

CHAPTER 4. ADMINISTRATIVE REVIEWS AND ACTIONS

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CHAPTER 4. ADMINISTRATIVE REVIEWS AND ACTIONS

4.1 OVERVIEW.

4.1.1 This chapter provides National Aeronautics and Space Administration (NASA) policy for suspension or termination of recipients who are unwilling or unable to comply with cash management requirements, financial systems, or financial reporting requirements.

4.2 POLICY.

4.2.1 Using the inquiry capability of the Payment Management System (PMS) for letter of credit recipients and the quarterly SF 272's (Federal Cash Transaction Report) submittal by all recipient organizations, Centers will monitor recipients' drawdown practices. If a recipient withdraws funds in excess of current requirements or fails to submit required reports on a timely basis, subsequent requests for funds may be suspended until the situation is remedied.

4.2.2 If the recipient organization continues to withdraw funds in excess of current needs or fails to submit reports on a timely basis, the advance financing arrangement may be terminated and the recipient organization shall then be required to finance its operations with its own working capital. Note that Financial Management Requirements (FMR), Volume 14, "Appendix C," lists specific circumstances under which the advance payments shall be suspended or terminated.

4.3 AUTHORITIES AND REFERENCES.

4.3.1 Department of Treasury, Circular No. 1075, (Fourth Revision, Appendix 1). This Circular is designed to improve the timing of cash advances.

4.3.2 Treasury Financial Manual, Volume I, Part 6, Chapter 2000, as revised. This manual requires that cash withdrawals occur only when essential to meet the actual disbursement needs of recipient organizations.

4.3.3 Office of Budget and Management (OMB) Circular No A-110, *Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and other Non-Profit Organizations.* The purpose of the OMB circular is to achieve uniformity in recipients' financial reporting to Federal agencies.

4.3.4 DHHS/PMS, whose mission is to provide grant-type payments, cash management, and grant accounting support services to HHS and other Federal agencies.

4.3.5 NASA Financial Management Requirements, Volume 14, "Appendix C," which provides additional references to actions needed for suspension and termination.

4.4 ROLES AND RESPONSIBILITIES.

- 4.4.1 Agency Chief Financial Officer (CFO)/ Deputy CFO shall ensure that NASA and recipients meet NASA/DHHS/PMS Suspension and Termination requirements.
- 4.4.2 Recipient Organizations. Shall comply with NASA/DHHS/PMS requirements when submitting requests for advances for grants and agreements with NASA.
- 4.4.3 Center CFOs and the NASA Shared Services Center (NSSC) shall:
- A. Suspend advance payments temporarily to the recipients.
 - B. Notify the Grant Officer of suspensions in advance.
 - C. Coordinate with cognizant Contract Offices if suspension involves Letters of Credit.
 - D. Decide that the recipient demonstrates consistent willingness or inability to comply with financial requirements.
 - E. Judge whether the recipients meet all requirements for suspension or termination.
 - F. Initiate suspension or termination of advance payments to recipients.
 - G. Review of recipient grant/contract to ensure that initiating a suspension or termination is allowed.
 - H. Notify recipients that suspension and termination may be initiated.
- 4.4.4 The Grant Office. Responsible for initiating suspension or termination of advance payments to grantees and recipients of cooperative agreements in all other cases - for instance, when the recipient organization has failed to comply with the non-financial terms and conditions of the grant. In such cases, the Grant Officer shall notify the Center Chief Financial Officer (OCFO) and the recipient organization of the Grant Officer determinations to suspend or terminate advance payment, and the Center OCFO shall take prompt action accordingly.
- 4.4.5 The Contracting Officer. Responsible for initiating suspension or termination of advance payments to contractors. In such cases, the Contracting Officer shall notify the Center OCFO and the contractor, of the Contracting Officer determinations to suspend or terminate advance payment, and the Center OCFO shall take prompt action accordingly.