State Energy Program Sub-Recipients Implementation Manual

Oklahoma Department of Commerce – Community Development Division

Version II – Effective Date 8/20/2026

OKLAHOMA Commerce

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I. Purpose of this Manual

The purpose of the State Energy Program (SEP) Sub-Recipients Implementation Manual (Manual) is to provide a single source document for financial and programmatic information related to the SEP Program.

The three major purposes of the Manual are:

a) To provide potential Sub-Recipients/Sub-Grantee and other interested parties with the special terms and conditions of the U.S. Department of Energy (DOE), the SEP Funder;
b) To describe in detail the laws, rules, and regulations that govern the implementation of specific awarded projects; and
c) To describe in detail the processes, guidelines, and tools that will be utilized by the Oklahoma Department of Commerce (ODOC) in overseeing and monitoring an individual project.

Awarded Bidders, Sub-Grantee, and applicants (hereinafter referred to as “Sub-Recipients”) new to the SEP program are encouraged to review this Manual as part of their orientation.

Eligible activities and costs may vary by SEP funding opportunity and award. Sub-Recipients should refer to the applicable Request for Applications (RFA), award documents, and executed agreement for guidance on eligible activities, costs, and program requirements. This manual provides general guidance for administering SEP awards and should be used together with the applicable funding documents.

II. Program Support

For questions regarding this Manual or SEP, please contact ODOC’s Community Development State Energy Office team, or visit our website at [https://www.okcommerce.gov/community-development/local-governments-edos/oklahoma-state-energy-office/.](https://www.okcommerce.gov/community-development/local-governments-edos/oklahoma-state-energy-office/)

III. Governing Principles

ODOC SEP Implementation Manual includes provisions that may require clarification or interpretation in relation to applicable federal requirements.

a) Compliance Interpretation – All Sub-Recipients must comply with applicable Federal, State, and local laws and regulations governing performance. Any apparent inconsistency between federal statutes, regulations, and the terms and conditions must be referred to the ODOC State Energy Program Manager for guidance.
b) Federal Policy Alignment – ODOC will not require or monitor activities that are not consistent with applicable federal law and guidance. Upon receipt of formal federal direction, ODOC will update this Manual and related monitoring tools as required.
c) Federal Requirements – To the extent required by applicable federal law or by the Sub-Recipient's award, newly issued federal statutes, regulations, Executive Orders, DOE directives, and other binding federal requirements shall apply upon their effective date. ODOC may issue supplemental guidance

or update this Manual to clarify implementation; however, such guidance does not delay or limit compliance with applicable federal requirements.

IV. Special Terms and Conditions

The following Federal requirements, regulations, and authorities are incorporated into this Manual and all SEP awards by reference. Sub-Recipients are responsible for complying with all applicable requirements throughout the period of performance. In the event of a conflict between this Manual and the executed Award, the terms and conditions of the Award and applicable Federal requirements shall govern.

Applicable requirements include, but are not limited to:

- State Energy Program regulations, including 10 CFR Part 420 – State Energy Program.
- DOE financial assistance regulations, including 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, as amended by 2 CFR Part 910 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards for DOE Financial Assistance Awards.
- National Policy Assurances applicable to DOE financial assistance awards.
- The Sub-Recipient’s approved application/proposal and applicable project plans, as incorporated into the ODOC SEP Award.
- Applicable Federal statutes, executive orders, and DOE award requirements, including those identified in the Assistance Agreement and applicable terms and conditions.

V. Terms and Conditions

The following terms and conditions govern all SEP awards administered by the Oklahoma Department of Commerce.

Subpart A – General Provisions

Term 1 – Legal Authority and Effect

a) The DOE SEP Award is valid only when executed by both ODOC and the Sub-Recipient, either electronically or in writing.
b) Grant Sub-Recipient acceptance through the official grant management system constitutes binding electronic acceptance of all award terms and conditions.

Term 2 – Flow Down Requirement

The Sub-Recipient must ensure that all applicable Federal award requirements are incorporated into subawards in accordance with 2 CFR § 200.332. Contracts must include all applicable provisions required by 2 CFR § 200.327 and Appendix II of 2 CFR Part 200.

Term 3 – Compliance with Federal, State, and Local Law

a) The Sub-Recipient must comply with all applicable federal, state, and local laws and obtain all necessary permits and approvals for project activities.

b) Prohibited Telecommunications and Video Surveillance Equipment – The Sub-Recipient shall comply with 2 CFR 200.216 regarding prohibited telecommunications and video surveillance services or equipment. Costs associated with prohibited equipment or services are not allowable under this Award.

c) Davis-Bacon and Related Acts – Where required by applicable federal law or the specific award terms and conditions, the Sub-Recipient shall comply with the Davis-Bacon Act and Related Acts as described in Term 10, including all applicable prevailing wage requirements. The Sub-Recipient is responsible for ensuring compliance by subaward Sub-Recipients and shall maintain all required payroll records and supporting documentation, if applicable.

Term 4 – Inconsistency with Federal Law

Any inconsistency between federal requirements and the Award must be referred to the ODOC State Energy Program Manager for guidance.

Term 5 – Federal Stewardship

ODOC will exercise appropriate stewardship and oversight of project activities conducted under the SEP Award. Stewardship activities may include, but are not limited to, conducting on-site and/or desktop monitoring during the award period; reviewing performance and financial reports; providing technical assistance and, when necessary, implementing corrective actions to address deficiencies identified during the project period; ensuring compliance with applicable award terms and conditions; and reviewing project performance and deliverables to verify that project objectives have been achieved.

Term 6 – Sub-Recipient Involvement

a) Review Meetings – The Sub-Recipient, including project staff and Sub-Recipients involved in the project (e.g., project managers, financial staff, and reimbursement personnel), shall participate in periodic review meetings with ODOC. These meetings enable ODOC to assess project performance and determine whether the Sub-Recipient is achieving the milestones, deliverables, and objectives identified in the approved application, award, or Request for Proposal in a timely manner.

b) Frequency and Notice – ODOC shall determine the frequency of review meetings and establish the date, time, and location of each meeting in a reasonable manner. ODOC will provide the Sub-Recipient with reasonable advance notice of all review meetings.

c) Project Updates – For each review meeting, the Sub-Recipient shall provide a comprehensive project update, including, at a minimum, project status, budget and expenditures, milestone progress, challenges encountered, and any other information requested by the ODOC Energy Programs Planner or designated representative.

d) Project Meetings – The Sub-Recipient shall notify ODOC of internal project meetings where discussions may result in significant changes to the approved project scope, budget, schedule, or approach. Upon request, the

Sub-Recipient shall provide ODOC with reasonable access to such meetings, including participation by telephone, webinar, or other appropriate means. Nothing in this provision shall require the Sub-Recipient to delay project activities for the purpose of ODOC participation.

e) On-Site Monitoring – Authorized representatives of ODOC may conduct site visits at reasonable times to review project accomplishments, management systems, and compliance with Award requirements, and to provide technical assistance when necessary. The Sub-Recipient and its sub-Recipients shall provide reasonable access to facilities, office space, records, personnel, and other resources necessary for the performance of monitoring activities. All site visits and evaluations shall be conducted in a manner that minimizes disruption to project operations.
f) Monitoring Notice – ODOC will provide advance notice of on-site monitoring activities to the Sub-Recipient's Authorized Official identified in the award, when applicable.
g) ODOC Access – The Sub-Recipient shall provide any information, documentation, records, site access, or other assistance reasonably requested by ODOC for purposes of project oversight, monitoring, compliance review, or audit.

Term 7 – Environmental Compliance Requirements

a) DOE will determine the applicability of NEPA and other Federal environmental review requirements to SEP awards in accordance with current Federal law, DOE procedures, and the applicable Award. Sub-Recipients must comply with all environmental review requirements, determinations, consultations, and approvals identified by DOE or ODOC before initiating affected activities.
b) Sub-Recipients shall comply with all applicable Federal environmental laws, regulations, and requirements identified by DOE or ODOC. Prior to initiating project activities, Sub-Recipients shall ensure that all required environmental reviews, consultations, determinations, or approvals have been completed. Sub-Recipients shall maintain documentation demonstrating compliance and provide such documentation to ODOC upon request.

   To support compliance with these requirements, DOE conducts environmental reviews and issues a NEPA Determination (ND) documenting that NEPA does not apply while confirming compliance with other applicable environmental statutes. Environmental reviews may be completed for an award as a whole and, when necessary, on an individual project basis.

   Prior to initiating project activities, the Sub-Recipient shall ensure compliance with all applicable environmental requirements, including, but not limited to:

   1) Section 106 of the National Historic Preservation Act (NHPA);
   2) The Endangered Species Act (ESA); and

3) DOE's Floodplain and Wetlands Environmental Review Requirements (10 CFR Part 1022).

Sub-Recipients shall maintain documentation demonstrating compliance with applicable environmental requirements and provide such documentation to ODOC upon request.

c) National Historic Preservation Act (NHPA) – Prior to the expenditure of Federal funds for activities that may affect historic properties, the Sub-Recipient shall comply with Section 106 of the National Historic Preservation Act (54 U.S.C. § 306108) and the implementing regulations at 36 CFR Part 800.

Where applicable, the Sub-Recipient shall coordinate with the Oklahoma State Historic Preservation Office (SHPO) and any appropriate Tribal Historic Preservation Officer (THPO) to complete the required Section 106 review before project activities begin. Documentation of SHPO and/or THPO coordination shall be maintained in the project file.

Projects involving historic buildings, historic districts, tribal lands, or archaeological resources may require additional environmental review.

d) Endangered Species Act (ESA) – Sub-Recipients shall ensure that project activities avoid adverse impacts to federally listed threatened or endangered species and designated critical habitat.

Activities such as tree removal, tree trimming, ground disturbance, or other actions with the potential to affect protected species or habitat may require additional environmental review. Sub-Recipients shall notify ODOC prior to initiating such activities.

e) Floodplains and Wetlands – Sub-Recipients shall determine whether proposed project activities are located within or may affect a floodplain or wetland.

Activities located within or affecting floodplains or wetlands shall comply with DOE's regulations at 10 CFR Part 1022 and any required evaluations or approvals shall be completed before Federal funds are expended.

Ground-disturbing activities may also require additional environmental review to evaluate potential impacts to wetlands or floodplains.

f) Activities Requiring Additional Environmental Review – If a proposed project includes activities that fall outside the scope of the applicable DOE NEPA Determination or involves circumstances requiring additional environmental review, the Sub-Recipient shall notify ODOC before proceeding.

Activities that commonly require additional review include, but are not limited to:

- Tree removal or significant tree trimming;
- Ground disturbance;
- Projects involving historic buildings or historic districts;

- Projects located on tribal lands or affecting tribal cultural resources;
- Activities occurring within or affecting floodplains or wetlands; and
- Activities with the potential to impact threatened or endangered species or their habitat.

Additional documentation or DOE review may be required before Federal funds may be used for these activities.

g) Project Modifications – Sub-Recipients shall promptly notify ODOC of any change in project scope, location, or activities that may affect environmental compliance requirements. Modifications may require additional environmental review or updated DOE NEPA Determination before work proceeds.

h) Recordkeeping – Sub-Recipients shall retain all environmental compliance documentation, including environmental determinations, correspondence, consultations, approvals, and supporting records related to NHPA, ESA, floodplain and wetlands requirements, and any applicable DOE environmental reviews, in accordance with applicable Federal record retention requirements.

Term 8 – Performance of Work in the United States

All work performed under the SEP Award must be performed in the United States. This requirement does not apply to the purchase of supplies and equipment; however, the Sub-Recipient should make every effort to purchase them within the United States. The Sub-Recipient must flow down this requirement to its Sub-Recipients. Failure to comply with the Performance of Work in the United States requirement may result in the denial of reimbursement for work conducted. Requests for exceptions must be submitted in writing to ODOC and are subject to DOE approval where required.

Term 9 – Build America, Buy America (BABA) Requirements

The Sub-Recipient shall comply with all applicable Build America, Buy America (BABA) requirements, including requirements, waivers, guidance, and determinations issued by the U.S. Department of Energy (DOE) and incorporated into the Award. BABA requirements apply to applicable infrastructure projects funded in whole or in part with Federal financial assistance, as determined under applicable Federal law and DOE guidance.

To the extent BABA requirements apply to the project, iron, steel, manufactured products, and construction materials incorporated into, consumed in, or permanently affixed to the infrastructure shall meet applicable domestic preference requirements unless otherwise authorized by an applicable waiver or exception. BABA requirements generally do not apply to tools, equipment, supplies, or other items that are not incorporated into or permanently affixed to the infrastructure.

The Sub-Recipient shall ensure that applicable BABA requirements are incorporated into solicitations, subawards, contracts, subcontracts, and purchase orders, as appropriate, and shall flow down applicable requirements to Sub-Recipients, contractors, subcontractors, suppliers, and vendors. The Sub-

Recipient shall obtain and maintain manufacturer or supplier certifications, or equivalent documentation, demonstrating compliance with applicable BABA requirements for covered items, including documentation supporting any applicable waiver or exception.

Waivers may be granted by DOE when authorized under applicable Federal requirements, including waivers based on public interest, nonavailability, or unreasonable cost. The Sub-Recipient shall not assume that a waiver applies unless the waiver has been properly approved or otherwise authorized.

The Sub-Recipient shall maintain BABA certifications and other supporting documentation in the project files and shall provide such documentation to ODOC, DOE, auditors, or other authorized Federal officials upon request. The Sub-Recipient shall remain responsible for administering and documenting BABA compliance in accordance with applicable Federal law, the Award, and current DOE guidance.

Term 10 – Davis-Bacon Act Requirements

a) Applicability – If applicable to activities funded, the Sub-Recipient must comply with the Davis-Bacon Act requirements, including prevailing wage requirements, as incorporated through applicable Federal laws, regulations, or DOE award requirements.
b) Contractor Requirements – When Davis-Bacon Act requirements apply, the Sub-Recipient must ensure that all applicable contracts and subcontracts contain the required labor standards provisions and that contractors and subcontractors comply with prevailing wage requirements, recordkeeping requirements, and any applicable reporting obligations.
c) Compliance Responsibility – The Sub-Recipient is responsible for maintaining documentation demonstrating compliance with applicable Davis-Bacon Act requirements and providing such documentation to ODOC or DOE upon request.

Term 11 – Reporting and Transparency Requirements

a) Requirement – The reporting requirements for SEP Grant Awards are identified on the ODOC Reporting Schedule, documented in Appendix A. A quarterly report is due by the 20th of the following month (October, January, April, and July) unless otherwise noted in the award. Reporting requirements for Memoranda of Understanding (MOUs), Research Agreements, and other contracts will be identified in the applicable agreement.
b) The Sub-Recipient of the SEP Grant may submit Reimbursement Forms as often as necessary to meet its financial obligation, but must submit at least monthly by the 20th of each month, even if the claim amount is $0.00, unless otherwise noted in the award.
c) Failure to comply with the reporting requirements is considered material noncompliance with the terms of the Award. Noncompliance may result in withholding of future payments, termination of the current award, and/or withholding of future awards. A willful failure to perform, a history of failure

to perform, or unsatisfactory performance of this and/or other financial assistance awards may also result in a debarment action to preclude future awards by Federal agencies.

d) Dissemination of Technical Reports – Project information and reports submitted to ODOC may be subject to disclosure under the Oklahoma Open Records Act and applicable federal regulations. ODOC may also publicly disseminate project information, reports, and outcomes as appropriate.

e) Reporting Subawards and Executive Compensation – Reporting of subawards and executive compensation shall be completed when required by applicable federal law and award conditions.

Term 12 – Lobbying and Conflict of Interest

By accepting funds under the SEP Award, the Sub-Recipient agrees that none of the funds obligated under the Award shall be expended, directly or indirectly, to influence congressional action on any legislation or appropriation matters pending before Congress, except as permitted under 18 U.S.C. § 1913 and applicable federal law. This restriction is in addition to those prescribed elsewhere in statute and regulation.

The Sub-Recipient shall also maintain written standards of conduct covering conflicts of interest and governing the performance of its employees engaged in the selection, award, and administration of awards or subawards, in accordance with 2 CFR § 200.112 and 2 CFR § 200.318(c).

Sub-Recipients shall also comply with applicable DOE conflict-of-interest and conflict-of-commitment requirements under 2 CFR Part 910 and the terms and conditions of the applicable DOE award.

Term 13 – Publications

a) Materials produced, in whole or in part, under this award may be subject to copyright, subject to applicable federal requirements. ODOC and applicable funding agencies retain the right to use, reproduce, publish, and distribute such materials, in whole or in part, for governmental purposes, unless otherwise noted in the award.

b) ODOC may publish, disclose, distribute, or otherwise use reports, data, and other materials prepared under this award as permitted under applicable law and funding requirements.

c) Any publication or other material produced as a result of this award shall include, in a prominent location near the beginning, the following statement, unless otherwise noted in the Award:

    1) This (type of material) was financed in whole or in part by funds (from source) as administered by the ODOC.

    2) DOE Required Disclaimer:

        "This report was prepared as an account of work sponsored by an agency of the United States Government. Neither the United States Government nor any agency thereof, nor any of their employees, makes any warranty, express or implied, or assumes any legal liability or responsibility for the accuracy, completeness, or usefulness of any information, apparatus, product, or process disclosed, or represents that its use would not infringe privately owned rights. Reference herein to any specific commercial product, process, or service by trade name, trademark, manufacturer, or otherwise does not necessarily constitute or imply its endorsement, recommendation, or favoring by the United States Government or any agency thereof. The views and opinions of authors expressed herein do not necessarily state or reflect those of the United States Government or any agency thereof."

Term 14 – No-Cost Extension

The project must be completed within the award period unless a no-cost extension is approved. Any no-cost extension must first be approved by the original funding agency, as applicable, and is subject to ODOC approval prior to issuance to the Sub-Recipient. Approval is not guaranteed and is contingent upon compliance with applicable federal, state, and pass-through requirements.

Term 15 – Property Standards and Management

a) General Property Standards – The complete property standards applicable are found at 2 CFR 200.310 through 2 CFR 200.316. Additional requirements for real property and equipment acquired with Federal funding are also set forth in 2 CFR 910.360, as applicable.

b) Real Property – Pursuant to 2 CFR 200.311, the Sub-Recipient obtains legal title to real property acquired or improved with Federal award funds; however, ownership is subject to the requirements and restrictions of the Federal award. Real property may not be encumbered without prior written approval and must be used for the originally authorized purpose for as long as it is needed for that purpose. When the property is no longer needed for the originally authorized purpose, the Sub-Recipient must request disposition instructions from ODOC. Disposition shall be conducted in accordance with 2 CFR 200.311 and may include: (1) retention of title by the Sub-Recipient, with compensation to DOE through ODOC; (2) sale of property with compensation to DOE through ODOC; or (3) transfer of title to DOE through ODOC or to a third party designated or approved by DOE.

c) Equipment – In accordance with 2 CFR 200.313, the Sub-Recipient obtains legal title to equipment acquired with Federal award funds; however, ownership is subject to the requirements and restrictions of the Federal award. Equipment may not be encumbered without prior written approval and must be used, managed, and maintained in accordance with 2 CFR 200.313, including applicable inventory, maintenance, and disposition requirements. When the equipment is no longer needed for the original project or any other federally supported activity, the Sub-Recipient must follow the disposition requirements in 2 CFR 200.313 and any instructions provided by ODOC. Alternative disposition methods may only be used when authorized by law or approved by DOE.

d) Supplies – Requirements governing supplies acquired under a Federal award are set forth in 2 CFR 200.314. This includes allowable use, inventory, and disposition requirements, as well as 2 CFR 200.453 regarding materials, supplies, and computing devices.
e) Property Trust Relationship – Real property, equipment, and intangible property acquired or improved with Federal funds must be held in trust by the non-Federal entity as trustee for the beneficiaries of the project or program under which the property was acquired or improved, in accordance with 2 CFR 200.316.

Term 16 – Insurance Coverage

See 2 CFR 200.310 for insurance requirements for real property and equipment acquired or improved with Federal funds. Also see 2 CFR 910.360(d) for additional requirements for real property and equipment acquired by Sub-Recipients with Federal Funding.

Term 17 – Record Retention, Monitoring, and Auditing

a) Record Retention – Consistent with 2 CFR 200.334 through 2 CFR 200.338, the Sub-Recipient is required to retain all records relating to the Award. The Sub-Recipient shall maintain all books, documents, papers, records, and other materials related to all activities and transactions under the Award for at least three (3) years from the date of submission of the final expenditure report or until any applicable monitoring or oversight findings have been resolved, whichever is later, or as otherwise required by law, unless otherwise stated in the Award. The Sub-Recipient shall provide authorized representatives of the State of Oklahoma and the Federal Government full access to, and the right to examine, all such records.
b) ODOC Monitoring (Grant Awards Only) – Consistent with 2 CFR Part 200, as amended by 2 CFR Part 910, ODOC will conduct monitoring of Sub-Recipients receiving Grant Awards to evaluate financial, administrative, and programmatic performance related to this Award. Monitoring may include desk reviews, site visits, or other oversight activities. ODOC will provide reasonable advance notice of monitoring (a minimum of 30 days where practicable) and will minimize interference with ongoing work to the extent practicable. A comprehensive monitoring report will be provided to the Sub-Recipient upon completion of monitoring. This requirement does not apply to Memoranda of Understanding (MOUs), Research Agreements, or contractor agreements unless expressly required by the applicable agreement.
c) Upon completion of monitoring, Grant Award Sub-Recipients shall refund to ODOC any payments determined to be unallowable costs. If monitoring has not been completed prior to award closeout, ODOC retains the right to recover disallowed costs following final monitoring determinations.
d) Documentation of Performance and Outcomes – Sub-Recipients must maintain adequate supporting documentation for all reported program activity, including but not limited to milestones, deliverables, performance metrics, and outcomes reported to ODOC. Documentation must be

sufficient to verify reported progress and support applicable oversight activities, including monitoring for Grant Awards, desk reviews, or other reviews conducted by ODOC or federal partners. All records must be retained in accordance with applicable federal and state record retention requirements.

e) Audit Access and Cooperation – The Sub-Recipient shall provide any information, documents, site access, or other assistance requested by ODOC, the U.S. Department of Energy (DOE), and other Federal auditing or oversight entities, including the DOE Office of Inspector General and the Government Accountability Office, for purposes of audits and investigations. Such access shall include reasonable access to all records relating to this Award.

f) Annual Independent Audits – The Sub-Recipient shall comply with applicable annual independent audit requirements under:
   1) 2 CFR 200.500 through 200.521 (Single Audit requirements), or
   2) 2 CFR 910.500 through 910.521 (Compliance Audit requirements), as applicable to entity type.

   These audits are separate from ODOC monitoring of Grant Awards. Costs associated with required Single Audits may be allowable in accordance with 2 CFR 200.425, provided the costs are reasonable, allocable, included in the approved budget (if applicable), and otherwise consistent with applicable federal cost principles. If charged to a SEP Award, audit costs may not also be used to satisfy any required non-Federal cost share.

g) Fraud, Waste, and Abuse – The Sub-Recipient shall promptly notify ODOC of any known or suspected fraud, waste, abuse, conflicts of interest, or criminal activity involving funds provided. The Sub-Recipient shall cooperate with any resulting review, investigation, audit, or corrective action.

Subpart B – Financial Provisions

Term 18 – Maximum Obligation

The maximum financial obligation of ODOC shall not exceed the total amount of funds obligated as set forth in the Award.

Term 19 – Continuation Application and Funding

Continuation applications and continuation funding requirements are program-specific and apply only when identified in the applicable award or funding opportunity.

Term 20 – Cost Matching

a) Project Cost and Cost Match – The Total Estimated Project Cost consists of the Federal share and the required non-Federal cost match, when applicable. Cost match must come from non-Federal sources unless Federal law specifically allows otherwise. Cash and in-kind contributions used to meet cost-sharing requirements must comply with 2 CFR 200.306 and, when applicable, 10 CFR 420.18.

b) Meeting Cost-Match Requirements – When cost sharing is required, Recipients must meet the approved cost-match commitment for each budget period. This requirement applies even if the project ends early, unless ODOC approves a modification to the Award.
c) Cost-Match Commitment – The cost match identified in the approved application and incorporated into the Award becomes part of the Recipient's project commitment. The Recipient is responsible for providing and documenting the required non-Federal share throughout the project.
d) If Cost Match Cannot Be Met – If a Recipient believes it may not be able to meet its cost-match requirement, it must notify the ODOC Energy Program Manager in writing as soon as possible. The notification must explain whether the project will continue and how the required non-Federal share will be provided or replaced.
e) Failure to Meet Cost Match – Failure to meet required cost-sharing obligations may result in corrective action, including disallowance of costs, recovery of funds, or other remedies allowed under Federal and State requirements and the terms of the Award.
f) Documentation – Recipients must maintain records supporting all cost-match contributions, including both cash and in-kind contributions. These records must be available for monitoring and audit.
g) Allowable Cost Match – Costs used to meet cost-sharing requirements must:
    1) be necessary, reasonable, allocable, and allowable under applicable federal cost principles;
    2) be supported by the Recipient's accounting records;
    3) be supported by documentation that verifies the value and source of the contribution;
    4) not be paid with another Federal award unless specifically authorized by Federal law;
    5) not be used as cost share for more than one Federal award; and
    6) be incurred during the approved period of performance unless otherwise authorized.
h) Examples of Cost Match – Cost match may include cash contributions, allowable personnel costs, fringe benefits, donated services, donated equipment or materials, and other allowable in-kind contributions that are properly documented and permitted under 2 CFR Part 200 and the applicable DOE Award.
i) Cost Match vs. Reimbursable Costs – Some project costs may be reimbursed under the Award, while other eligible costs may be used to meet the cost-sharing requirement. The same cost cannot be used for both reimbursement and cost match. Likewise, costs used to satisfy the cost-sharing requirement of another Federal award cannot be used as cost match under this Award unless Federal law specifically allows it. All cost-match contributions must be non-Federal, properly documented, and meet the requirements of 2 CFR 200.306 and this Award.

Term 21 – Payment and Refund Obligations

a) The SEP Grant Awards operate on a reimbursement basis only. Payments are made to Recipients based on documented and allowable expenditures submitted through approved reimbursement claims.
b) Effective upon issuance of this Manual, each monthly reimbursement claim for SEP Grant Awards must include a detailed general ledger or Statement of Revenue and Expenses that aligns with the amounts requested in the claim. The general ledger and supporting financial documentation must be submitted with each monthly claim and must clearly reconcile to the expenditures included in the submission.
c) Because Grant Awards are paid on a reimbursement basis, refund obligations do not arise as part of normal program operations. However, the Recipient remains responsible for returning any funds determined to be unallowable, unsupported, or overpaid as a result of monitoring, audit, invoice review, or closeout reconciliation.
d) Memoranda of Understanding (MOUs), Research Agreements, and other contracts are not processed through the reimbursement claim process. Payments under these agreements are made through invoices and purchase orders (POs), as specified in the applicable agreement and in accordance with ODOC payment procedures.

Term 22 – Allowable Costs

Allowable costs under this program are determined in accordance with 2 CFR Part 200, as amended by 2 CFR Part 910. All project costs must meet the federal requirements of being allowable, allocable, and reasonable. Recipients shall not use SEP funds for activities prohibited under 10 CFR 420.18.

Costs charged to one Federal award may not also be used to satisfy the cost-sharing or matching requirements of another Federal award unless expressly authorized by federal statute or regulation.

SEP funds must be used to supplement existing state, local, tribal, or other non-federal resources and should not be used to replace or supplant funding that would otherwise be available for the same purpose. Recipients should maintain documentation sufficient to demonstrate that SEP funding increased the level of effort, services, or activities provided and did not replace existing funding commitments.

Recipients are responsible for maintaining documentation supporting all project costs, including costs charged to Federal funds, costs incurred by subrecipients, and costs used to meet cost-sharing requirements, including in-kind contributions. Documentation must be sufficient to demonstrate that costs were incurred, are reasonable, allowable, allocable, and in compliance with applicable federal cost principles.

Recipients should be prepared to provide supporting documentation to ODOC upon request. All cost records are subject to ODOC monitoring and other applicable oversight activities. Costs that are not adequately supported may be determined to be unallowable.

Foreign travel costs require prior written approval from ODOC before being incurred.

Term 23 – Indirect Costs

a) When indirect costs are included in the approved budget, the Recipient must use an applicable federally negotiated indirect cost rate or another rate authorized under 2 CFR § 200.414, including the de minimis rate when applicable.

a) Lower-than-Expected Indirect Costs – If actual allowable indirect costs are less than the amount budgeted, the Recipient may request to use the remaining funds for allowable project costs, subject to applicable budget revision requirements and Award terms. If the Recipient was reimbursed more indirect costs than allowed based on actual costs, the excess amount must be returned or adjusted as directed by ODOC.

b) Higher-than-Expected Indirect Costs – Recipients are responsible for managing their approved indirect cost rates and budgets. Increases in indirect costs alone do not guarantee an award modification. Any requested changes must be reviewed and approved in accordance with applicable Federal requirements and Award terms.

c) If a Recipient is not fully reimbursed for allowable indirect costs due to rate increases, any resulting under-recovery may, with prior written approval from ODOC, be applied toward cost-sharing requirements under this Award.

d) Subrecipient Indirect Costs – Recipients must ensure that indirect costs are properly calculated, allowable, and compliant with this Award and applicable requirements under 2 CFR Part 200, as amended by 2 CFR Part 910.

Term 24 – Use of Program Income

Program income is not anticipated under SEP programs. If program income is generated, it must be handled in accordance with 2 CFR 200.307 and applicable federal and ODOC guidance. All program income must be reported.

Term 25 – Payment Procedures & Sub-Recipient Compensation

a) Allowable Use of Funds – SEP funds provided may only be used for costs incurred within the approved period of performance specified in the Award, unless otherwise authorized by ODOC in accordance with applicable federal requirements. Certain awards may allow pre-award or backdated costs when explicitly approved in writing by ODOC. All expenditures must be reasonable, necessary, and consistent with the approved activities and scope established by the agreement between the Recipient and ODOC.

b) Reimbursement Process – ODOC disburses SEP Grant funds on a reimbursement basis upon receipt and approval of properly completed Request for Reimbursement Forms (“Claims”) submitted through the grant management system. Reimbursement requests may be submitted as frequently as needed; however, a reimbursement request must be submitted at least monthly by the 20th of each month, even if the claim amount is $0.00, in accordance with the executed award.

c) Payment Method – All payments are issued via electronic funds transfer (EFT) to the bank account identified in the OMES Vendor Payee Form completed during vendor registration.
d) Vendor Registration – Recipients must complete OMES vendor registration prior to receiving payments. Entities not registered at the time of award execution will be provided instructions and a reasonable timeframe to complete registration through the State of Oklahoma Central Purchasing Division vendor registration system.
e) Contractor Payments – Entities performing services under a Memorandum of Understanding (MOU), professional services agreement, purchase order, or other procurement instrument will be compensated in accordance with the terms of the applicable agreement. Payments to contractors are generally made upon receipt and approval of invoices and required supporting documentation, in accordance with State procurement requirements and the executed agreement.

Term 26 – Budget Revisions and Rebudgeting

a) Recipients are required to report deviations from approved budget and program plans and must obtain prior approval from ODOC for revisions as outlined in the Award.
b) If the Recipient determines that all awarded funds will not be expended during the approved period of performance, the Recipient shall notify ODOC in writing as soon as practicable. The Recipient shall submit any budget revisions, requests for de-obligation of unused funds, or award modifications required by ODOC prior to the end of the performance period.
c) Recipients may transfer funds among direct cost categories for approved program activities consistent with the approved project scope, milestones, deliverables, and budget, subject to the requirements of this Manual, the Award, and applicable Federal requirements. Total expenditures may not exceed the total Award amount.
d) Written notification and/or prior approval must be submitted to ODOC for any transfer of funds among direct cost categories that exceeds, or is expected to exceed, ten percent (10%) of the current approved budget line item, subject to any limitations on supplies, equipment, or other cost categories contained in the applicable SEP award requirements.
e) Revisions to approved program activities, including changes to project scope, milestones, deliverables, or performance requirements, shall be submitted to ODOC for approval. Budget modifications associated with approved revisions will be considered only when justified by programmatic needs and consistent with award requirements.
f) Sub-Recipients shall obtain prior written approval from ODOC for one or more of the following (unless otherwise specified in the Award):
    1) If year-to-date expenditures exceed or fall below the approved budget line item amount by more than ten percent (10%), the

Recipient must submit a budget modification request for ODOC approval.
    2) If there is a change to the approved Scope of Work, regardless of whether a budget revision is required.
    3) If there is a change in key personnel identified in the application or award document.
    4) If the budget includes costs requiring prior approval under applicable federal, state, or program requirements.

g) Requests for budget or program revisions shall be submitted in writing to ODOC.

Term 27 – Carryover of Unobligated Balances

Carryover of unobligated balances is not permitted unless otherwise authorized in writing by ODOC.

Subpart C – Miscellaneous Provisions

Term 28 – Insolvency, Bankruptcy, or Receivership

a) The Recipient shall notify ODOC in writing within five (5) days of the occurrence of any of the following events:
    1) The Recipient or its parent organization files a voluntary petition seeking liquidation or reorganization under the Bankruptcy Code (11 U.S.C.);
    2) The Recipient or its parent organization consents to an involuntary bankruptcy petition;
    3) Any similar proceeding is filed for or against the Recipient or its parent organization, or the Recipient consents to the appointment of a receiver, trustee, conservator, or other officer with similar powers under applicable federal or state law; or
    4) The Recipient becomes insolvent or is unable to pay its debts as they become due.

b) The notification shall be in writing and shall include:
    1) A detailed description of the event;
    2) The circumstances surrounding the event; and
    3) An explanation of the potential impact on the project funded under this Award.

c) Failure to comply with this Term may be considered material noncompliance under this Award.

TERM 29 – System for Award Management & Universal Identifier Requirements

a) The Recipient shall maintain an active registration in the System for Award Management (SAM.gov) for the duration of the Award, including through submission of the final financial report or receipt of final payment, whichever is later. The Recipient shall review and update its SAM registration at least annually, or more frequently as required by changes in entity information.

b) The Recipient shall provide proof of active SAM registration upon request by ODOC.
c) The Recipient shall ensure SAM registration is complete and current prior to award execution and throughout the period of performance.
d) The Recipient's SAM must remain active while the application and award are active.
e) The Recipient shall not make awards to parties suspended or debarred from participation in federal assistance programs.

Term 30 – Certification and Assurances

Certification by the Recipient – The Recipient certifies and agrees as follows:

a) The Recipient is solely responsible for ensuring that all funds received under this Award are used in compliance with applicable federal, state, and local laws, regulations, and ODOC policies and procedures. The Recipient is also responsible for ensuring compliance by all subrecipients.
b) The Recipient certifies that it has not paid, offered, given, or agreed to pay or give any money or thing of value to any officer or employee of the State of Oklahoma for the purpose of obtaining this Award.
c) The Recipient certifies compliance with 25 O.S. §1313(B) and shall participate in the Status Verification System to verify employment eligibility of all new employees.
d) The Recipient shall complete and maintain all applicable federal and state assurances and certifications, including but not limited to:
    1) SF-424B Assurances – Non-Construction Programs
    2) DOE F 1600.5 Assurance of Compliance – Nondiscrimination in Federally Assisted Programs
    3) Certifications Regarding Lobbying, Debarment, Suspension, and Other Responsibility Matters
    4) Drug-Free Workplace Requirements
    5) Representation of Limited Rights Data and Restricted Computer Software
    6) SF-LLL Disclosure of Lobbying Activities.

Term 31 – Conference Costs

Recipients may use Award funds for conference-related costs only when the conference directly supports the purpose of the Award and the costs are allowable under applicable Federal cost principles. Prior approval from ODOC may be required before using Award funds for conference expenses.

Term 32 – SEP ARRA Funded Financing Program Requirements

This Term applies only to Recipients administering State Energy Program (SEP) financing programs originally capitalized with funds provided under the American Recovery and Reinvestment Act of 2009 (ARRA). This Term does not apply to other SEP-funded activities or awards.

a) Applicability – If a Recipient continues to operate a financing program capitalized with SEP ARRA funds beyond the original period of performance, the Recipient shall continue to comply with all applicable federal requirements governing that financing program. The applicable ARRA terms and conditions incorporated into the original award remain in effect for the financing program for as long as it continues to operate.
b) Scope – the ARRA requirements applicable to financing programs apply only to the continued administration of the financing program capitalized with ARRA funds. These requirements do not apply to other activities or projects funded under the current SEP award.
c) Program Administration – Subject to applicable federal requirements and 10 CFR Part 420, annual SEP funds may be used to administer an eligible ARRA-funded financing program. If a Recipient elects to discontinue a financing program, any remaining program funds may be redirected only as authorized by the U.S. Department of Energy (DOE) and the Oklahoma Department of Commerce (ODOC).
d) Environmental and Historic Preservation Requirements – Recipients shall comply with the applicable environmental and historic preservation requirements identified in Term 7 – Environmental Compliance Requirements for activities involving ARRA-funded financing programs or funds repurposed from such programs.
e) Applicable Federal Requirements – Recipients administering ARRA-funded financing programs shall comply with all applicable provisions incorporated into the original DOE Recovery Act award, including, as applicable:
    - Special Provisions Relating to Work Funded Under the American Recovery and Reinvestment Act of 2009;
    - Required Use of American Iron, Steel, and Manufactured Goods;
    - Recovery Act wage rate requirements;
    - Recovery Act reporting requirements;
    - Historic Preservation requirements;
    - Davis-Bacon Act and Contract Work Hours and Safety Standards Act requirements; and
    - Any other applicable Recovery Act requirements governing the continued operation of the financing program.

Term 33 – Export Control

The Recipient is responsible for complying with all applicable U.S. export control laws and regulations, including regulations administered by the U.S. Department of Commerce and U.S. Department of State. The Recipient shall obtain any required licenses, permits, or approvals prior to exporting controlled information, technology, equipment, or materials.

Appendix A – Reporting Schedule for Grant Awards

Unless otherwise stated in the award, all reimbursement claims for reimbursement-based grants are to be submitted monthly on the following 20th of the month. All reporting must be submitted through the grant management system.

Quarter	Period	Report Due	Complete
Q1	July–September	Oct 20	☐
Q2	October–December	Jan 20	☐
Q3	January–March	April 20	☐
Q4	April–June	July 20	☐

Closeout Requirements

Requirement	Submitted
Final closeout report	☐
Match documentation (if applicable)	☐
Financial reconciliation	☐
Final invoices and supporting documentation	☐
Project completion photographs	☐
System uploads completed	☐

Contact Information

Oklahoma Department of Commerce
Business and Community Development Division
900 N Stiles Ave.
Oklahoma City, OK 73104
Website: www.okcommerce.gov
Phone: 800-879-6552