

Chapter 1: Application Process

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ELIGIBLE RECIPIENTS

Block and formula grants may be awarded to States or units of local government and non-profit organizations, based upon statutory authority. (See appropriate program guidelines for eligibility.) Discretionary awards may be awarded to States, units of local government, Indian tribes and tribal organizations, individuals, educational institutions, hospitals, and private non-profit and private commercial organizations (if legislation allows) at the discretion of the awarding agency.

PROGRAM ANNOUNCEMENTS

Programmatic and technical requirements relating to block and formula grant applications are contained in block and formula grant guidelines available from the awarding agency. The awarding agency announces the programs which it has developed for funding under its discretionary award program in the Federal Register. A compilation of available assistance programs may also be found in the Catalog of Federal Domestic Assistance (CFDA) published by the U. S. General Services Administration.

CERTIFIED ASSURANCES (NON-DISCRIMINATION REQUIREMENTS)

Applicants must assure and certify that they comply, and assure the compliance of their subrecipients, with all applicable civil rights non-discrimination requirements as set forth on the OJP Assurances Form 4000/3 (Attachment to SF 424).

In the event that a Federal or State court or Federal or State administrative agency makes a finding of discrimination after a due process hearing on the grounds of race, color, national origin, sex, or disability against a recipient of Federal funds, or any subgrantee or contractor of that recipient, a copy of such findings must be forwarded to the Office for Civil Rights, Office of Justice Programs.

All recipients and their subrecipients must also provide the Office for Civil Rights with an Equal Employment Opportunity Plan, if required to maintain one, where the award is \$500,000 or more.

INTERGOVERNMENTAL REVIEW

If the State has established a process for the review of Federal programs and activities eligible under Executive Order 12372 and a particular program has been selected for review by the State, applicants for the program must submit a copy of their application to the State “single point of contact” (SPOC) prior to or at the same time that the application is submitted to the awarding agency. Additional information concerning this requirement is contained in the individual program announcements.

NOTE: The awarding agency is required to assure that awards meet certain legislative, regulatory, and administrative requirements. This agency's policy is to provide assurance that awards are only for allowable, allocable, fair, and reasonable costs. Awards must be made only to eligible recipients. Applicants must possess the responsibility, financial management, fiscal integrity, and financial capability necessary to adequately and appropriately administer Federal funds. The awarding agency follows the requirements stipulated in the administrative requirements for grants and agreements that are codified at 28 CFR Part 66 and 28 CFR Part 70. In complying with these requirements, the awarding agency will perform the following procedure.

APPLICATION REVIEW

An examination of the Application for Federal Assistance (SF 424) is conducted to determine:

1. **Type of Applicant.** An example is a new applicant (organizations that have not had an active award within the last two fiscal years, not-for-profit (NPO), for-profit, State, or local unit of government, etc.).
2. **High Risk Applicant.** The awarding agency will obtain credit reports before making awards to new or high risk recipients (except State and local governments, including public colleges, universities, hospitals, or Federally recognized Indian tribal governments). Also, the awarding agency shall obtain credit reports on any applicant when there is reason to believe that performance is substandard or there is evidence of financial irregularities. When an applicant is considered high risk by an agency, then all other like agencies must also consider the applicant high risk. For example, if BJA were to consider an applicant high risk and require progress reports be submitted more frequently, then other agencies, such as OJJDP or OVC, must also consider the applicant high risk.
3. **Accuracy of Taxpayer Identification Number (TIN).** This number includes the social security numbers (SSN) for individuals or employer identification numbers (EIN)¹ for business entities, which are used to identify our customers.
4. **Applicant Federal Debt.** The SF 424 includes a question about whether there is Federal debt. That question applies to the organization requesting the financial assistance, not the person who signs the application as the authorized representative of the organization. Categories of debt include delinquent audit disallowances, loans, and taxes.
5. **Financial Capability.** When the applicant is a non-governmental entity and if there has been no recent history with OJP, a financial capability questionnaire will be provided to the applicant. This questionnaire should be submitted to the awarding agency before the award is made.
6. **Dun & Bradstreet (D&B) Data Universal Numbering System (DUNS).** Effective October 1, 2003, all grant applicants must have a DUNS number when applying for Federal grants and cooperative agreements (initial or supplemental awards). Organizations may receive a DUNS number at no cost, by calling the toll-free DUNS Number request line at 1-866-705-5711. Individuals who apply for grant awards or cooperative agreements from the Federal government are exempt from this requirement.

FEDERAL DEBT (OMB CIRCULAR A-129)

The awarding agency holds recipients accountable for any overpayment, audit disallowances, or any other breach of award that results in a debt owed to the Federal government. The Debt Collection Act of 1996 states that if, after written notification, grantee payments continue to be delinquent, the debt will be referred to a collection agency for further action. The awarding agency shall apply interest, penalties, and administrative costs to a delinquent debt owed by a debtor pursuant to the Federal Claims Collection Standards and OMB Circular A-129.

¹The awarding agency uses the SSN or EIN to track awards. There is no relationship to the Social Security Administration or the Internal Revenue Service. In certain circumstances, an arbitrary EIN will be assigned, e.g. awards made directly to subunits of government which need an identifier distinct from that of their parent agency.

FINANCIAL ANALYSIS

The analysis of project applications includes:

1. Performing a cost analysis of each project application considered for funding by the awarding agency. Cost analysis includes obtaining cost breakdowns, verifying cost data, evaluating specific elements of costs, and examining data to determine the necessity, reasonableness, allowability, allocability, and appropriateness of the proposed cost. The form and extent of such an analysis will be determined by the awarding agency.
2. Accepting current indirect cost rates approved by the Department of Justice, or rates approved by other Federal agencies. If applicants do not have an approved rate, they must submit an indirect cost proposal to their cognizant Federal agency.
3. Determining the adequacy of the applicant's accounting system and operations to ensure that Federal funds, if awarded, will be expended in a judicious manner. Where a non-governmental applicant (except public colleges, universities, and hospitals) has never received an award, the organization's accounting system should be reviewed prior to award or within a reasonable time thereafter to assure its adequacy and acceptability. This review should also apply where known financial or management deficiencies exist. The results of the review will determine the action to be taken by the awarding agency with regard to the award. Where an applicant has had prior awards, outstanding audit issues and delinquent audit, financial, or progress reports must be resolved prior to awarding additional discretionary funds.
4. Reviewing credit reports, delinquency status of Federal debt, and other prescreening information. The awarding agency will take such information into account when considering the application for award.

DEBARMENT AND SUSPENSION CERTIFICATION

This certification must be completed prior to recommendation for or against an award. The government-wide common rule for debarment and suspension and drug-free workplace, 28 CFR Part 67, provides guidance on requirements that recipients shall meet in order to receive Federal funds.

1. Title 28 of the Code of Federal Regulations (CFR), Part 67, provides that executive departments and agencies shall participate in a system for debarment and suspension from programs and activities involving Federal financial and non-financial assistance and benefits. Debarment or suspension of a participant in a program by one agency has government-wide effect. It is the policy of the Federal government to conduct business only with responsible persons, and these guidelines will assist agencies in carrying out this policy.
2. Certification Regarding Debarment, Suspension, Ineligibility, and Other Responsibility Matters Primary Covered Transactions (OJP Form 4061/2 or like form). Certifications must be completed and submitted by recipients of discretionary awards to the awarding agency's program offices during the application stage. Block/formula recipients are exempt from submission of this certification but are responsible for monitoring subrecipient submissions of the lower tier certification (OJP Form 4061/1) and for maintaining them at the State level.