applicable federal requirements contained in 2 CFR §200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards related to cost principles, administrative standards, and audit requirement publications. Specific indirect cost requirements are applicable to different types of organizations, as follows:

- a. Non-profit organizations are required to follow the regulations contained in 2 CFR § 200, Appendix IV— Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Nonprofit Organizations.
- b. For profit organizations are required to follow the cost principles contained in the Federal Acquisition Regulations (FAR) Part 31, and federal administrative standards contained in 2 CFR §200, Subparts A-D. Audit requirements are the responsibility of the cognizant federal agency. *
- c. State and local governments are required to follow regulations contained in 2 CFR § 200, Appendix VII—States and Local Government and Indian Tribe Indirect Cost Proposals. Note: Because the federal organization providing the preponderance of funding is normally the cognizant agency, DOE is rarely the cognizant agency for state and local government agencies.
- d. Educational institutions (colleges, universities, and tribal colleges) are required to follow the regulations contained in 2 CFR §200, Appendix III—Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Institutions of Higher Education. Note: DOE normally does not negotiate indirect cost rates with institutions of higher education.

*For for-profit entities, if DOE is your cognizant agency, normally the services of the Defense Contract Audit Agency (DCAA) will be used to receive and evaluate your indirect cost rate proposal, and to negotiate the indirect cost rate. To assist you in working with DCAA on this, DCAA guidance and audit programs are posted at <http://www.dcaa.mil/Home/Guidance>. DCAA tools and checklists are posted at <http://www.dcaa.mil/Home/ChecklistAndTools>. Two that may be helpful are: ICE (Incurred Cost Electronically) Model, and Forward Pricing Rate Proposal Adequacy Checklist.

11. I represent a commercial organization. This is our first time preparing an indirect proposal, we're not sure how to do this?

You should seek the help of an accountant or accounting firm with experience in government contract/grant accounting and the preparation of indirect cost proposals. See also answers to #5 and #10 above.

12. Who is responsible for negotiating indirect cost (F&A) rates for sub applicants that receive no prime awards?

If the subapplicant does not already have a federally established rate and/or does not have any prime awards, it is the prime contractor's/grantee's responsibility to establish the reasonableness of the subapplicant's indirect cost (F&A) rates.

13. Is an indirect cost rate good forever?

No, indirect cost rates are usually negotiated annually and are based on the organization's fiscal year and not on the government's fiscal year or grant/contract period.

14. If a commercial organization's provisional indirect cost rate has recently expired, what rate should be used for funding a new DOE award?

There is no simple answer to this question. The DOE contract specialist will normally contact DCAA for advice. If a commercial organization's provisional indirect cost rate(s) recently expired and DCAA has not received a new rate proposal, DCAA may recommend that the expired provisional rate(s) be used for funding purposes. If a long period of time has transpired since the rate(s) expiration date, DCAA may need an updated indirect cost proposal before recommending funding rates.

15. Is DCAA responsible for negotiating indirect cost rates for universities, hospitals, non-profit organizations and state and local governments?

No. The US Department of Health and Human Services (HHS) Division of Cost Allocation (DCA) negotiates these rates. The Office of Naval Research (ONR) Indirect Cost Branch is responsible for negotiating indirect cost rates for colleges and universities and nonprofit entities that are assigned to Department of Defense (DoD) for rate cognizance.

16. How can I obtain the HHS negotiated indirect cost rate for a college/university or non-profit organization?

Indirect cost/F&A rate agreements negotiated by the HHS, Division of Cost Allocation are available to authorized government personnel electronically via the Department's Rate Agreement Database.

17. Why are indirect cost rates required for cost reimbursement type awards?

Indirect cost rates are required for cost reimbursement type awards to provide an equitable method for allocating indirect costs to all awards and provide a uniform method to fund and reimburse indirect costs on grants and contracts.

18. How is an Indirect Cost Rate Computed?

An indirect cost rate is a device for equitably allocating indirect costs to projects. An indirect cost rate is a mathematical computation that is the ratio between the total indirect costs (pool) and an equitable direct cost base. The indirect cost system an organization develops depends primarily on the size and type of organization. The following are examples of indirect cost systems.

One Tier System: One Pool

Pool includes Fringe Benefits, Overhead and G&A

Two Tier System: Two Pools

(see FAQ Attachment 2 for an Excel File Two Tier Indirect System detailed example)

Fringe Benefits Pool

Overhead and G&A Pool

Three Tier System: Three Pools (see FAQ Attachment 3 for an Excel File Three Tier Indirect System example)

Fringe Benefits Pool

Overhead Pool

G&A Pool

An organization should choose a Base for allocating indirect costs that will equitably distribute indirect costs to all projects.

19. Which rate structure should I use when submitting my indirect rate proposal?

It depends. The rate structure depends on the size and complexity of your organization as well as types of costs your organization incurs. In general the smaller the organization, the simpler the rate structure. A larger organization with many projects and a complicated accounting system would more typically use the more complex two or three tier system. For detailed examples of two and three tier systems go to Two Tier Example and Three Tier Example.

20. What type of documentation is required to support our indirect cost rates we plan to bill?

If you have performed cost type work for another federal agency, describe how this agency determined your overhead rates to be reasonable. Has another agency (DCAA perhaps?) ever audited your rates? Do you have a forward pricing rate agreement in place? If not, provide the figures and explain the method of calculating your rates with a description of expense costs and why these are not allocable to a single cost center objective.

DCAA guidance and audit programs are posted at <http://www.dcaa.mil/Home/Guidance>.

DCAA tools and checklists are posted at <http://www.dcaa.mil/Home/ChecklistAndTools>. Two that may be helpful are:

- a. ICE (Incurred Cost Electronically) Model
- b. Forward Pricing Rate Proposal Adequacy Checklist

21. Is there a standard or average indirect cost rate for Commercial Organizations?

No, the rate(s) varies by organization; some of the factors that can impact the rate(s) are:

- Size of Organization
- Type of Organization (e.g.; research or manufacturing)
- Age of Organization
- Location of Organization
- The rate structure used
- The indirect cost base used

22. If an organization has negotiated rates with DCAA can these rates be used for funding DOE grants/contracts?

Yes, if the rates are current. Contact the DCAA Indirect Cost Branch for assistance (301-496-2444).

23. What is fixed fee, i.e., is it an indirect cost?

Fixed fee is a profit factor that an organization receives under an award. Fixed fee is not an indirect cost. The non-Federal entity may not earn or keep any profit resulting from Federal financial assistance, unless explicitly authorized by the terms and conditions of the Federal award. See 2 CFR 200.400(g).

24. I understand that patent costs are unallowable as a direct cost unless specifically authorized on the grant award, but may be allowable as F&A costs, provided they are authorized under applicable cost principles, and are included in the negotiation of F&A cost rates. Does that mean patent costs may be allowable F&A costs for commercial organizations?

No, Part 31 of the Federal Acquisition Regulations, cost principles for commercial organizations, clearly states in 31.205.30 "other than those for general counseling services, patent costs not required by the contract [or grant] are unallowable."

25. The FOA requires Cost Sharing; what does DOE look for regarding this?

Where cost sharing is required, DOE will review applicant compliance with at least meeting the minimum amount of cost sharing as a percentage of the total project cost. DOE also reviews what is offered for cost sharing (e.g., cash, in-kind contributions, etc.), the source of the proposed contribution and assesses the likelihood of the applicant being able to provide the required cost sharing. So, it is important that complete information permitting DOE to complete its review be provided in the application Budget Justification.

26. Must I disclose foreign government ownership interests as part of my application?

Yes, applicants must disclose foreign government ownership interests, if any. This disclosure shall include foreign government ownership at any level in the corporate structure. Applicants with no foreign (non-U.S.) government ownership at any level in the corporate structure are to affirmatively indicate the same.

27. What is a Financial Management Assessment; when and how does DOE do it?

A financial management assessment assesses the applicant's ability to manage the financial aspects of an award and its plans to accomplish project activities with reasonable economy and efficiency.

The financial management assessment is done by DOE after selection but prior to award. The standards for acceptable financial management are found at 2 CFR Part 200.302. A full financial management assessment is typically only done for applicants that DOE has not previously funded; when the applicant is a newly organized concern; or the organization is known or suspected to have operational and/or financial difficulties or inadequacies.

If an assessment is undertaken, it is based on the standards in 2 CFR Part 200 and typically includes a review of:

- a. The applicant's accounting system to determine whether it is adequate for the accumulation and segregation of costs on a project-by-project basis and whether its books of account are adequate for and suited to the organization's business;
- b. The applicant's purchasing procedures to determine if they exist in written form and whether they result in effective, economical, and well-documented procurement;
- c. The applicant's personnel practices and procedures to determine if they exist in written form, whether they provide for adequate separation of responsibilities for hiring, dismissal, promotion, etc., and whether the organization can meet the cost principle standards for documenting its payroll;

- d. The existence and adequacy of other written procedures governing travel, use of consultants, and property management;
- e. The organizational structure and assignment of functional responsibilities to determine whether the organization can adequately safeguard its assets and provide accurate and dependable financial and cost data, and whether employees can adequately discharge their responsibilities and adhere to established policies.

In those cases where applicants are unable to comply with the financial management standards or the business review indicates problems or a lack of understanding of costs issues, the DOE Contracting Officer may determine that the applicant is high risk and incorporate special restrictive terms and conditions into the award.

28. The FOA indicates that DOE will do a review of Risk Posed and Responsibility Determination. What is this and what information does DOE look for when reviewing it?

Prior to making award, DOE Contracting Officers must make an affirmative determination of responsibility. This determination includes the financial management assessment and business review discussed above.

Applicants selected for negotiation will be subject to a review of risk posed and responsibility determination in accordance with 2 CFR Part 200.205 and DOE's [DOE Guide to Financial Assistance](#). This process may involve a review of the applicant's and subapplicant's business management systems (i.e., accounting, financial, procurement, property, etc.) and a review of financial statements. Other information may be requested to support this review and determination based on the amount of previous experience the applicant and subapplicant have in successfully performing other federal awards.

The awardee must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in "Standards for Internal Control in the Federal Government" issued by the Comptroller General of the United States or the "Internal Control Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

The extent of the risk/responsibility screening depends on if DOE has any prior experience with the applicant. The responsibility determination considers if the applicant has the administrative and programmatic capabilities to perform. This includes the capability to develop and implement administrative systems required by 40 CFR Part 30, including systems related to financial management, property management, procurement standards, financial reporting, record-keeping, and submission of administrative reports/certifications for grant closeout. It also includes the technical capability of an applicant to successfully carry out a project taking into account such factors as the applicant's past successful performance; history of meeting reporting requirements; organizational experience and plans for timely and successful achievement of the objectives of the project; and staff expertise/qualifications and resources to successfully achieve the goals of the project.

29. What information does DOE look for when reviewing the administrative systems referred to above; why type of document does DOE look for?

See answers to FAQs 29 - 34 below.

30. What type of documentation is required for our Procurement Policy and procedures?

This is covered under 2 CFR 200 subparts 317 through 326. The applicant's purchasing procedures are reviewed by DOE to determine if they exist in written form and whether they result in effective, economical, and well-documented procurement.

See FAQ Attachment 4 for a sample checklist DOE-ID may use in evaluating the sufficiency of an entity's procurement policies and procedures.

31. What type of documentation is required for our Travel Policy and procedures?

This is covered under 48 CFR (see FAR 31.205-46) if a for profit entity; all other types of entities must adhere to rules at CFR 200.474.

DOE verifies the applicant has a written travel policy and looks to see if proposed travel costs are consistent with this policy. See FAQ Attachment 5 for a Travel Policy Checklist for the types of considerations made by the DOE Contract Specialist when reviewing the applicant's written travel policy for acceptability.

32. What type of documentation is required for our Property Management policy and procedures?

If the award involves property, whether it be real property or personal property, the applicant must have an acceptable written property management policy and procedures. This includes whether the property is Government-furnished or is applicant-acquired.

Property standards are covered under 2 CFR 200 subparts 310 through 316. See FAQ Attachment 6 for a listing of characteristics of a complaint property system.

33. What do I need to submit for verification of insurance for federal real or personal property we will have custody of or will acquire during performance of our award?

This is covered under 2 CFR 200.310 Insurance Coverage. If the award involves real property and/or equipment that is acquired or improved with Federal funds, the property must be insured. The applicant's property insurance coverage must, at a minimum, provide equivalent insurance coverage as provided to property owned by the applicant. Typically, if the applicant's written property management policy states this, no further verification will be required.

Note that Government Furnished Property will typically not require coverage unless required by the award.

34. What do I need to submit regarding personnel practices and procedures?

The applicant's personnel practices and procedures are reviewed by DOE to determine if they exist in written form, whether they provide for adequate separation of responsibilities for hiring, dismissal, promotion, etc., and whether the organization can meet the cost principle standards for documenting its payroll.

Typically, this information is on publically available websites for IHE's, but for other applicants, the COE Contract Specialist may request to see a copy of your personnel practices and procedures.

35. What type of documentation is required to verify that our accounting system is compliant with GAAP and Federal Acquisition Regulation (FAR) 31.2?

Generally Accepted Accounting Principles (GAAP), has the meaning specified in accounting standards issued by the Government Accounting Standards Board (GASB) and the Financial Accounting Standards Board (FASB).

The applicant's accounting system is reviewed by DOE to determine whether it is adequate for the accumulation and segregation of costs on a project-by-project basis and whether its books of account are adequate for and suited to the organization's business.

The applicant may be subject to federal Cost Accounting Standards. For example, an IHE that receives aggregate Federal awards totaling \$50 million or more in Federal awards subject to this part in its most recently completed fiscal year must comply with the Cost Accounting Standards Board's cost accounting standards located at 48 CFR 9905.501, 9905.502, 9905.505, and 9905.506 (see 2 CFR 200.419).

As part of DOE's budget review of the applicant's proposed budget, DOE will evaluate specific elements of the budget to determine that proposed costs are consistently treated in accordance with GAAP and applicable cost principles.

See FAQ Attachment 7 for an Accounting System Checklist that provides characteristics of a compliant accounting system.

36. What other types of documentation may be required to support our application?

To a large extent, this will likely depend on such factors as the dollar value and complexity of the proposed award, as well as DOE's prior successful experience with the applicant. Examples of other information DOE may need to review include such things as the existence and adequacy of written procedures governing the use of consultants, and the applicant's organizational structure and assignment of functional responsibilities to determine whether the organization can adequately safeguard its assets provide accurate and dependable financial and cost data, and whether employees can adequately discharge their responsibilities and adhere to established policies.

37. How do I certify any environmental impacts for my proposed scope?

This typically consists of information that a successful applicant must submit after notification of selection for a Federal award, but prior to the Federal award being made. It evidences compliance with requirements relating to the National Environmental Policy Act (NEPA) (42 U.S.C. 4321-4370h). Typically, concurrent with or following a letter from DOE to the applicant that it has been selected for award the applicant will be requested to complete and submit an Environmental Checklist to the DOE Contract Specialist (see FAQ Attachment 8 for an Environmental Checklist).

The completed Environmental Checklist will be reviewed along with the applicant's project plan by DOE NEPA Compliance personnel. If there are issues or additional information is needed, the applicant will be contacted. Otherwise, you can assume the Environmental Checklist has been approved.

Attachments:

<u>Number</u>	<u>Title</u>
1	DCAA Briefing on Indirect Cost Rates
2	Two Tier Indirect Cost System Example
3	Three Tier Indirect Cost System Example
4	Procurement Policy Sample Checklist
5	Travel Policy Checklist
6	Compliant Property System Characteristics
7	Accounting System Checklist
8	Environmental Checklist