

SBIR/STTR Post Award Frequently Asked Questions

FedConnect

- 1. We have not received notification that our company's grant has been awarded. If our grant has been awarded, how do we access our assistance agreement and award attachments?**

If an award action has been initiated for your company, it will be available in FedConnect for your retrieval at <https://www.fedconnect.net/FedConnect>. If you have already completed the registration and "joined the team", you should have received an email notification from FedConnect advising you of the subject action. Please log on to FedConnect, download the subject award/modification, and click on the "Acknowledge" link. Otherwise, please register in FedConnect and "join the team" as soon as possible so you can receive award notifications. If desired, your company can designate multiple persons to register in FedConnect to receive award notifications.

Please note FedConnect is used by multiple federal agencies and therefore, assistance with FedConnect will be provided by Compusearch®, not the Department of Energy. If you are encountering difficulties using the FedConnect web site, please contact FedConnect via their web site or call FedConnect Help Desk support at 800-899-6665.

- 2. Is my company required to return a signed copy of the Assistance Award Agreement?**

No. Please simply acknowledge receipt of your award in FedConnect.

- 3. My company is experiencing difficulty acknowledging our award in FedConnect. How do I do this?**

To acknowledge receipt of an award in FedConnect, please take the following steps:

- 1) Sign into FedConnect with your user name and password.*
- 2) Click on the "Awards" tab.*
- 3) Click on the title of the award.*
- 4) "Join" the "Award Team" by clicking the "Join" button.*
- 5) Acknowledge the award by clicking on the small tick box/boxes in the documentation next to 'Base' or 'Mod' and then click the "Acknowledge Button." The "Acknowledge" button should then go away.*
- 6) You will be presented the option to send an e-mail to the agency by clicking on the "New" button (attachments/and or messages can be made at this point).*

If you continue to encounter difficulties, please contact FedConnect via their web site or call FedConnect Help Desk support at 800-899-6665.

Reporting Requirements

1. Does our company need to submit a final technical report for my Phase I grant, if we do not yet know whether we have been selected for Phase II funding?

All Phase I and Phase II grantees (including those who applied for a Phase II award but were not selected) shall prepare a final technical report upon completion or termination of the project in accordance with the "Federal Assistance Reporting Checklist and Instructions" which lists the reports required under the grant (see 10 CFR 600.341 for general reporting requirements). The Checklist is attached to the Assistance Agreement package. For Phase I awards, you are only required to submit a final technical report which is due within 14 days after award expiration.

The final technical report must be submitted electronically via the DOE Energy Link System (E-Link), and prepared in accordance with the DOE Federal Assistance Reporting Checklist attached to your award. Since you are submitting your report via the E-Link system, you do not need to submit paper copies of the report or the DOE F 241.3. If you have any questions about using E-Link, please contact Kim Buckner, Office of Scientific and Technical Information, U.S. Department of Energy, by e-mail at 241user@osti.gov or by telephone at (865) 576-1228.

2. Is our company required to submit progress reports?

According to the terms and conditions of your award, progress reports are required for Phase II and Fast Track awards. You are, however, required to submit quarterly financial reports, as per your Federal Assistance Reporting Checklist.

Awardees are encouraged to contact their DOE project officer (technical project manager) to discuss their plans and progress during the conduct of their award. DOE project officers may ask you to participate in DOE meetings and conferences to increase visibility of your research to obtain feedback or suggestions.

	Phase I	Phase II	Fast-Track	Address(es)
Final Report	<i>Due 14 days after award expiration or termination</i>	<i>Due 30 days after award expiration or termination</i>	<i>Phase I due 14 days after Phase I award expiration or termination and Phase II due 30 days after Phase II award expiration or termination</i>	<i>See Federal Assistance Reporting Checklist and Instructions</i>
Continuation Application	<i>N/A</i>	<i>Due at least 90 days before the end of the first budget period</i>	<i>Phase I due 60 days before the end of the Phase I budget period and Phase II due at least 90 days before the end of first budget period of Phase II</i>	<i>See Federal Assistance Reporting Checklist and Instructions</i>
Progress Reports	<i>N/A</i>	<i>Due 4 months after start of each Phase II budget period.</i>	<i>Due 4 months after start of each Phase II budget period.</i>	<i>See Federal Assistance Reporting Checklist and Instructions</i>

Automated Standard Application for Payments (ASAP)

- 1. Our billing period normally occurs near the end of each month. Should we be submitting an invoice to ASAP near the end of each month?**

As per clause FA-TC-0003.2 PAYMENT PROCEDURES - REIMBURSEMENT THROUGH THE AUTOMATED STANDARD APPLICATION FOR PAYMENTS (ASAP) SYSTEM in your Special Terms and Conditions, requests for reimbursements must be made through the ASAP system. Your requests for reimbursement should coincide with your normal billing pattern, but not more frequently than every two weeks. Each request must be limited to the amount of disbursements made for the federal share of direct project costs and the proportionate share of allowable indirect costs incurred during that billing period.

You must disburse any funds that are available from repayments to and interest earned on a revolving fund, program income, rebates, refunds, contract settlements, audit recoveries, credits, discounts, and interest earned on any of those funds before requesting additional cash payments from DOE. All payments are made by electronic funds transfer to the bank account identified on the ASAP Bank Information Form that you filed with the U.S. Department of Treasury.

- 2. Our company is having difficulty getting set up on ASAP. Who should we contact for assistance with this?**

For questions about ASAP draw-down procedures, please contact Matthew Patton at (630) 252-2431 or matthew.patton@ch.doe.gov.

No-Fund Extensions

- 1. What is a no-fund extension?**

While the Department of Energy (DOE) expects grantees to complete projects within the original award period, occasionally additional time is needed. A no fund extension allows additional time to complete the approved scope and objectives of the project without additional funds being provided. Requests may not be made solely for the purpose of spending remaining funds. However, you may expend any remaining funds during the no-fund extension period.

- 2. When should I request a no-fund extension?**

The request must be submitted to the DOE Assistance Agreement Administrator (refer to page 2 of your Assistance Agreement) no less than thirty (30) days prior to the current end date of the project (as shown in Block 7 of the Assistance Agreement).

- 3. How do I find the end date of my project?**

The project period end date is shown in Clause FA-TC-0001C of the Special Terms and Conditions.

- 4. How long of an extension can I request?**

You may only request the actual amount of time needed to complete the project. Requests should not exceed twelve (12) months.

Phase I Recipients: *Be aware that applying for a no-fund extension may affect your ability to apply for a Phase II award if the request extends beyond the application due date for Phase II submissions.*

5. What are valid reasons for requesting a no-fund extension?

Examples of valid reasons:

- *Additional time is needed to assure completion of laboratory testing*
- *Extensive delay in production or shipment of key equipment or supplies*
- *Time lost to transfer, illness, or injury of key personnel. (A decrease in the effort of key personnel must be reported at the time of the event.) The request for a no-fund extension is a separate requirement.*

6. What information needs to be included in the no-fund extension request?

The Business Officer must submit the request which includes the following:

- *Award Number*
- *Dollar amount of funds remaining on the award*
- *Current project end date*
- *Length of request in months*
- *The requested new project end date*
- *Reason for requesting a no-fund extension*

7. Will I be required to submit additional information?

The DOE Assistance Agreement Administrator may require you to submit additional information sufficient to support the reason for the requested no-fund extension and to support the likelihood of project completion by the new end date.

8. How will I know if my request has been approved?

A modification to the Assistance Agreement will be issued via FedConnect, specifying the new end date of the project. Recipients are cautioned not to make any new commitments or incur new expenditures after the original project end date in anticipation of a no-fund extension, prior to receipt of the modification. Please note: An e-mail from a Department of Energy Contracting Officer (CO) authorizing the extension may be issued prior to a formal modification if circumstances dictate.

Small Business Status

1. Our company has grown to employ more than 500 employees and no longer meets the definition of a small business as per SBIR/STTR program eligibility guidelines. May we be considered for Phase II funding or possibly obtain additional funding on future award modifications?

Yes, you may continue to seek additional funding for your particular award, providing your company has grown organically and not through merger or acquisition. Please refer to Code of Federal Regulations Title 13 Part 121 for further information related to SBIR/STTR eligibility requirements.

2. **Our company has received a notice of interest from another US-based corporation wanting to purchase us. Since the potential buyer and/or the surviving business entity is not/will not be a qualifying small business and therefore not eligible for SBIR type funding, what will happen to our existing grant's obligated funds?**

The sale, merger, or acquisition of a business is within the sole discretion of the business. The DOE cannot advise on the future business path of your business.

If your company is sold to or merged with another business, your company and the receiving business would need to execute a Novation with the DOE. The funding that is currently obligated on the SBIR/STTR grant will remain available to the business for the continued work remaining on the grant. Unfunded budget periods will be funded provided the new business meets the SBIR/STTR eligibility requirements referenced in Small Business Status FAQ 1 above.

Audit Requirements

1. **Are for-profit entities that receive federal awards from DOE required to have compliance audits? Are sub-awardees required to have compliance audits?**

Yes. For-profit entities that expend \$500,000 or more under Federal DOE awards in a fiscal year are subject to the audit requirements of 10 CFR 600.316 – Audit, and responsible for compliance with those requirements. This requirement also applies to sub-awardees that receive DOE funds through a pass-through entity.

2. **How is the \$500,000 threshold interpreted? Is the \$500,000 interpreted as expended for each energy award individually or is it measured against all energy awards in the aggregate?**

The \$500,000 threshold applies to Federal DOE awards in the aggregate, including those awards received through pass-through entities. Any for-profit entity that expends, in aggregate, \$500,000 or more in DOE funds during its fiscal year is subject to the compliance audit requirement, even if no individual award amounts to \$500,000 or more.

3. **Are recipients and sub-awardees required to submit their financial statements as a part of the compliance audit? Must the audit of the financial statements be completed in accordance with Generally Accepted Government Auditing Standards (“GAGAS”)?**

For-profit recipients are required to submit audited financial statements to DOE as a part of the compliance audit. Sub-awardees that receive DOE funds through a pass-through entity are required to submit audited financial statements to the pass-through entity. The compliance audit generally should be coordinated with the recipient's existing financial statement audit. Auditors do not need to conduct the financial statement audit in accordance with GAGAS, but should instead conduct the financial statement audit in compliance with either Generally Accepted Auditing Standards (“GAAS”) or standards put in place by the Public Company Accounting Oversight Board (“PCAOB”). However, auditors must conduct the compliance audit in accordance with GAAS and GAGAS. If the recipient is a subsidiary for which separate financial statements are not available, the recipient may submit the financial statements of the consolidated group.

4. What are the general requirements of the compliance audits?

Recipients and sub-awardees that have one or more awards with expenditures of \$500,000 or more are required to have a compliance audit for each of these awards. There is no audit requirement for any remaining awards with expenditures less than \$500,000.

Recipients and sub-awardees that have total expenditures of \$500,000 or more but that do not have any single award with expenditures of \$500,000 or more are required to have a compliance audit of the awards in the aggregate (similar to a cluster in an audit in accordance with OMB Circular A-133).

The compliance audits and related reporting will generally follow the requirements for a program specific audit as set forth in Chapter 14 of the AICPA Audit Guide Government Auditing Standards and Circular A-133 Audits. The compliance requirements subject to testing are expected to be similar to those mandated for non-profit recipients under the OMB Circular A-133 Compliance Supplement (Part 3) and include the following: activities allowed or unallowed, allowable costs/cost principles, cash management, Davis Bacon Act, eligibility, equipment and real property management, matching/level of effort/earmarking, period of availability of federal funds, procurement/suspension/debarment, program income, real property acquisition/relocation assistance, reporting, sub-recipient monitoring, National Environmental Policy Act (NEPA), National Historic Preservation Act (NHPA), and special tests and provisions.

5. When are compliance audits due? How are the recipients' audits submitted to the Department of Energy (DOE)?

Financial statement and compliance audit submissions are due to DOE within six months of the recipients' fiscal year-end dates. For sub-awardees, financial statement and compliance audit submissions are due to the pass-through entity within six months of the sub-awardees' fiscal year-end dates.

For recipients, the compliance audits must be submitted, along with audited financial statements, to the appropriate DOE Contracting Officer as well as to the DOE Office of the Chief Financial Officer.

Pre-Award Costs

1. Our project selected for Phase II has not been awarded but my company wants to begin work on our project. Are we allowed to incur pre-award costs?

According to regulation 10 CFR Part 600.315(c)(4), you may incur pre-award costs within 90 days of the date of award without the prior approval of the Contracting Officer.

All pre-award costs are incurred at the recipient's risk, i.e., DOE is under no obligation to reimburse such costs if for any reason your organization is not awarded this particular grant or if the award is less than anticipated and inadequate to cover such costs.

Phase II Application Eligibility

- 1. If we wish to apply for a Phase II award, may we submit an application in the following year and be eligible at a later award period?**

No. The DOE SBIR/STTR program only allows Phase I recipients one opportunity to compete for a Phase II award. So, if a Phase I recipient seeks a no-cost extension, he or she may be granted one; however, the Phase I recipient still must submit his or her Phase II application by the deadline noted in the appropriate Phase II Funding Opportunity Announcement.

SBIR Funding Agreement Certification

- 1. Question 14 of the SBIR Funding Agreement Certification asks whether my business is a Covered Small Business Concern. Does my company meet this definition?**

Before answering question 14, ask yourself the following three questions:

- 1) Was my business majority owned by multiple venture capital operating companies (VCOs), hedge funds, or private equity firms prior to the close of the Funding Opportunity Announcement?*
- 2) Is my business majority owned by multiple VCOs, hedge funds, or private equity firms, prior to the award date of the Grant?*
- 3) Is the award date of the Grant more than 9 months after the closing date of the Funding Opportunity Announcement?*

If the answer to the first question is “No” and the answers to questions two and three are “Yes”, then your business is a Covered Small Business Concern. Therefore, your company must answer “yes” to question 14.

NOTE: *Ownership is determined in accordance with 13 CFR Part 121.*

Cognizant Contracting Officer Approval Letter & Advance Understanding Clause

- 1. What is the “written approval of the Cognizant DOE Contracting Officer having cognizance over the National Laboratory Management and Operating (M&O) contract?”**

Written approval of the Cognizant DOE Contracting Officer (CO) means the DOE CO assigned to administer and oversee the National Laboratory M&O contract.

When approval is provided by the Cognizant DOE CO, the lab is allowed to start work on the project. A Cognizant CO approval letter is normally a short letter that references the project title and grant number. The letter is the CO’s authorization for the lab to participate in the project; the letter may also confirm that the work is consistent with the mission of the laboratory and will not adversely impact execution of DOE assigned programs. The Cognizant CO letter must be signed by a DOE CO; a letter from the Laboratory Director or a Laboratory Program Manager is insufficient.

If a letter is not received before the award start date, the advance understanding clause will be placed into the award’s Special Terms and Conditions. This clause states that “the recipient shall obtain prior written approval from the Contracting Officer having cognizance over the National Laboratory Management and Operating Contract, for use, under this award, of any equipment, facility, or personnel at the National Laboratory. The recipient will be subject to all conditions established by that DOE Contracting Officer.”

Budget Reallocation

1. Are there any additional approvals we need to obtain for budget reallocation?

Phase I

In accordance with [10 CFR 600.381\(b\)\(3\)](#); prior approval from the DOE for re-budgeting among categories by the recipient is not required. Prior approval from DOE is required for any variation from the requirement that no more than one-third of Phase I work can be done by sub-contractors or consortium partners.

Phase II

In accordance with 10 CFR 600.315(d)(1), the DOE contracting officer's prior approval is required for the transfer of funds among direct cost categories, functions, and activities for awards in which the Federal share of the project exceeds \$100,000 and the cumulative amount of such transfers exceeds or is expected to exceed 10 percent of the total budget as last approved by DOE. Additionally, In accordance with 10 CFR 600.315(b) & (c); a recipient must obtain the Contracting Officer's prior approval if a budget revision is necessary for either of the following reasons: a change in the scope or the objective of the project, a change in the approved principal investigator or other key person, and any sub-award transfer or contracting out of substantive project performance.