



**Rural Development
Business Center**

RD AN No. 4892 (1940-M)

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TO: Agency Administrators
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FROM: Tony Bainbridge
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SUBJECT: System for Award Management Registration

PURPOSE AND INTENDED OUTCOME

This Administrative Notice (AN) is issued to address the requirements for System for Award Management (SAM) registration by participants of all programs, including loans, grants, subsidies, cooperative agreements, and guarantees. Guidance for Rural Development (RD) staff to validate registrations is provided below.

This AN incorporates Title 2 of the Code of Federal Regulation (referenced 2 CFR), Parts 25 and 200 Grants and Agreements, and Office of Management and Budget (OMB) guidance as they pertain to the SAM system policies impacting RD programs:

- Direct loan, subsidy, and cooperative agreement recipients, and guaranteed lenders are now required to register at <https://sam.gov/>, in addition to grant recipients (entities only).
- SAM registrants must complete OMB directed representations and certifications during registration at <https://sam.gov/>. These representations and certifications will replace certifications previously collected as explained below.

COMPARISON WITH PREVIOUS AN

This AN replaces RD AN No. 4882 (1940-M), System for Award Management Registration and Screening Requirements for Debarment and Suspension dated July 27, 2021. AN 4882 has been split into two separate ANs to clarify the subject matter – 1) SAM Registration and 2) Screening for Debarment and Suspension.

EXPIRATION DATE:
February 29, 2024

FILING INSTRUCTIONS:
Preceding Instruction 1940-M

This AN and attached SAM Registration table provide revisions to the SAM Registration guidance. Please see AN 4893 and Screening for Debarment and Suspension table for revisions to the debarment and suspension guidance.

BACKGROUND

The U.S. General Services Administration (GSA) implemented changes in SAM, <https://sam.gov/>, to electronically collect certifications and representations required of grant recipients, removing eight forms. This reduces the burden on federal award recipients governmentwide.

On [August 13, 2020](#), the Office of Management and Budget published guidance in the Federal Register for 2 CFR Parts 25 and 200 which became effective November 12, 2020, implementing changes to SAM registration requirements.

IMPLEMENTATION RESPONSIBILITIES

This AN is effective for all applications received on or after October 1, 2021, as per the previous RD AN No. 4882 (1940-M), System for Award Management Registration and Screening Requirements for Suspension and Debarment.

RD staff involved in the review of all applicants and recipients of federal awards are responsible for reviewing and becoming familiar with the requirements of this AN.

Standard Definitions

Applicant – A non-Federal entity or Federal agency that applies for Federal awards (2 CFR §25.400)

Federal Award – An award of federal financial assistance that a non-Federal entity or Federal agency received from a federal awarding agency. (2 CFR §25.405)

Federal Financial Assistance – Assistance that entities received or administer in the form of:

- a) Grant;
- b) Cooperative agreements {which does not include a cooperative research and development agreement pursuant to the Federal Technology Transfer Act of 1986, as amended (15 U.S.C.3710a)};
- c) Loans;
- d) Loan guarantees;
- e) Subsidies;
- f) Insurance;
- g) Food commodities;
- h) Direct appropriations;
- i) Assessed or voluntary contributions; or
- j) Any other financial assistance transaction that authorizes the non-federal entity's expenditure of federal funds.

Federal Financial Assistance, does not include:

- a) Technical assistance, which provides services in lieu of money; and
- b) A transfer of title to federally owned property provided in lieu of money, even if the award is called a grant. (2 CFR §25.406)

Natural Person – An individual unrelated to any business or nonprofit organization he or she may own or operate in his or her name. (2 CFR §25.110)

Participant – For the purposes of this UL, is defined as any individual or entity in a transaction supplying goods or services to the federal award recipient, including but not limited to contractor, closing attorney, appraiser, auditor, subcontractor, architect, or engineer.

Recipient – A non-Federal entity or Federal agency that received a federal award. This term also includes a non-Federal entity who administers Federal financial assistance awards on behalf of a federal agency. (2 CFR §25.407)

Subaward – An award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract. (2 CFR §200.1)

Subrecipient – An entity, usually but not limited to non-federal entities, that receives a subaward from a pass-through entity to carry out part of a federal award; but does not include an individual that is a beneficiary of such award. A subrecipient may also be a recipient of other federal awards directly from a federal awarding agency. (2 CFR §200.1)

System for Award Management (SAM) Registration

Registration in the System for Award Management (SAM) at <https://sam.gov> is required for each applicant and recipient of a federal award that is not exempted. According to 2 CFR §25.110(b), “None of the requirements in this part apply to an individual who applies for or receives federal financial assistance as a natural person.” See the attached table, SAM Registration.

The following is required for SAM registration per 2 CFR § 25.200(b):

- (1) Be registered in SAM prior to submitting an application or plan;
- (2) Maintain an active SAM registration with current information during which it has an active federal award (loan, grant, guarantee, subsidies, etc.) or an application or plan under consideration;
- (3) Provide its Unique Entity Identifier (UEI) in each application or plan.

RD programs no longer collect a CAGE code from recipients.

The Data Universal Numbering System (DUNS) has been replaced by the Unique Entity Identifier (UEI) number for SAM effective April 4, 2022. All existing and new SAM registrants have been assigned a UEI.

RD requires staff to validate SAM registration of the applicants and recipients of the federal awards as described above. RD’s Chief Financial Officer designated the Department of

Treasury's Do Not Pay (DNP) Portal as the approved one-stop-shop system, <https://fiscal.treasury.gov/DNP/>. Specifically, Agency staff will validate registration utilizing the SAM Entity Registration Records data source (SAMENT) when completing DNP screening. For all applications received on or after October 1, 2021, RD staff must validate and document an active SAM registration status *prior to complete* application, obligation, and each disbursement. Each program provides the definitions of "complete application" and obligation stages.

File documentation is required and readily available from the DNP Portal. Agency staff are to print the evidence of the SAM registration from the DNP Portal and place in the case file, electronic or hard copy. Please reference the accompanying table on the Rural Development Title 2 CFR SharePoint site, https://usdagcc.sharepoint.com/sites/rd_cfo/icd/2CFR/, which summarizes guidance to Agency staff for SAM registration, validation, and documentation.

The following forms collect evidence of representations and certifications from participants of RD programs. As of February 1, 2020, representations and certifications are collected electronically from federal award recipients as they complete registrations in SAM. To reduce governmentwide recipient burdens, the collection of the forms is no longer required for SAM registrants. Specifically, OMB guidance states agencies are not allowed to request the following forms from SAM registrants to support reduced burden on the public. RD will continue to use the forms for those participating as a natural person, as they are not required to register in SAM.

RD staff are not responsible for validating nor documenting the completion of the SAM representations and certifications by a participant.

- Standard Form 424B – Assurances – Non-Construction Programs (Discontinued effective February 1, 2020)
- Form AD 1047 – Certification Regarding Debarment, Suspension, and Other Responsibility Matters Primary Covered Transactions
- Form AD 1048 – Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion Lower Tier Covered Transactions
- Form AD 1049 – Certificate Regarding Drug-Free Workplace Requirements (Grants) Alternative I – For Grantees Other Than Individuals
- Form AD 1050 – Certification Regarding Drug-Free Workplace Requirements (Grants) Alternative II – For Grantees Who Are Individuals
- Form AD 1052 – Certification Regarding Drug-Free Workplace States and State Agencies, Federal Fiscal Year _
- Form AD 3030 – Representations Regarding Felony Conviction and Tax Delinquent Status for Corporate Applicants
- Form AD 3031– Assurance Regarding Felony Conviction or Tax Delinquent Status for Corporate Applicant

Applicant Responsibilities

Per 2 CFR §25.200(b)(2) referenced above, applicants are required to maintain an active SAM registration with current information during which it has an active loan, grant, subsidy, cooperative agreement, or guarantee.

GSA emails reminders to the designated entity point of contact on record with SAM to renew SAM registration at 60, 30, and 15 days prior to expiration, plus at expiration.

Subawards

The National Office staff of each mission area will determine the specific programs that are subawards as defined by 2 CFR Part 200.

There are only a few specific programs that issue subawards. See definitions for subaward and subrecipient above.

Per 2 CFR § 25.300, a recipient may not disburse to a subrecipient unless the subrecipient has obtained and provided to the recipient a UEI. Any subrecipient to receive disbursements or payments from a recipient in a transaction that does not have an exemption under 2 CFR § 25.110(b), as referenced previously, must obtain and provide the recipient a UEI prior to receiving disbursement. RD staff are not obligated to verify or document the collection of the UEI by other participants.

Registration Implementation for Existing Participants

According to 2 CFR § 25.110(a), the requirement to register in SAM applies to all “applicants and recipients of federal awards”; loan, grant, subsidy, and cooperative agreement recipients, and guaranteed lenders, other than those exempted (recipients participating as natural persons). The above provides guidance for participants of new applications, but clarification below is provided for existing loan, grant, and guarantee recipients:

Loans – 2 CFR Part 25 requires loan recipients to register in SAM effective November 12, 2020. Recipients of loans closed prior to November 12, 2020, are not required to register in SAM. SAM registration is required if they apply for or receive a new loan on or after this date. As stated above per this AN, RD staff must begin to validate the SAM registration for loan applications received on or after October 1, 2021.

Multi-Family Housing (MFH) Section 521 Rental Assistance Program (RA) – This grant program issues RA units to MFH Section 514/515 Loan Program borrowers. The RA units are renewed each year without an application after the first year. Those recipients (who are not exempt as described above) must be registered in SAM at <https://sam.gov/> as per 2 CFR Part 25. Notification and SAM registration of existing recipients of the Section 521 RA units was completed in 2022. Validation of the SAM registration must be completed and documented during the Triennial Supervisory Visits.

Rural Housing Voucher Demonstration Section 542 Program – This grant program issues Section 542 Vouchers to eligible tenants. The landlord becomes the prime recipient. Those recipients (who are not exempt as natural persons) must be registered in SAM as per 2 CFR Part 25. Notification of SAM registration requirements will be provided to recipients of the

Section 542 Vouchers Housing Assistance Payment (HAP) contracts in 2022. Validation will occur with the receipt of the HAP contracts.

Guaranteed Lenders – RD must validate the lender's SAM registration prior to approving the lender's application for guarantee. All existing guaranteed lenders must be registered in SAM and the validation will occur at the time of RD's lender recertification or renewal process.

Registration and Renewals Exceptions

Title 2 of the Code of Federal Regulations (CFR) allows exceptions for an agency. Specifically, 2 CFR 25.110 states:

- (c)(2) The conditions under which a Federal awarding agency may exempt an applicant or recipient are -
- (iii) For an applicant, if the Federal awarding agency makes a determination that there are exigent circumstances that prohibit the applicant from receiving a unique entity identifier and completing SAM registration prior to receiving a Federal award.

When a registrant is unable to complete registration or annual renewal, the agency has the discretion to continue with all stages of the award process. The decision will be based upon two main factors:

1. It is determined that without an exception, the Government's interest would be adversely affected, if the assistance is not provided or such funding is necessary to enable an applicant/borrower/grantee to achieve program objectives.
2. The applicant/borrower has provided an incident number. The applicant/borrower has also provided email documentation from SAM as evidence the SAM registration is in underway, and applicant/borrower is responding accordingly.

To request an exception, email the request to the applicable contact as listed, https://usdagcc.sharepoint.com/sites/rd_cfo/icd/2CFR/SitePages/SAMRegistration.aspx.

Information Required:

1. Applicant/Borrower/Grantee Name
2. Program Name
3. Award/Disbursement Amount
4. Submitting Official's Contact Information: Name, Phone, Email
5. The supporting justification for the exception (i.e., funding deadline, interest rate increase)
6. SAM Incident Number with email documentation from SAM

Once an exception decision is made, a response must be provided to the applicable Rural Development staff by program staff. The response must be placed in the case file. Each program area will keep one log of responses.

Obtaining a complete SAM registration or renewal as applicable must be added to the Letter of Conditions or Conditional Commitment as applicable. The exceptions must be monitored by applicable program staff to ensure SAM registration or renewal is completed timely.

Required Documentation

Documentation of the screening for SAM registration and suspension and debarment is to be placed in the casefile. The following details must be included:

- Do Not Pay Portal User Who Conducted the Screening
- Do Not Pay Access Group
- Date of Screening
- Applicable Factors Used to Conduct the Screening
 - First and Last Name
 - TIN/SSN/EIN
 - Business Name
 - UEI
 - Data Sources Screened
 - Results of the Screening

These details will be included when using the print function of the DNP Portal. Include all pages. If complete details are not included, screen prints/grabs from the DNP Portal are acceptable. See the USDA RD DNP Portal Guide or RD DNP Training for further guidance to obtain documentation from the DNP Portal, https://usdagcc.sharepoint.com/sites/rd_cfo/icd/DoNotPay/.

RESOURCES

Multiple resources, to include Useful Links, Training, and Frequently Asked Questions (FAQs), have been developed for RD staff. They may be found on the *Title 2 CFR at Rural Development* site, https://usdagcc.sharepoint.com/sites/rd_cfo/icd/2CFR/ (a subsite of the Internal Compliance Division SharePoint site).

If there are any questions, please contact Heather Honkomp, Program Analyst at 515-284-4486 or heather.honkomp@usda.gov, or Janet Stouder, Compliance Specialist at 202-720-9278 or janet.stouder@usda.gov.

Attachment: System for Award Management (SAM) Registration Table available at https://usdagcc.sharepoint.com/sites/rd_cfo/icd/2CFR/

Sent by Electronic Mail on _____ at _____ by the Office of Compliance, St. Louis, Missouri. National Office Officials, Agency Administrators, and State Directors should advise other personnel as appropriate.