



**DIRECTOR OF DEFENSE RESEARCH AND ENGINEERING**  
3030 DEFENSE PENTAGON  
WASHINGTON, D.C. 20301-3030

AUG 22 2003

MEMORANDUM FOR DEPUTY ASSISTANT SECRETARY OF THE ARMY  
(PROCUREMENT)  
CHIEF OF NAVAL RESEARCH  
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE  
(CONTRACTING)  
COMMANDER, U.S. SPECIAL OPERATIONS COMMAND  
DIRECTOR, DEFENSE ADVANCED RESEARCH  
PROJECTS AGENCY  
DIRECTOR, DEFENSE CONTRACT MANAGEMENT  
AGENCY  
DIRECTOR, DEFENSE INFORMATION SYSTEMS  
AGENCY  
DIRECTOR, DEFENSE LOGISTICS AGENCY  
DIRECTOR, DEFENSE THREAT REDUCTION AGENCY  
DIRECTOR, MISSILE DEFENSE AGENCY  
DIRECTOR, NATIONAL IMAGERY AND MAPPING  
AGENCY  
DIRECTOR, NATIONAL SECURITY AGENCY  
PRESIDENT, UNIFORMED SERVICES UNIVERSITY FOR  
THE HEALTH SCIENCES  
DIRECTOR, OFFICE OF ECONOMIC ADJUSTMENT,  
OUSD (AT&L)

SUBJECT: New Announcement and Application Requirements for Assistance Awards

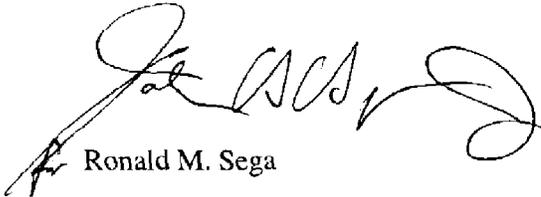
This memorandum under DoD Directive 3210.6 requests that you take steps to implement within your Military Department, Defense Agency, or DoD Field Activity two new Office of Management and Budget (OMB) policy letters on grants and cooperative agreements (which, for the DoD, includes Technology Investment Agreements). As described in the attached memorandum from OMB's Deputy Director for Management (Attachment 1), one of the policy letters establishes a format for announcements and the other requires use of Data Universal Numbering System (DUNS) numbers in applications. Please note that paragraph 5 of each letter states agency responsibilities and that the letters have short deadlines for implementation. Attachment 2 to this memorandum summarizes actions required to implement the policy letters.



Both policy letters provide for exceptions, but the OMB must approve them. Only in rare cases should an awarding or administering office require an exception. If one is needed, the office may submit the request to the OMB only with the prior concurrence of the Director for Basic Sciences. Requests for concurrence are to be sent to: Director for Basic Sciences, Office of the Deputy Under Secretary of Defense (L&BS), 3040 Defense Pentagon, Washington, D.C. 20301-3040.

This memorandum is an interim DoD implementation of the two OMB policy letters as they affect the award and administration of grants and agreements. It therefore will remain in effect only until it is replaced by revisions to the DoD Grant and Agreement Regulations (DoD 3210.6-R), which will be issued within 180 days of this memorandum.

If you have questions about this matter or would like a list of offices in your DoD Component that reported assistance obligations during Fiscal Year 2002 (the last full year for which data are available), please contact Mark Herbst of my staff at 703-696-0372 or at [Mark.Herbst@osd.mil](mailto:Mark.Herbst@osd.mil).



Ronald M. Sega

Attachments  
As stated



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

July 15, 2003

MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: Clay Johnson III

SUBJECT: OMB Issues Grants Management Policies

The purpose of this memorandum is to announce the issuance of several grants management policies as described below. Each final policy notice is available on OMB's website at [www.whitehouse.gov/omb/grants/grants\\_docs.html](http://www.whitehouse.gov/omb/grants/grants_docs.html).

- Revision to OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," was published on June 27, 2003 [68 FR 38401]. The revision increases the threshold for audit from \$300,000 to \$500,000 per year; increases the threshold for cognizant agency for audit from \$25 million to \$50 million; and makes related technical changes.
- New policy requiring agencies to use a standard format for announcing Federal funding opportunities was published on June 23, 2003 [68 FR 37370]. This policy becomes effective on July 23, 2003, thirty days from the publication date. All implementing actions other than regulatory revisions must be completed by Executive departments and agencies within 3 months of the effective date. Regulatory revisions must be completed within 12 months.
- New policy requiring use of a Dun and Bradstreet (D&B) Data Universal Numbering System (DUNS) number when applying for Federal grants or cooperative agreements was published on June 27, 2003 [68 FR 38402]. This policy becomes effective on July 27, 2003, thirty days from the publication date, and requires use of a DUNS number on any application for Federal grants or cooperative agreements beginning October 1, 2003.

These policies are the first of many improvements resulting from a government-wide initiative to simplify and streamline the Federal grant-making processes, as mandated by the Federal Financial Assistance Management Improvement Act of 1999 (P.L. 106-107). This effort provides tangible support for the President's Management Agenda, which calls for measurable results that matter in the lives of the American people. These policies reduce audit burden on grantees and make it easier to obtain information about that portion of the Federal budget (nearly one-sixth) provided to American citizens through grants and other cooperative agreements.

Questions regarding these policies should be directed to Joseph L. Kull, Deputy Controller, at 202-395-3993.

A handwritten signature in black ink, appearing to read "Clay Johnson III", is located at the bottom of the page.

**SUMMARY OF IMPLEMENTING ACTIONS FOR OMB POLICY LETTERS**

The 1<sup>st</sup> policy letter, "Format for Financial Assistance Program Announcements," is in a *Federal Register* notice [68 FR 37370, June 23, 2003] posted at [www.whitehouse.gov/omb/grants/grants\\_docs.html](http://www.whitehouse.gov/omb/grants/grants_docs.html). By October 23, 2003, it requires:

WHO . . .	TO DO WHAT
Each office issuing announcements under which grants, cooperative agreements, or TIAs are awarded . . .	To use the standard format attached to the policy letter (see conditions stated in paragraph 5.a of policy letter).
	To post on the Internet any announcement under which domestic entities may submit applications (see paragraph 5.b of policy letter).

The 2<sup>nd</sup> policy letter, "Requirement for a DUNS Number in Applications for Federal Grants and Cooperative Agreements," is in a June 27, 2003, notice [68 FR 38402] is posted at the same Internet site as the 1<sup>st</sup> policy letter. It requires:

WHO . . .	TO DO WHAT
Each office issuing announcements under which grants, cooperative agreements, or TIAs are awarded . . .	To include a requirement for applicants to submit DUNS numbers in each announcement under which applications may be submitted on or after October 1, 2003. If any such announcement was issued before July 23, 2003 (the OMB policy's effective date), the office must amend it or otherwise inform potential applicants that they must submit DUNS numbers beginning on October 1 <sup>st</sup> (see paragraph 5.c of policy letter).  NOTE: Announcements under which unincorporated consortia may apply should explain that an unincorporated consortium would use the DUNS number of the entity proposed to receive DoD payments under the award (usually, a lead organization that consortium members identify for administrative matters).
	To revise any application forms to incorporate the DUNS number (see paragraph 5.d of policy letter).
	To provide any needed outreach or education for potential applicants see paragraph 5.b of policy letter).
Each office receiving proposals or awarding or administering grants, cooperative agreements, or TIAs . . .	To ensure that systems handling data on those instruments accept the DUNS number, to the extent that the offices control the systems' specifications (if a system subject to another organization's control can not accept DUNS numbers, the office must alert that organization, with a copy to: Director for Basic Sciences, ODDR&E, 3040 Defense Pentagon, Washington, D.C. 20301-3040). See paragraph 5.e of policy letter.