

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Department of Energy and Environment

Office of the Director



Department of Energy and Environment Administrative Issuance System

Office Order: 2017-11

EFFECTIVE DATE: September 14, 2017

SUBJECT: Advance Payment Policy and Procedures for Grants

PURPOSE: It is the Department of Energy and Environment's ("DOEE" or "Department") policy to allow for advance payments under limited circumstances in order to widen the possible participation of non-profit organizations that may provide goods and services requested in the Department's Requests for Applications (RFAs). Advance payments may be approved when it is necessary to provide grantees the financial ability to initiate activities requested by the Department. This policy details the procedures to approve, administer, and monitor advance payments.

SCOPE: This policy applies to DOEE grantees and sub-grantees, except government entities.

PROVISIONS:

Grantees are entities awarded a grant from DOEE for which the source of funding is from local or special revenue funds. Sub-grantees are entities awarded a grant from DOEE for which the source of funding is a grant received by DOEE from another entity. Both grantees and sub-grantees will be referenced as grantees going forward.

I. Objectives

- a. Widen the pool of possible non-profit applicants by providing financial support, when necessary, to grantees in order to initiate the delivery of goods and services.
- b. Minimize the financial risk to DOEE by establishing rules, and procedures for approving, administering, and monitoring advance payments, and by describing the responsibilities of the grantee and DOEE.

II. Policy

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- a. Advance payments shall not exceed the lesser of 25 percent of the grant award or \$100,000. Exceptional cases that may justify a greater amount, such as for the purchase of equipment, require the written approval of the Department's Director.
- b. The advanced funds shall be spent by the grantee within the same DC Government fiscal year during which the advance is made.
- c. Only one advance payment can be made per grant.
- d. The use of an advance payment shall be consistent with all terms and conditions of the grant.
- e. An applicant responding to an RFA shall identify in the application the need for advance payment and acknowledge that, if selected, it is prepared to provide the information requested in the Advance Payment Request form.
- f. For Federal funds DOEE will follow 2 CFR 200-305 requirements.

III. Approval Procedure

- a. The grantee seeking an advance, must submit, after the Grant Award Notice is issued, a completed Advance Payment Request form signed by the organization's Chair of the Board of Directors and Executive Director, or equivalent positions. The Advance Payment Request form shall require the following information:
 - i. A statement of need for the requested amount; and
 - ii. A detailed spending plan, with timeline.
- b. The Associate Director for the program and the Grant Manager, in deciding whether or not to approve the advance, shall review the Advance Payment Request form and its attachments, and shall also consider:
 - i. The grantee's financial statements (submitted in response to the RFA);
 - ii. The grantee's past performance on District grants and contracts;
 - iii. The grantee's Certificate of Good Standing and/or Clean Hands Certification (submitted in response to the RFA);
 - iv. The terms and conditions of the funding that DOEE has received for the grant, with reference to advance payments to sub-grantees, if any; and
 - v. Other information that the reviewers deem relevant.
- c. The designated DOEE Deputy Director shall approve or disapprove an advance payment. If approved, the Grant Manager shall transmit written notification to the DOEE Agency Fiscal Officer, the Associate Director of the Grants and Contracts Management Division, and the Chief of Staff.

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IV. Administering Procedure

- a. After approval, the Grant Manager shall provide a monitoring plan (see V. Monitoring Procedure) to the grantee. Adherence to the monitoring plan shall become a condition of the grant.
- b. After approval, the Grant Manager shall request, in writing, that the DOEE Agency Fiscal Officer make the advance payment. The request shall be accompanied by:
 - i. The fully executed Advance Payment Request Form;
 - ii. The Advance Payment Request Form's required attachments;
 - iii. The terms and conditions of the funding that DOEE has received for the grant, with reference to advance payments to sub-grantees, if any;
 - iv. If required for any such funding to DOEE, the funder's written approval for the advance payment; and
 - v. The written approval of the designated DOEE Deputy Director.
- c. The grantee shall follow the monitoring plan, submitting documentation supporting the use of advanced funds on the plan's schedule. Documentation would usually consist of what is necessary to support payment of an invoice.
- d. At all times, the Grant Manager shall proactively determine whether the advance payment is being used for its intended purpose.
- e. If the Grant Manager determines that supporting documentation is not timely forthcoming, the Grant Manager must consult with his/her manager to determine if one or more of the following actions is warranted:
 - i. The grant should be suspended;
 - ii. The grant should be terminated;
 - iii. DOEE should demand repayment of the advanced funds.
- f. The Grant Manager shall take the action determined by his/her manager and give notice of the action to the grantee.
- g. DOEE should withhold the final reimbursement payment equal to the amount advanced or up to 25 percent of the grant award (whichever is higher).

V. Monitoring Procedure

- a. **Program level monitoring**
 - i. The Grant Manager shall be responsible for carrying out the monitoring activities of the grant, including monitoring the use of the advance payment.

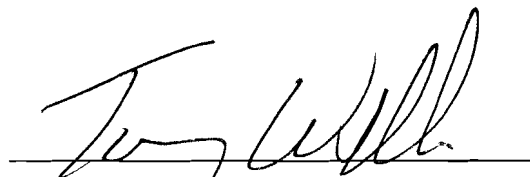
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- ii. The Grant Manager shall create a monitoring plan to fit the specific needs of the grant.
 - iii. The monitoring plan must be approved by the DOEE Deputy Director of the administration awarding the grant. Before submitting the monitoring plan for that approval, the Grant Manager must obtain the written approval of the associate director of the Grants and Contracts Management Division.
- b. **Monitoring plan elements.** The monitoring plan shall include:
- i. A schedule for the grantee to report on the use of advanced funds. A minimum requirement shall be monthly status/progress reports. However, a stricter timeline can be established if the nature of the grant activities requires it;
 - ii. The documentation to be provided in each report;
 - iii. Verifications that the grant activities associated with the advance payment have been completed. These could include written description, photographs, and site visits;
 - iv. A statement of the expected outcome(s) for the use of the funds;
 - v. A statement regarding the effect of failure to follow the monitoring plan, as indicated in Part IV; and
 - vi. A statement that failure to timely support the advance may result in suspension, termination, and/or repayment of the advanced funds.
- c. **Agency monitoring committee.** A monitoring committee shall be chaired by the Grants and Contracts Management Division and include a representative from each of the office of the DOEE Agency Fiscal Officer and the Office of the Chief of Staff. For each grant with advanced funds, the committee must meet with the Grant Manager every other month and review the following from a grant file:
- i. Advance payment request;
 - ii. Grantee reports;
 - iii. Monitoring plan;
 - iv. Invoices, with backup documentation;
 - v. Burn rate reports; and
 - vi. Purchase order (PO) reports.

Expiration Date

This order will remain in effect until superseded or rescinded in writing.

This 14 day of September 2017


Tommy Wells
Director