

**APPENDIX B. RESPONSIBILITIES AND REQUIREMENTS FOR  
HANDLING LETTERS OF CREDIT**

- B.1 This appendix summarizes the responsibilities and the requirements which are to be followed by the National Aeronautics and Space Administration (NASA) Center Chief Financial Officers (CFOs) for the handling of Letters of Credit as required by Department of Health and Human Services Payment Management System (DHHS/PMS).
- B.2 Letter of Credit to Consolidate Funding to the Same Recipient Organizations. All advances financing to the same recipient organization shall be combined into one letter of credit by the Center. The letter of credit shall include all advance payment grants and contracts awarded to a recipient.
- B.3 Assign Letter of Credit Number. Letter of credit numbers are 10-digit identifiers composed of three sections: (1) four zeros; (2) Accounting Installation Number (AIN); and (3) 4-digit sequential letter of credit number. Letter of credit numbers should not be duplicated.
- B.4 Letter of Advice. Recipients are notified of award authorization actions by a letter of advice. A cognizant authorized certifying officer shall sign the letter. The letter of advice should contain, at a minimum, the following information:
- B.4.1 The recipient organization's name and address.
  - B.4.2 The recipient organization's Entity Identification Number (EIN) and the NASA-assigned letter of credit number.
  - B.4.3 The amount and effective date of the initial or amended authorization.
  - B.4.4 For initial authorizations, the recipient shall be informed that payments will be made under DHHS/PMS.
  - B.4.5 Certification that the authorized amount will be available as of the effective date of the initial authorization or amendment.
- B.5 Closing Letters of Credit. A recipient's letter of credit account shall be closed if the Center has no plans for awarding additional grants or contracts to the recipient organization. Centers shall forward a letter to the PMS Coordinator to indicate:
- B.5.1 A notification that the recipient's award authorization has been closed.
  - B.5.2 A request for closure of the recipient's account.
  - B.5.3 Signed by the certifying officer.

- B.6 Reopening Recipient Accounts. Closed accounts shall be reopened by requesting, in writing, that the PMS Coordinator have the account reopened (the letter should be signed by a certifying officer). Re-opening is performed by processing a “050 Transaction” within the PMS system.
- B.7 Final Report/Closeout. A final Federal Cash Transactions Report (SF 272) shall be submitted in paper form within 90 calendar days after the expiration date of a grant or contract (HHS accounts can be closed by processing a “059 transaction within the PMS system”). The final SF 272 pertains only to the completed grant or contract. The report shall be marked “Final” and shall include total disbursements from inception through completion. Upon receipt of a final grant or contract expenditure report, the Office of the Chief Financial Officer (OCFO) and Deputy OCFO shall request that the appropriate Grant or Contracting Officer initiate closeout procedures. NASA Procedural Requirement (NPR) 5800.1 requires that recipients promptly refund any balances of undisbursed cash that NASA has advanced to them that are not authorized to be retained by the recipient for use in other projects. When outstanding advances exist and are to be collected from recipients on completed grants, the amounts should be reclassified as accounts receivable and the collection procedures set forth in Financial Management Requirements, Volume 14 should be followed.