United States Department of the Interior
OFFICE OF THE SECRETARY
Washington, DC 20240

Memorandum

DEC 28 2017

To: Assistant Secretaries
   Heads of Bureaus and Offices

From: Scott J. Cameron
       Principal Deputy Assistant Secretary for Policy, Management and Budget
       Exercising the Authority of the Assistant Secretary for Policy, Management and Budget

Subject: Guidance for Financial Assistance Actions Effective in Fiscal Year 2018

This memorandum requests your assistance to ensure that discretionary grants and cooperative agreements awarded by the Department of the Interior beginning in FY 2018, better align with the Secretary’s priorities (Attachment A). The following outlines actions needed to ensure appropriate review and oversight of the Department’s financial assistance programs.

1. Within two weeks of the date of this memo, bureaus must submit the attached template (Attachment B) to the Office of Acquisition and Property Management (PAM) listing all financial assistance programs, indicating which are non-discretionary and which are discretionary. A program is considered non-discretionary if the bureau does not have legal authority to direct funds for particular purposes or to particular recipients. Examples of non-discretionary programs are self-determination contracts authorized under the Indian Self-Determination and Education Assistance Act or the Fish and Wildlife Service’s Wallop-Breaux and Pittman-Robertson grants to states.

   Programs are considered discretionary if the bureau can direct funds to particular projects or purposes, if the bureau can set criteria for evaluating responses to Funding Opportunity Announcements in order to fund some proposals but not others, and can determine award recipients. The guidance in the balance of this memo applies to financial assistance in this discretionary category.

   PAM will interact with the bureaus to resolve any uncertainties as to whether a program should be considered discretionary in the context of this guidance memo.

2. Effective the date of this memo, bureaus must ensure that each discretionary financial assistance program, to the extent allowed by its authorizing statute, will promote the priorities listed in Attachment A. To accomplish this goal, assistant secretaries and bureau directors, in conjunction with Mr. Steven Howke, Senior Adviser to the Assistant Secretary for Policy, Management and Budget must work with each discretionary program to set expectations and to develop a plan for program execution. The plan
should include the specific language that the program intends to include in its announcements, including eligibility requirements, merit review factors, and rating systems.

3. The Department has a new process for approving discretionary grants and cooperative agreements.

   a. Grants and cooperative agreements with an individual or aggregate award of $50,000 to a non-profit organization that can legally engage in advocacy (i.e.: that is an entity organized under sections 501(c)(3), 501(c)(4), 501(c)(5), or 501(c)(6) of the Internal Revenue Code) must be reviewed by the Senior Adviser to the Assistant Secretary for Policy, Management and Budget, with a completed standard form Attachment C-1.

   b. Grants and cooperative agreements with an individual or aggregate award of $50,000 to an institution of higher education must be reviewed by the Senior Adviser to the Assistant Secretary for Policy, Management and Budget, with a completed standard form Attachment C-1.

   c. Grants and cooperative agreements with an award ceiling of $50,000 or more that are to be used to acquire land, or interest in land, must be reviewed by the Senior Adviser to the Assistant Secretary for Policy, Management and Budget, with a completed standard form Attachment C-1.

   d. For all other grants and cooperative agreements not covered by paragraphs a, b, or c above:

      i. Those with a ceiling of less than $100,000 must be reviewed and may be approved by bureau directors.

      ii. Those with an award ceiling above $100,000 but less than $250,000 must be reviewed and may be approved by the appropriate assistant secretary.

      iii. Those with an award ceiling of $250,000 or more must be reviewed and may be approved by the Senior Adviser to the Assistant Secretary for Policy, Management and Budget, with standard form Attachment C-2.

   e. Grants and cooperative agreements of any type in any amount may be subject to an after-the-fact review process to ascertain whether the funds were appropriately expended and whether the anticipated benefits were produced. The Office of Policy, Management, and Budget (PMB) will review internal control procedures established by each Bureau and office. These internal control procedures will be periodically tested to ensure consistent application and adherence.

   f. *Instances circumventing the Secretarial priorities or the review process will cause greater scrutiny and will result in slowing down the approval process for all awards.*

4. The Department’s Office of Communications will develop a process with bureaus and offices to determine which approved grants and cooperative agreements should be publicized.
5. PMB plans to update Departmental financial assistance policies early in calendar 2018, and in that process will consult with bureaus and offices to ensure that revised policies enable the Department to consistently better manage the risks associated with awards provided to third parties.

6. The Senior Adviser and the Assistant Secretaries may work together to make subsequent modifications to the review process described here, with respect to the programs of individual bureaus.

If you have any questions regarding this memo, please contact Steve Howke, Senior Adviser to the Assistant Secretary, Policy, Management, and Budget, at 202-208-2883 or steven_howke@ios.doi.gov.

Attachments