

# Federal Grants and Cooperative Agreements Handbook



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## **Part 600 – Federal Grants and Cooperative Agreements**

### **Subpart A – General Information**

#### **600.0 Introduction**

##### **A. Use**

This handbook is designed for employees who use competitive grants or cooperative agreements to support the mission of the Natural Resources Conservation Service (NRCS) and to help them determine the appropriate legal instrument to use according to the Federal Grant and Cooperative Agreement Act of 1977 (FGCAA), as amended. Implementing regulations can be found beginning at 7 Code of Federal Regulations (CFR) 3015. Anyone who has a role in developing, administering, or processing cooperative agreements or grants shall utilize this guidance.

##### **B. Other Agreements**

This section only applies to grants and cooperative agreements as defined in the Federal Grant and Cooperative Agreement Act of 1977.

The following is additional guidance to the Federal Grants and Cooperative Agreements Handbook for use when working with the other types of agreements.

##### **C. Agreements Other Than Those within the Grant and Cooperative Agreement Act**

NRCS has other categories of agreement instruments available to fulfill its mission. These include:

- (1) Working agreements; and
- (2) 7 U.S.C. 6962a Contribution Agreements. Information and guidance for Contribution Agreements can be found in the Contribution Agreements Handbook (120-VI-CAH.)

##### **D. Working agreements are set forth in Part 104I-73 of the Soil Conservation Service Property Management Regulations (SCSPMR) and include:**

- (1) Agreements under the Economy Act;
- (2) Memorandum of Understanding (MOUs);
- (3) Joint agreements;
- (4) Contribution agreements (different from 6962a contribution agreements); and
- (5) Agreements for the services of NRCS; and
- (6) Interagency agreements (other than Economy Act).

#### **600.1 Authority**

##### **A. Federal Statutory Authorities**

Subpart I, Exhibits, Section 600.100, lists the Federal statutory authorities of NRCS to enter into procurement contracts, grants or cooperative agreements. Also included is a summary table that provides guidance on selecting the appropriate instrument under a particular statute.

**Note:** Some statutes only provide authority for procurements and not for grants or cooperative agreements.

**B. Earmarks**

Certain appropriations received by NRCS are “earmarked” for specific purposes. Some earmarked appropriations provide NRCS specific authority to enter into grants or cooperative agreements with an identified entity or entities. Unless an earmarked appropriation specifies differently, all grants or cooperative agreements entered into with earmarked funds must be competed. It is essential to read the appropriation language carefully to ensure compliance with its intent. Verify this by researching the appropriation language at <http://thomas.loc.gov>. Earmark authority is of two types: Congressional and Program.

(1) Congressional Earmarks. Congress specifically sets aside funds for NRCS to enter into a grant or cooperative agreement for a specific purpose. Congress may further identify that an agreement be made with a specific entity. Details for Congressional earmarks are found in appropriation language or through other special legislation. Examples would be EWP and Public Law-566 rehabilitation funding.

(2) Program Earmarks. USDA or NRCS specifically sets aside funds for an identified program. Justification for Program earmarks shall be provided by the National Program Manager. Examples of this would be RC&D, Public Law-566, etc.

**600.2 Definitions**

**A. Applicant**

An applicant is an individual, organization, agency, unit of Government or entity that submits an application for an NRCS grant or cooperative agreement.

**B. Application**

An application is a written request for an NRCS grant or cooperative agreement.

**C. Contract**

A contract reflects a relationship between NRCS and a commercial organization (contractor) or other entity when the principal purpose of the instrument is to acquire (by purchase, lease or barter) property or services for the direct benefit or use of the Federal Government, or when the agency decides the use of a procurement contract is appropriate.

Examples of contract acquisitions are as follows:

- (1) Projects that support NRCS administration and management.
- (2) Construction or rehabilitation services.
- (3) Advisory and assistance services.
- (4) Surveys, studies, and analyses that provide specific information to the Federal Government for its direct activities.
- (5) Planning activities for Federal Government use.
- (6) The development of management information systems or other data for Federal Government use.

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(7) Production of publications or audiovisual materials for directly conducting the operation of the Federal Government.

### D. Cooperative Agreement

A cooperative agreement reflects an assistance relationship between NRCS and a State or local government or other recipient when the *principal* purpose of the relationship is to transfer a thing of value to a recipient in order to **accomplish a public purpose of support or stimulation authorized by Federal law and substantial Federal involvement is anticipated**. These agreements may be funded up to 100 percent by NRCS.

Substantial involvement means the recipient can expect agency collaboration or participation, or close agency oversight and control. Each cooperative agreement shall include an explicit statement of the nature, character, and extent of involvement by NRCS. Activities generally associated with substantial involvement are as follows:

- (1) Authority to suspend work if specifications or work statements are not met.
- (2) Review and approval of one stage of work before another can begin.
- (3) Review and approval of substantive provisions of proposed sub-grants or contracts beyond existing Federal policy.
- (4) NRCS and recipient collaboration or joint participation.
- (5) Project monitoring to permit specified kinds of direction or redirection of the work because of interrelationships with and impacts on other projects.
- (6) Highly prescriptive NRCS requirements which limit recipient discretion.
- (7) Review and approval of key personnel.
- (8) Direct NRCS operational involvement or participation during the activity.

### E. Domestic Grants and Cooperative Agreements

Domestic grants and cooperative agreements are those entered into between the NRCS and a recipient located and operating within the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands of the United States, Guam, American Samoa and the Commonwealth of the Northern Mariana Islands.

### F. Financial Assistance

Financial assistance includes a transfer of anything of value to a recipient to accomplish a public purpose of support or stimulation.

### G. Grant

A grant agreement reflects a relationship between NRCS and a State, local government or other recipient when the *principal* purpose of the relationship is the transfer anything of value to a recipient in order to **accomplish a public purpose of support or stimulation authorized by Federal law and substantial Federal involvement is not anticipated**. These grants may be funded up to 100 percent by NRCS.

Substantial involvement is not anticipated when the terms of an instrument indicate that the recipient can expect to run the project without Agency collaboration, participation, or intervention as long as it is performed in accordance with the terms of the instrument.

The below activities are part of NRCS responsibility in providing sound fiscal oversight of Government-funded projects, and are not considered "substantial involvement."

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- (1) Approval of recipient plans or applications prior to award.
- (2) Normal management activities during the project such as site visits, performance reports, financial reporting, and audits to ensure that standards, objectives, terms and conditions of the project are accomplished.
- (3) General statutory requirements included in the award such as civil rights, environmental protection, and provisions for the handicapped, and administrative requirements such as those set forth in 7 CFR Parts 3015, 3016, and 3019.
- (4) Review of performance after completion.
- (5) Unanticipated NRCS involvement to correct deficiencies in project or financial performance from the terms of the assistance instrument.

### H. Grants and Cooperative Agreements with Foreign Countries

NRCS does not have authority to provide financial assistance to foreign countries.

### I. Recipient

A recipient is an applicant who has been awarded a grant or cooperative agreement and receives Federal financial assistance.

### J. Responsible Official

A Responsible Official is a program manager, or other individual assigned responsibility for development of project requirements, and pre-award and post-award administration.

This includes tasks such as—

- (1) General information. Name of project, and eligible applicants (based on program authority);
- (2) Proposal information. Project description (statement of work), purpose/objective, benefits (who, how and why), duration of project, and authority (Public Law or U.S.C.), activities NRCS will support and program priorities throughout the agreement, evaluation factors for award (e.g., allowing prospective awardees to offer some level of funding to decrease the Federal outlay); identify name/phone number of Point of Contact personnel;
- (3) Funding information. Estimated project cost, NRCS contribution (funds, personnel, commitments, etc.), and funding source;
- (4) Review Board. Recommends to Signatory Official appointees to the Review Board;
- (5) Evaluation. Works with Review Board to rank and evaluate applications for award;
- (6) Negotiations. Works with grant and agreement specialist in negotiating the award;
- (7) Administration. Ensures technical compliance of project, certifies payment requests (refer to SF-270), review and accept status and progress reports and Financial Status Report, SF-269, and develop appropriate written documentation for amendments; and
- (8) Closeout. Responsible for approval and acceptance of final project including resulting product, reports, etc.

### K. Grants and Agreements Specialist

The Grants and Agreements Specialist shall provide support including advertising, evaluating, negotiating and administering grants and agreements in accordance with the FGCAA. The Specialist shall also be assigned as the lead negotiator and make recommendations to the Review Board.

L. Signatory Official

A Signatory Official has final authority, such as the Chief and others as identified in the Delegations of Authority in General Manual 130, Part 400, to obligate the Government. For grants and agreements, this cannot be re-delegated below the level of State Conservationist. Any waivers or exceptions to the competitive process may not be re-delegated below the level of State Conservationist. The Signatory Official shall assign the appropriate administrative, program, and other employees to each specific agreement or grant project.

### 600.3 General Discussion

A. Secretary of Agriculture

Congress provides the statutory authority to the Secretary of Agriculture that is the basis by which agencies are granted authority to carry out a program. The Secretary must then delegate the authority to a specific agency head before the agency may implement any program. Additionally, Congress must also provide funding to carry out the program. If funding is not authorized, an agency may not use funds appropriated for one program to carry out another program.

The Farm Security and Rural Investment Act of 2002 amended the Food Security Act of 1985, expanding the total number of conservation cost-share programs funded through the Commodity Credit Corporation (CCC). The Federal Agriculture Improvement and Reform Act of 1996 (the 1996 Act) amended the Commodity Credit Corporation Charter Act, authorizing CCC to operate and fund other conservation programs conducted by the Secretary of Agriculture, which have been otherwise provided for by law.

The Secretary's memorandum of May 13, 1996, outlined program delegation and responsibility for the delivery of the conservation cost-share programs now funded through Commodity Credit Corporation (CCC). The Secretary's memorandum provided guidance, detailing roles and responsibilities for the "implementation of administrative processes and procedures." The administrative process included contracting, performance reporting, and financial and budgetary matters, including allocations and program accounting concerning the conservation programs funded through CCC.

B. Inherent Authority

Every Federal agency has the inherent authority to contract for goods and services it needs, provided the procurement is within the Agency's mission and not prohibited by statute. However, agencies do not have inherent authority to grant money or property to benefit a party other than the Government. These actions must be specifically authorized by Congress. The Federal Grant and Cooperative Agreement Act of 1977 (31 U.S.C. 6301-6308, Public Law 95-224) conveys no authority to provide Federal financial assistance. The Act provides guidance on the three award instruments—grants, cooperative agreements and contracts. The agencies have authority to select the appropriate instrument as long as it is within the limits of their program legislation. If NRCS is authorized to enter into either a procurement or assistance relationship to accomplish a particular program objective, then the Act gives the authority to select the appropriate instrument. The Federal Acquisition Regulation (FAR)(48 CFR) provides guidance on the use of contracts.

The Commodity Credit Corporation Charter Act [15 U.S.C. 714] was amended under the 1996 Act, to fund conservation programs and associated activities. Pursuant to the

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powers and authorities vested in the Board of Directors of the CCC, the management and administration of the aforementioned 1996 Act conservation programs were delegated to the Chief of NRCS in accordance with the laws, rules and regulations pertaining to NRCS, through Commodity Credit Corporation policy Docket P-CON-96-003, approved by the CCC Board of Directors on October 31, 1997. The Chief of NRCS may use any and all authorities, facilities, or personnel that are determined necessary or appropriate to carry out such conservation programs with funds made available from the Commodity Credit Corporation. This includes the use of grant and cooperative agreement processes and procedures.

### C. Specific Elements

The specific elements of grants and cooperative agreements are governed by various Office of Management and Budget (OMB) Circulars and by USDA administrative regulations contained in 7 CFR 3015-3019 and 3052. See Subpart I, Exhibits, Section 600.101.

### D. Legal Language

Contracts, grants and cooperative agreements are NOT to include language that agrees to indemnify, defend, or hold harmless the recipient, its agent or employees from or against any or all losses, damages, liabilities, claims or judgments resulting from, related to, or arising from the instrument.

## **Part 600 – Federal Grants and Cooperative Agreements**

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## **Part 600 – Federal Grants and Cooperative Agreements**

### **Subpart B - Advertising**

#### **600.10 Advertising for Grants and Cooperative Agreements**

##### Prepare a Request

When NRCS has a particular activity to accomplish, a request is prepared that provides the information listed in Subpart I, Exhibits, Section 600.102, Request for Project, to the Responsible Official. This will enable the Responsible Official to finalize elements for a statement of work to be used later in the process.

#### **600.11 Process Initiation**

##### How to Begin the Process

The process begins with either a request from NRCS personnel or an unsolicited application. An entity may submit an unsolicited application to NRCS at any time. NRCS, however, reserves the right to require competition and shall notify the entity of that at the time of receipt.

#### **600.12 Determination**

##### Legal Instruments

The Federal Grant and Cooperative Agreement Act of 1977 (31 U.S.C. 6301 - 6308, Public Law 95-224) provides guidance to determine which of three legal instruments to use, i.e., a grant, cooperative agreement, or contract.

#### **600.13 Competitive Solicitation**

##### Competitive Determination

Once a decision has been made as to the type of instrument to use, a competition determination must be made. Seek competition in accordance with 7 CFR 3015. If it is determined that competition will not be sought, include written documentation to support the decision (See Subpart I, Exhibits, Section 600.103, for an example.) Be sure the decision is signed by the Signatory Official and the original is kept in the official file. Documentation should include the following:

- (1) A brief statement of the proposed project, including the relationship between the parties;
- (2) The specific exemption listed in 7 CFR 3015.158 (d) that is applicable and why. The exemptions are as follows:
  - (i) Non-monetary awards of property or services;
  - (ii) Awards of less than \$75,000;
  - (iii) Awards which cannot be delayed due to an emergency or a substantial danger to health or safety;
  - (iv) Awards when it is impracticable to secure competition; or

- (v) Awards to fund unique and innovative unsolicited applications.
- (3) Other specific criteria met by the applicant that demonstrates the award is in the best interest of the Federal Government.

**Note: The use of an exemption is not the rule; it should be the exception.**

Justification for an exemption under this section cannot be re-delegated below the Signatory Official.

## 600.14 Program Announcement

### A. Publicizing

Grants and Cooperative Agreement actions are to be publicized at the FedGrants Web site (<http://www.fedgrants.gov>). Announcements for applications shall be in a manner that provides for the maximum amount of competition practicable under the circumstances.

### B. Announcement Format

Announcements publicized on the FedGrants Web site shall follow the Federal Grants Opportunities Grantor Guide found in the Grantor section of the Web site <http://www.fedgrants.gov>.

## 600.15 Application

### Responsibility

It is the sole responsibility of the applicant to complete the grant or cooperative agreement application. Applicants should refer to <http://www.grants.gov> to apply. This includes filling in the appropriate blocks on the SF-424, Application for Federal Assistance, and budget information sheets SF-424A or SF-424C. Further, the applicant must respond to the Evaluation Factors for Award, provide a detailed cost breakdown to support the proposed budget and include project narratives with a detailed discussion of the project and methodology used. NRCS personnel may provide general guidance to potential applicants on the appropriate forms to submit, program information, instruction on completing blocks or sections of forms, etc. Both competitive and non-competitive applications require the use of these forms.

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## Part 600 – Federal Grants and Cooperative Agreements

### Subpart C – Applications Evaluation

#### 600.20 Screening Initial Applications

##### A. Eliminating Applications

Initial application screening may be beneficial in competitive situations by eliminating applications that do not meet the terms of the program announcement. After review, the unacceptable proposals shall be promptly returned to the applicant with appropriate explanation. Review the applications to insure the applicant(s) are not on the “List of Parties Excluded From Federal Procurement and Non-procurement Programs.” See <http://www.epls.gov>.

##### B. Unacceptable Applications

An unacceptable application includes; but is not limited to, the following examples:

- (1) It does not fall within the provision of the NRCS statute under which a grant or cooperative agreement may be issued;
- (2) It is so obviously deficient that it could not remotely be considered for award, such as a three-line narrative project proposal with no forms; or
- (3) It falls outside the dollar threshold stated in the program announcement.

#### 600.21 Review Board

##### A. Board Member Qualifications

Any office that awards grants and cooperative agreements on a competitive and non-competitive basis will appoint a Review Board for awards of \$75,000 or more. The Signatory Official will appoint the Board Members. The Review Board will consist of a minimum of three members to review, evaluate, and make recommendations to the Signatory Official. The Board Members must be qualified to evaluate the unique requirements particular to the program announcement and will include the Responsible Official. Board Members may be from within and/or outside the Federal Government; however, at least one member of the Review Board must be an NRCS employee.

##### B. Chairperson

The Responsible Official will serve as the Chairperson of the Review Board. The Chairperson will serve as the liaison between the Board and the Signatory Official. The Responsible Official will complete and sign the Designation of Agency Liaison: Template, shown as Section 600.113 of this handbook. The employee shall keep the completed form, and the supervisor will hold a copy.

##### C. Proposal(s) Review

Review proposals from applicants based on the published criteria (evaluation factors for award) contained in the program announcement. Board members will perform an independent review. Each board members will prepare a written narrative detailing their numeric rating for each proposal. The Board will discuss each Board Member’s individual review, resolve and document major differences, and reach a consensus. The Chairperson will forward the Review Board’s recommendations to the Signatory Official.

D. Conflict of Interest

An individual cannot serve on a Review Board if he or she appears to have a conflict of interest when participating as a Board Member. NRCS employee's guidance is found at General Manual 110, Part 405, and shall be considered an agency liaison as defined therein. The following conflict of interest clause must be included in all instruments:

"Employees of NRCS shall participate in efforts under this agreement solely as representatives of NRCS. To this end, they shall not participate as directors, officers, employees, or otherwise serve or hold themselves out as representatives of the recipient or any member of the recipient organization. They also shall not assist the recipient or any member of the recipient organization with efforts to lobby Congress, or to raise money through fundraising efforts. Further, NRCS employees shall report to their immediate supervisor any negotiations with the recipient or any member of the recipient organization, concerning future employment and shall refrain from participation in matters regarding the recipient until approved by the Agency."

E. Awards of Less than \$75,000

For awards of less than \$75,000, the Responsible Official may review and evaluate the proposals. The Signatory Official may appoint a Review Board to evaluate proposals with estimated costs of less than \$75,000.

## **600.22 Evaluating, Negotiating, Formatting, and Executing Grants and Cooperative Agreements**

A. Application Evaluation

Evaluate applications received objectively whether or not they were submitted under solicited or unsolicited circumstances. In solicited situations, be sure that one evaluation factor allows prospective awardees to offer some level of funding to decrease the Federal outlay.

B. Solicited Applications

Solicited applications should be analyzed and evaluated based on the specific evaluation criteria contained in the program announcement. A Review Board will accomplish this task.

C. Unsolicited Applications

An unsolicited application may be received at any time. Upon receipt of an unsolicited application, NRCS shall notify the applicant of the agency's reserved right to proceed with competition if deemed appropriate by NRCS.

If the application does not fall under a recent, current, or planned announcement and meets the exemptions for competitive criteria described in Section 600.103, a non-competitive award may be made if there is sufficient merit to the proposal. If an award will not be made, the Responsible Official shall return all application materials to the applicant. Applications under consideration for award by the agency, shall be analyzed and evaluated by the Responsible Official using the same type of criteria as in a competitive evaluation. The Responsible Official shall document this evaluation in writing.

## 600.23 Evaluating Solicited Applications

### Solicited Applications Evaluation

After the applications have passed through the initial screening process, the Review Board shall take the following steps:

#### (1) Evaluate Applications

Evaluate all applications based on published evaluation criteria identified in the program announcement to determine whether the application is acceptable. Weigh the relative merits of each application and prepare a written evaluation.

#### (2) Review Guidelines

Consider the following guidelines in reviewing an application:

(i) Be sure that the application meets the provisions of the NRCS statute under which the grant or cooperative agreement will be issued.

(ii) Evaluate the quality of the application narrative that describes the proposed project, including a needs assessment, long- and short-term objectives, technical merit, overview of the organization, monitoring systems, milestone schedule, anticipated subgrant or subcontracting activity, and desired results.

(iii) Determine the demonstrated competence of the principal investigator, project manager, and/or key personnel and the amount of time each will devote to the project.

(iv) Determine the adequacy of available facilities and equipment.

(v) Determine the relationship of the proposed project to work completed or under way by others.

(vi) Be sure the reasonableness of the total estimated project cost and the amount to be contributed by the applicant.

(vii) Consider the feasibility of attaining objectives during the life of the proposed project.

#### (3) Rank Applications

Rank applications, provide written evaluations, and recommend award(s). Any concerns needing resolution prior to award, should be identified and communicated to the personnel conducting the negotiations.

#### (4) Safeguarding and Confidentiality

NRCS receives applications in confidence. Take precautions to protect the confidentiality of the contents. Place the applications in a locked safe or cabinet. Do not reveal information that could provide an advantage to one applicant over another, or any information contained in another applicant's submission.

#### (5) Review Board Recommendations

Based on the recommendations of the Review Board, the Chairperson will select applications for potential award. The rankings and recommendations of the Board are only advisory. The agency is not bound to make the award to the applicant with the highest ranking. Notification shall be made in writing to the applicant that their application has been selected for potential award and is subject to negotiation. Be

sure the applicant does not construe this notification as an award or that work may start. The negotiation process may result in no award if agreement cannot be reached. Notify applicants that are not selected with an appropriate written explanation. Applications may be returned with the notification or retained for possible future consideration.

(6) Documentation

Documentation concerning the Review Board must be maintained in the NRCS official files. This material may include, but is not limited to: records of each review performed by the individual Board Member; records of pertinent discussions; completed forms; actions taken regarding conflicts of interest; records of reviewers' qualifications, etc.

## **600.24 Evaluating Unsolicited Applications**

### **A. Responsible Official Determination**

The Responsible Official must determine that the unsolicited application—

- (1) Does not fall under a recent, current, or planned program announcement;
- (2) Contains unique and innovative methods or concepts;
- (3) Has significant potential for contribution to the Agency's mission; and
- (4) Falls within the agency's legislative and program authorities.

### **B. Ready for Evaluation**

After the Responsible Official determines the unsolicited application is ready for evaluation, the Responsible Official will take the following steps:

- (1) Use the criteria in Subpart C, Applications Evaluation, Section 600.23 (2), Review Guidelines, for guidance to evaluate applications.
- (2) Determine if this application has potential for competition; if so, notify the applicant that competition will be sought. Proceed with competition requirements. If competition will not be sought, continue with step 3.
- (3) Any matters needing resolution prior to award should be identified in the written evaluation for the personnel designated to conduct negotiations.
- (4) NRCS receives applications in confidence. Be sure to protect the confidentiality of the contents. Place the application in a locked safe or cabinet.
- (5) The unsolicited application and written evaluation must be submitted to the Signatory Official to determine if the application should be selected for award.
- (6) Notification should be made in writing to the applicant that the application has been selected for potential award and is subject to negotiation.

Be sure the applicant does not construe this notification to mean an award has been made or that work may start, since the outcome of the negotiation process may result in no ultimate award of an instrument if agreement cannot be reached. If the application is not selected for award, notify the applicant in writing with an appropriate explanation and return all application documents.

## 600.25 Negotiation

### A. Application Review

Prior to technical and administrative negotiations, the application should be reviewed carefully to identify any weaknesses, questionable cost elements, or missing paperwork. Special attention should be given to the areas listed in Section 600.26, Statutory Authority, Appropriations, and Conflicts of Interest, and Section 600.27, Reviewing Application Package.

### B. Negotiating

The next step is negotiating with applicants who have been determined acceptable for potential award.

### C. Negotiation Purposes

The purpose of technical and administrative negotiations is to -

- (1) Ensure the proposal is technically correct and complete;
- (2) Reach an understanding of administrative requirements and procedures;
- (3) Ensure understanding of, and, agreement with the project purpose, definition, timing, proposed budget, including indirect cost, specific items or categories of direct cost, cost sharing, or matching requirements; and any other special terms and conditions; and
- (4) Ensure that costs included are allowable, allocable, and reasonable and will result in the best value to the Government.

## 600.26 Statutory Authority, Appropriations, and Conflicts of Interest

### A. Statutory Authority

The Responsible Official must check the statutory authority to enter into the grant or cooperative agreement. Compare the CFDA number cited in SF-424, block 10, to the project narrative to ensure that the application meets the provisions of the NRCS statute under which the grant or cooperative agreement should be issued. See applicable statutes for additional information regarding NRCS Statutory Authority in Subpart I, Exhibits, 600.100, Authorities. If the proposed project does not meet the statutory and program requirements, a grant or cooperative agreement cannot be awarded.

If the proposed project meets the statutory requirements, check the statute for matching or cost-sharing requirements to ensure the proper contributions are reflected when performing the cost analysis. Matching or cost-sharing requirements should be clearly identified in the statute and/or NRCS policy.

#### **Note:**

- (1) Unless specifically provided by statute, recipients may not use the same funds to meet non-Federal matching share requirements of more than one grant program at a time.
- (2) Recipients may not use funds received under one Federal award to match funds in another Federal award unless specifically provided by statute from both Federal sources.

### B. Appropriations and Apportionments

The NRCS annual budget funds programs and activities through direct appropriations and apportionment of Commodity Credit Corporation (CCC) funds. When analyzing funding sources, the Responsible Official must consider the following:

- (1) Look at the type of program funds used for the grant or cooperative agreement. The use of funds must be expressly stated in the statute. Program funds designated for a specific use are available only for that purpose and may not be used to augment other programs or activities. When in doubt of the specific funding, seek clarification from the Financial Management.
- (2) Obtain a written commitment of funds from all entities involved in the agreement.
- (3) An appropriation that specified a definite period of time for expenditure of funds may be used only for expenses incurred during that period.

C. Conflicts of Interest

The Responsible Official must ensure that there is not a conflict of interest or the appearance of a conflict of interest with the applicant or any personnel the applicant has proposed to use. Determine this by reviewing the application for information such as:

- (1) The possibility that any current or former employee of the U.S. Department of Agriculture (USDA) may be compensated in any way with funds provided by the grant or cooperative agreement.
- (2) An invention to be perfected with grant or cooperative agreement funds that may constitute a conflict with the applicant's rights because of prior conception.
- (3) The disclosure that any grant or cooperative agreement funds may be used to purchase equipment, services, or supplies from entities in which the applicant has a significant financial interest.
- (4) The possibility that the proposed award of a subgrant or subcontract will be given to an organization with which a USDA official has formerly been associated.

## 600.27 Reviewing Application Package

### Application Review

During the application for Federal assistance review, be sure that—

- (1) All forms are completed properly and signed by an official with the appropriate authority to bind the applicant's organization;
- (2) Costs have been analyzed;
- (3) The applicant's financial strength and capability are acceptable; and
- (4) All negotiation elements have been identified.

## 600.28 Cost Analysis of the Financial Plans

### A. Budget Components and Proper Budget Analysis

Knowledge of components and proper budget and cost accounting analysis by contracting and financial management staffs during application review will help resolve issues before they become problems. Costs that do not meet requirements based on Federal cost principles may be disallowed. Costs must be allowable, allocable, and reasonable. Determinations can be found in the following:

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- (1) OMB Circulars A-21, Cost Principles for Educational Institutions;
- (2) A-87, Cost Principles for State, Local, and Indian Tribal Governments;
- (3) A-122, Cost Principles for Nonprofit organizations; and
- (4) Federal Acquisition Regulation (FAR) Part 31, Contract Cost Principles and Procedures which is codified at 48 CFR 31.2, Contracts with Commercial Organizations.

### B. Cost Criteria: Allowable Costs

It is important that all costs claimed are allowable. When analyzing costs, consider if costs are:

- (1) Necessary and reasonable to accomplish the project;
- (2) Allowable under the applicable cost principles;
- (3) Treated consistently by the applicant;
- (4) In accordance with generally accepted accounting principles;
- (5) Not to be used to meet the cost-sharing or matching requirements of any other federally funded program (unless authorized by Federal statute);
- (6) Adequately documented;
- (7) Authorized (or not prohibited) under State law or regulations.

### C. Cost Criteria: Allocable Costs

A cost is allocable if the applicant treats it consistently and it is—

- (1) Incurred specifically for the project.
- (2) Beneficial to the project as well as other ongoing projects of the applicant and the costs can be distributed in the same ratio as the benefit received by each project.
- (3) Necessary to the overall operation of the applicant, even if no direct relationship to the project can be tracked.

### D. Cost Criteria: Reasonable Costs

A cost is reasonable if the nature or amount does not exceed what a prudent person, given the same circumstance, would expect to incur.

### E. Cost Criteria: Analysis Elements

The information listed below is the suggested minimum needed from the applicant to assist NRCS in determining whether costs included meet the criteria of being allowable, allocable, and reasonable. A critical step is a thorough analysis of the prospective applicant's budget prior to award.

Once the agreement is signed, the recipient is free, within certain limitations, to move money from one category to another. The recipient is even allowed to shift funds from direct cost categories to cover increases in indirect cost categories as long as the increase does not exceed the approved indirect cost rate agreement (See applicable CFR. 7 CFR 3015.115 – 3015.116; 7 CFR 3016.30; and 7 CFR 3019.25). Include the following in this budget and cost analysis:

- (1) Analyze the cost breakdown submitted in support of SF-424A or SF-424C.

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(2) Evaluate cost elements to determine the reasonableness, allowability, and allocability of costs in the budget as it relates to the cost accounting principles as referenced in OMB Circulars.

(3) Verify indirect cost rates. To ensure that the cost figures correspond, compare SF-424A or SF-424C with the detailed cost breakdown and SF-424 cover sheet, Block 15, which is included in the application. If the applicant proposes a contribution, the budget cost element should be separated into non-cash and in-kind share.

(i) The in-kind share is a contribution made by a third party to the total cost of the project such as volunteer labor, donated materials and equipment where the applicant incurs no expense.

(ii) The applicant's non-cash share includes reimbursable project costs for direct charges including goods and services and the amount of indirect expenses incurred. If applicant contributions are proposed, and there is no reflection of an in-kind share, it should be noted for discussion during negotiations. (Verify whether or not in-kind contributions are a total part of the cost). Inconsistencies in the figures indicate potential cost problems and must be resolved prior to award.

### F. Form SF-424A or SF-424C, Budget Information

Look closely at each individual budget cost element in SF-424A or SF-424C. Supplement the SF-424A or SF-424C with an additional detailed cost breakdown supporting each budget cost elements. Be sure that the SF-424A or SF-424C and the detailed cost breakdown supporting it are reconciled. For review of each, consider the following:

#### (1) Proposed Salary Cost Rates

Be sure that the proposed cost rates for personnel salaries are based on reasonable local wages paid for the work being performed. It may be necessary to compare historical contract prices, local Department of Labor wage rates, and Federal Government rates for similar work. Additional data may be obtained from other NRCS personnel such as procurement, fiscal, or human resources, or the latest audit performed by the cognizant audit agency. Identify whether the labor rates includes fringe benefits or if it has been the applicant's consistent practice to separate out a labor rate burden.

#### (2) Direct Costs

These are charges that are directly tracked, and are billable to the proposed project. If the applicant uses certain charges such as administrative personnel salaries in the cost basis for its indirect cost rate proposal, the applicant cannot bill for those services under direct charges.

#### (3) Personnel

Identify whether employees are full-time, temporary, or part-time workers. List the total number of personnel needed to accomplish this project, their classifications, number of hours to be worked, and the rate of pay per hour for each major task in the project, the total compensation for each employee, and overall total.

(i) Identify key individuals, titles, number of hours to be worked, rate of pay per hour, and total.

(ii) Identify the basis for determining employee compensation.

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- (iii) Identify any compensation increases projected during the award period.
- (iv) Identify any benefits included in the wages or salaries, (e.g., vacation and sick leave).

### (4) Analysis of Personnel Cost: Indirect Costs

Any category of personnel costs included in the applicant's indirect cost pool cannot be included in the direct costs of the project. The most frequent indirect personnel cost categories that are billed are administrative, public affairs, clerical, and computer specialists. If, for example, the clerical work to be done under the agreement is significant and places an undue burden on the recipient, the applicant can hire an individual to perform this work and include it as a direct cost even if this function is normally billed as an indirect cost. This must be approved in advance by NRCS. The applicant cannot, however, transfer someone from its indirect cost pool and bill that person as direct. This person must be hired specifically for the agreement.

### (5) Analysis of Personnel Cost: Partially Loaded Salaries

Determine whether salaries are considered to be "partially loaded," meaning that sick and annual leave and holidays are quoted as part of the salary. Determine whether these benefits are also included in the applicant's negotiated indirect cost rate. If these costs are included with the indirect rates, they cannot be billed as direct, and the salaries quoted should be adjusted.

### (6) Analysis of Personnel Cost: Individual Salaries

Salaries quoted in excess of the normal pay for an individual are not allowed. Average salaries for any particular geographic region are normally published, or an applicant such as a university can provide a copy of the pay scale for comparison purposes.

### (7) Analysis of Personnel Cost: Benefits Assessment

Part-time, temporary, and student employees usually do not receive full benefits. If these types of employees are listed in personnel costs, the rates should be verified to ensure proper benefits assessment.

### (8) Fringe Benefits

Employer paid fringe benefits, also known as "overhead," is costs associated with the salary. These may include health and life insurance, Medicare, unemployment insurance, workers' compensation, retirement, etc. The fringe benefit rate should be determined as a percentage to ensure that proper assessment of the applicant's fringe benefits package.

### (9) Analysis of Fringe Benefits

If there is a negotiated indirect cost rate, determine how benefits are to be treated. Analyze the basis for the cost. Many times fringe benefits are included in the indirect-cost figure. If a benefit is included in the indirect cost rate, it cannot be charged as a direct program cost. Also note that part-time, temporary, and student employees normally receive limited or no benefits.

### (10) Travel and Transportation

Travel or transportation expenses include items such as airplane, train, bus, car rental, taxi service, etc. When analyzing these types of costs—

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- (i) Provide the number of travelers, type and estimated cost of transportation, to and from destinations, and the total travel costs. If actual trips are unknown, provide the basis for the proposed travel charges.
- (ii) Provide the rates, number of days at dollars per day, and total.
- (iii) Identify the purpose of each separate trip.

### (11) Travel Analysis

Analyze each trip planned. Trips must be necessary to the project performance. Any miscellaneous or contingency charges must be eliminated from the budget. Applicants are not required to follow Federal Travel Regulation (FTR); however, compliance with FTR may be made a term of the agreement.

### (12) Equipment

At a minimum, equipment consists of non-expendable personal property valued at over \$5,000 per unit and has a useful life of two years (e.g., computers, automobiles, and desks). Determine if equipment is needed for the project.

The Commodity Credit Corporation (CCC) [15 U.S.C. 714b], Section 4, General Powers, Subsection (h), provides that the corporation shall not have power to acquire real property or any interest therein.

### (13) Analysis of Equipment Needs

Proper tracking of and disposition procedures for equipment must be maintained for the successful closeout of grants and cooperative agreements.

### (14) Supplies

Supplies consist of expendable items of low value (less than \$5,000) that are consumed in performing the project (e.g., paper and pencils). Analyze these costs to determine reasonableness.

### (15) Contracts

- (i) Identify all anticipated subawards by purpose (research, service, supply, etc.) and type (subgrants and/or subcontracts under grants and cooperative agreements).
- (ii) Describe how procurement will be accomplished: competitive or sole source. Sole source procurements must be justified in the application package.

### (16) Consultants

- (i) Name(s) of consultants(s).
- (ii) Daily fees to be paid to each consultant.
- (iii) Number of estimated days for continuing services.
- (iv) Scope of work to be performed (deliverables).
- (v) Other incidental data supporting the proposed costs (cost of current similar work).

### (17) Consultant's Analysis

Daily fees charged by a consultant under an agreement cannot exceed the consultant's normal or published rate.

### (18) Construction

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If construction costs are included in this element, be sure that the construction activity is in compliance with the statute under which the agreement is authorized. If Federal funds are used to reimburse the construction costs, Davis-Bacon wage rates may be applicable, if specifically stated in the statute.

### (19) Other Costs

Look closely at any costs placed in the “Other” category. Be sure that they are detailed and clearly identified. Be sure that the costs are explained appropriately, and that they are necessary and properly allocated to the proposed grant or cooperative agreement.

### (20) Indirect Costs

These are costs that by their nature or because of the applicant’s method of accounting, cannot be tracked directly to the project, but are approved as an overall cost of the applicant’s business.

(i) Indirect Cost Rates – NRCS funds may not be used to pay negotiated indirect cost rates in excess of 10 percent of the total direct cost of the agreement on cooperative agreements or similar arrangements with non-profit institutions.

(ii) Appropriate Payment of Indirect Costs – This does not preclude appropriate payment of indirect costs on grants and contracts with such institutions when the indirect costs are negotiated between the applicant and the cognizant agency. However, NRCS should attempt to further negotiate the indirect cost rate, not just accept the rate provided by the cognizant audit agency.

(iii) Rate Agreement for Indirect Costs – The applicant must provide a copy of the latest approved indirect cost rate agreement if indirect costs are being charged directly to the project or if the applicant is claiming indirect costs as part of its contribution.

(iv) Negotiated Rate for Indirect Costs – If an applicant does not propose and negotiate an indirect cost rate with its cognizant audit agency, the NRCS is not obligated to pay indirect costs; however, NRCS may reimburse the recipient at an interim indirect cost rate until a final rate is negotiated with the cognizant audit agency.

### (21) Analysis of Indirect Costs

Review and analyze the negotiated indirect cost rate as defined in the agreement to determine if the indirect costs claimed by the primary applicant are reflected accurately in the budget. Determine that expense allocation methods indicated in the agreement are in fact those used to establish costs claimed. The agreement should contain a statement regarding the appropriate cost basis used in the allocation of costs. Determine how the indirect cost rate is applied. The agreement should also explain the treatment of fringe benefits; i.e., how those costs are calculated, and at what rate they will be charged. It is important to determine cost reasonableness of all costs claimed.

### (22) Program Income

Program income is the gross revenue generated by an activity in the grant or cooperative agreement between the effective date of the award and the date of the final expenditure report.

### (23) Program Income Analysis

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Program income, as it relates to the project proposal, may be generated by the following methods:

- (i) Fees charged for conference or workshop attendance;
- (ii) Rental fees earned from renting out real property, or equipment acquired with grant or cooperative agreement funds; or
- (iii) Sale of commodities or other items developed under the grant or cooperative agreement such as electricity or other byproducts.

Consider the type of project proposed. If the project appears to be one where fees might be charged, such as supporting conferences or workshops, verify whether or not fees are going to be charged. If program income is generated, indicate this on the SF-424 and SF-424A budget forms. Document the agreed-upon method of using program income in the agreement document. Stipulate the Deductive Alternative described in Title 7, Code of Federal Regulations. Any other alternative must be approved in writing by the NRCS Signatory Official.

Do not consider interest earned by the recipient on funds advanced by NRCS as program income. Interest must be paid back to NRCS in accordance with Section 600.32, Interest.

### (24) Construction Project

The above-referenced cost elements deal primarily with non-construction projects. If the application is for a construction project (using SF-424C), perform the same type of cost analysis. A construction project involves other requirements such as Davis-Bacon wage rates if stipulated under the statute; specific subcontract approvals; subcontract clauses (EEO); and Department of Labor notifications, (7 CFR 3016.36).

## 600.29 Financial Strengths and Capabilities

### Strengths and Capabilities

Information should be obtained on the following:

#### (1) Past Performance

Applicant's past performance in financing operations, managing, etc.

#### (2) Facilities

Determine if adequate facilities are available to perform the project.

#### (3) Cost Controls

Cost controls, such as linking increases to inflation rates.

#### (4) Indirect Costs

Establish checks to review indirect costs to be applied over the life of the grant or cooperative agreement.

#### (5) Accounting Systems Policies

Be sure that the applicant maintains adequate accounting policies and procedures, such as the ability to track project costs.

#### (6) Procurement Procedures

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Be sure that property management standards and procurement procedures are in place. (For example, obtain a copy of the applicant's purchasing policy to ensure that purchases are obtained on a competitive basis to guarantee reasonable pricing).

### (7) Personnel Practices

Be sure that legitimate personnel practices are in place, such as compliance with nondiscrimination provisions.

### (8) Subgrantees

Review selection and monitoring of subgrantees to ensure there is no conflict of interest, selection is competitive, and mandatory clauses are included in the grant or cooperative agreement award.

### (9) Successful Performance and Financial Responsibility

Carefully scrutinize applicants who do not have a proven record of successful performance or who may have been terminated on prior Federal grants or cooperative agreements. Financial responsibility may also be determined by a review of the applicant's credit rating or their Dunn and Bradstreet rating.

## 600.30 Payment

### A. Payment

Determine the payment method requested by the applicant: advance versus reimbursement of funds. Consider which method is the most appropriate for the project and performance period being proposed. If you are in doubt, seek advice from financial management.

### B. Advance Payments

Unless restricted by program legislation or the applicable appropriation, the authority to enter into grants and cooperative agreements is sufficient to permit NRCS to make advance payments.

### C. Statute/Administrative Rules

If the statute requires payment on an advance or reimbursement basis, follow the statutes. If the statute is silent, follow the administrative rules in 7 CFR 3015.102 and 3019.22.

### D. Payment Preference

Advance of payments are given preference unless the recipient's financial management system does not meet the standards for fund control and accountability, or the recipient has not established or demonstrated a willingness and ability to minimize the time elapsing between the transfer of funds from the Treasury and disbursement of the funds by the recipient. In the latter case, payments on a cost-reimbursable basis should be given preference, based on cash-management principles. See 7 CFR 3019.22(b); 7 CFR 3016.21(c); and 7 CFR 3015.102

### E. Timing and Payment Amount

When advance payments are approved, make the timing and amount of cash advances as close as is administratively feasible to the actual disbursements by the applicant's organization for direct program costs and proportionate share of any allowable indirect costs. Advances should be limited to the funds needed for a 30-day operating period.

F. Electronic Funds Transfer

Effective January 2, 1999, all payments became subject to electronic funds transfer (EFT). (For EFT guidance, see Section 600.38 (D), Electronic Funds Transfer.)

**600.31 Liability**

Liability Coverage

Unless specifically provided by law, do not assume the applicant's liability coverage. Do not take the following actions in relation to liability insurance: purchasing liability insurance with purchase orders separate from a Financial Assistance instrument; using volunteer agreements to convey Federal employee status on recipients or applicant's employees; or including insurance costs recovered by applicant program income (e.g., registration fees). The applicant's liability coverage costs are allowable for reimbursement only when they are a part of the applicant's normal compensation package. Check the application cost elements closely for this because it may be difficult to ascertain and easily hidden.

**600.32 Interest**

A. Interest Income

Except for interest earned on advances of funds exempt under the Inter-Governmental Cooperation Act (31 U.S.C. 6501 et seq.) and the Indian Self-determination Act (23 U.S.C. 450), interest earned by the recipient on funds advanced by NRCS does not constitute program income.

B. Interest Income Thresholds

The recipient will remit to NRCS all interest income earned on advances of USDA grant funds above the following thresholds:

- (1) State and Local grant recipients may keep up to \$100 of interest per year for administrative purposes. (See 7 CFR 3016.21(i)).
- (2) Non-profit organizations and universities may keep up to \$250 of interest per year for administrative purposes. (See 3019.22(l)).
- (3) Tribal governments may keep up to \$100 of interest per year for administrative expenses (see 7 CFR 3016.21(1)).

**600.33 Certifications**

Proper Certifications

For grants and cooperative agreements, be sure that the proper certifications are included in the application (reference Subpart I, Exhibits, Section 600.112). Be sure that SF-424, assurances, and certifications are signed by an authorized representative of the applicant.

**600.34 Prior Approvals**

Identify Areas Requiring Prior Approval

Identify any areas where NRCS may want to reserve the right of prior approval, such as—

- (1) The award of sub-grants or subcontracts.
- (2) Changes in the principal investigator or project manager.
- (3) Certain items of costs cited in the cost principles (such as foreign travel) (7 CFR 3015).

### **600.35 Reporting Requirements**

#### **A. Financial Reports**

The recipient may be directed to submit SF-269, Financial Status Report, not more than quarterly, but not less than annually. In addition, the recipient may be directed to complete SF-269 on a cumulative basis. (Section 600.104, see block 8 of SF-269 for instructions on the funding/grant period.) If funds are advanced, the recipient must submit a final SF-269 at the project's completion.

#### **B. Performance Reports**

Recipients may be directed to submit performance reports not more than quarterly but not less than annually as specified in the agreement.

### **600.36 Equipment**

#### **Purchased Equipment**

NRCS may reserve the right, in the agreement, to take title to equipment purchased with partial or total Federal funds after project completion.

### **600.37 Negotiations and Written Documentation**

#### **A. List Negotiable/Non-Negotiable Items**

Make a list of everything that needs to be discussed during negotiations and incorporated into the negotiation memorandum. In addition, make a separate list of items that are not negotiable but must be incorporated into the agreement.

#### **B. Conduct Negotiations**

The NRCS Grants and Agreements Specialist will conduct negotiations. This person must have the necessary formal training and experience required to conduct negotiations.

#### **C. Forms of Negotiation**

Negotiations may be -

- (1) Held in person at a mutually agreed to location.
- (2) Accomplished by written documentation between the parties.
- (3) Accomplished by telephone conversations between the parties.

#### **D. Negotiation Memorandum**

Document all items resulting from negotiations in a written memorandum and place a copy in the official file. Keep the following points in mind when writing this memorandum:

- (1) If the application involves a complex grant or cooperative agreement, it may be beneficial to have two memorandums: one addressing the program or technical aspects of the project and the other addressing the fiscal and administrative aspects.
- (2) The memorandums should be complete but brief.

### **600.38 Awarding Grants and Cooperative Agreements**

#### **A. Agreement Document**

Once all requirements have been met, and agreement has been reached between the parties, the agreement document can be prepared. Be sure that the agreement document, which incorporates the recipient's application and other administrative requirements, also contains the items described below:

#### **B. Award Statement**

A letter containing a statement about awarding the grant or cooperative agreement that cites the Federal Identifier Number (NRCS Agreement Number), total Federal funds obligated, the performance period, and the appropriate statutory authority under which the grant or cooperative agreement is being executed.

#### **C. OMB Circulars, Departmental Regulations and CFR Notices**

The agreement should include a statement incorporating all applicable Office of Management and Budget (OMB) circulars, USDA Regulations and Code of Federal Regulations. Grants and Cooperative Agreements for specific recipients are subject to the following applicable regulations or administrative requirements:

- (1) States and Local Governments and Federally Recognized Indian Tribal Governments - United States Department of Agriculture (USDA) Code of Federal Regulations - 7 CFR 3015 through 3018 and 3052: These regulations implement the provisions of OMB Circulars A-102, A-87, and A-133.
- (2) Institutions of Higher Education and Hospitals - 7 CFR 3015, 3017 through 3019 and 3052: These regulations implement the provisions of OMB Circulars A-110, A-21, and A-133.
- (3) Other Non-Profit Organizations - 7 CFR 3015, 3017 through 3019 and 3052: These regulations implement the provisions of OMB Circulars A-110, A-122, and A-133.
- (4) For-Profit Organizations and Individuals - These parties are subject to 7 CFR 3015, 3017 – 3018, and 3052 and 48 CFR 31.2 (Contracts with Commercial Organizations, Federal Acquisition Regulations Part 31, Contract Cost Principles and Procedures).

#### **D. Electronic Funds Transfer (EFT)**

A statement notifying the recipient that the Debt Collection Act of 1996, as amended, 31 U.S.C. 3332, requires Federal Agencies to convert from payments by check to Electronic Fund Transfer (EFT). This requirement became effective January 2, 1999, unless the recipient organization can certify that it does not have an account with a financial institution or an authorized payment agent. The recipient must contact the Miscellaneous Payment Section of NFC to request an enrollment package. The telephone number is 800-421-0323. The recipient must complete an SF-3881, ACH/Vendor/Miscellaneous Payment Enrollment Form from the National Finance Center (NFC).

#### **E. Specific Agency Requirements**

Statements identifying specific agency requirements, such as frequency of progress and financial reports (annual, semi-annual, or quarterly); forms required for financial reports; (SF-269, Financial Status Report, which may be submitted no more than quarterly, but not less than annually); billing procedure – (advance versus reimbursable); agency program and administrative contacts; property requirements; use of program income (Deductive Alternative); and required approvals for subgrants, subcontracts, budget changes, and so forth.

**F. Mandatory Agency Clauses**

A statement that incorporates the recipients' dated application and mandatory Agency clauses such as those referenced at 7 CFR 3015.205 for agreements with institutions of higher education, other nonprofit organizations, and hospitals.

**G. Signature Blocks**

Complete bilateral signature blocks.

**H. Financial Code**

A financial code defines the accounting information to identify the type of fund, obligation type, category, and funding year, etc. This number is assigned by NRCS Financial Management Official.

**600.39 Recipient Award**

**Executed Grant or Cooperative Agreement**

Include the approved application as part of the executed grant or cooperative agreement. Be sure that the application includes all items required in the program announcement and any changes made to the application during negotiations.

**600.40 Final Execution and Official Award Distribution**

**Official Award Document**

When the official agreement document is assembled, the following steps should be taken:

(1) Approvals

Obtain necessary approvals as applicable. (See GM 130, Part 400, Delegations of Authority.)

(2) Applicant Signatures

Obtain applicant signature(s) on the agreement document. If changes have been made by the applicant, a proper analysis should be performed to ensure that the proposed changes are legal and acceptable. If not, the action will require additional negotiation.

(3) Signatory Official Signatures

When the award document is completed and necessary approvals have been obtained, the NRCS Signatory Official may sign the agreement.

(4) Copies

Distribute copies of the signed award document to the recipient(s), fiscal office (payments), Responsible Official, and technical/program personnel. Be sure that the

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original grant or cooperative agreement document resides wherever the official file is maintained. Recipient(s) may legally incur costs to be reimbursed by the NRCS as of the date of the last signature obtained on the grant or cooperative agreement.

### **600.41 Debriefing and Appeals**

#### Written Request

For competitive awards, recipients whose applications were not selected may make a written request to the Responsible Official for a debriefing. The Responsible Official must respond within 30 working days from the day of receipt. If the recipient is not satisfied with the response, an appeal may be made in writing to the Director of Management Services Division (MSD).

**Part 600 – Federal Grants and Cooperative Agreements**

**Subpart D – Administering Grants and Cooperative Agreements**

**600.50 Official File**

**600.51 Post-Award Meetings**

**600.52 Approvals**

**600.53 Form SF–270, Request for Advance or Reimbursement**

**600.54 Payment Approval**

**600.55 Overpayments**

**600.56 Form SF–269, Financial Status Report**

## **Part 600 – Federal Grants and Cooperative Agreements**

### **Subpart D – Administering Grants and Cooperative Agreements**

#### **600.50 Official File**

Official File Setup. Set up an official file that includes the following:

- (1) All pre-award information, including such items as the program announcement, initial recipient application with all applicable forms, negotiation memorandum, approved indirect cost rate document, and related correspondence.
- (2) The basic grant or cooperative agreement document with original signatures.
- (3) Payment document(s) SF-270.
- (4) Post-award correspondence.
- (5) Modifications.
- (6) Performance and financial reports.
- (7) Close-out documentation.

#### **600.51 Post-Award Meetings**

##### **A. Post Award Meeting Purpose**

Post-award meetings are encouraged and should be held within 30 days of awarding a grant or cooperative agreement. The purpose of the meeting is to discuss pertinent administrative requirements such as significant clauses, provisions, and operating procedures specifically identified in the documents. This is an opportunity to define each party's role and to answer any last minute questions before work begins.

##### **B. Optional**

A post award meeting is optional. The need to conduct a post-award meeting depends on complexity, dollar value, and the mutual understanding of all parties involved in the process.

#### **600.52 Approvals**

##### **Prior Approvals**

If prior approval is required for sub-agreements, travel or other cost elements, or key personnel, be sure that the requests are received from the recipient on a timely basis and answered promptly. If prior approvals are required, a post-award meeting is a good forum for bringing their importance to the attention of the recipient, and for discussing the procedures to make the process efficient.

#### **600.53 Form SF-270, Request for Advance or Reimbursement**

##### **A. Payments**

To request payment(s), it is required that recipients complete and submit an SF-270 with original signatures to the Responsible Official contact identified in the grant or

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cooperative agreement. The Responsible Official shall ensure that the appropriate blocks on the SF-270 are completed. (See Subpart I, Exhibits, Section 600.105.)

### B. Block 11, computation of Amount of Reimbursements/Advances Requested

Display crucial information for monitoring program performance and payment.

### C. Block 11a, Total Program Outlays to Date

NRCS personnel do not have access to this information. It can only be developed by the recipient, as accumulated from their own accounting records. Total program outlays consist of recipient's actual expenditures to the date of the request (not just the NRCS share of actual expenditures). If the costs identified in this block reflect (or match up to) the amount the NRCS obligated under the grant or cooperative agreement, it probably does not reflect the true total program outlays and it should be questioned.

### D. Block 11b, Cumulative Program Income

Review the information in this block closely. If the grant or cooperative agreement identifies recipient program income requiring the Deductive Alternative, figures should be inserted in this block, or it should be questioned.

### E. Block 11f, Non-Federal Share of Amount On line E

Block 11f reflects the recipient's share of total program outlays to date shown in block 11a.

### F. Block 11g, Non-Federal Share of Amount on Line E

Block 11g reflects the NRCS share of total program outlays to date shown in block 11a.

When reviewing this block, refer to the SF-424, block 15, of the grant or cooperative agreement. Identify each party's stated contributions by calculating percentages as follows:

- (1) Calculate the recipient's contribution percentage by dividing the recipient's contributions (Blocks 15b-e) by the total projected costs (block 15g).
- (2) Calculate NRCS contribution percentage by dividing the NRCS' contribution (Block 15a) by the total projected costs shown in Block 15g.
- (3) Be sure that both percentages equal 100.

After calculating these percentages, go back to the SF-270. Multiply the net program outlay shown in block 11c by the recipient percentage and then the NRCS percentage. Compare these figures with the figures shown in blocks 11f and 11g, and complete the following steps:

- (i) If NRCS share shown in block 11g is higher than the figure allowed based on the calculations, NRCS has been over billed, and the amount of payment requested on the SF-270 should not be paid.
- (ii) Ask the recipient to revise the SF-270 accordingly and resubmit. The incorrect form SF-270 may either be returned to the recipient or retained in the file with an explanatory note.

The calculated percentages should be maintained on each SF-270 submitted, unless other specific payment terms have been separately identified in the grant or cooperative agreement or in subsequent revisions.

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If the contribution's ratio changes as a result of a revision to the basic grant or cooperative agreement, calculate new percentages. Before calculating the new percentages, add the new share for each party to the share shown in the basic grant or cooperative agreement. Calculate the percentages and apply in the same way as discussed above.

### G. Block 11j, Advances

Advances can be made for immediate disbursement up to a maximum of 30 days (Treasury Circular 1075). Be sure that advance payments are consistent with the provisions for payment in the grant or cooperative agreement. In most instances, interest earned on advance funds for grants or cooperative agreements must be returned to NRCS (refer to Subpart I, Exhibits, Section 600.106). Keep the timing and amount of cash advances as close as is administratively feasible to the actual disbursements by the recipient's organization for direct program costs and proportionate share of any allowable indirect costs.

If the request for advance payment seems excessive relative to the total project cost for the period covered by the payment request, the SF-270 should be questioned. An obvious example is when the payment request is equal to the total project cost shown in the SF-424, block 15g. This may indicate that the recipient is billing for the full amount of NRCS funding when the funding may not be disbursed in a timely manner. In these cases, contact the recipient and ensure that the funding request is justified. If the payment amount is not justified, do not pay the amount shown on the SF-270. The recipient should submit a corrected SF-270.

### H. Block 12, Alternate Computation for Advances Only

Because NRCS requires the completion of block 11 for advances, do not complete block 12.

### I. Other Considerations

After reviewing the information entered on SF-270, check the total NRCS funding obligation under the grant or cooperative agreement to ensure that the payment requested does not exceed the NRCS share.

## 600.54 Payment Approval

### A. Responsible Official Approval

If all of the information entered on the SF-270 is correct, the Responsible Official shall certify (see B and C below), sign, and date the SF-270 in the space provided for agency use. Submit the original SF-270 to financial management for payment, and send a copy to each of the other program or administrative contacts.

### B. Reimbursable Payment Method

The SF-270 must be certified by the Responsible Official with the following statement signed and dated in the "This space for agency use" area at the bottom of the SF-270.

"I certify that, to the best of my knowledge, this bill has not been previously submitted and that program accomplishments will meet planned activities under this agreement. I have examined and certify that this request is correct for payment."

### C. Funds for Advance Payment

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The SF-270 must be certified by the Responsible Official with the following statement signed and dated in the “This space for agency use” area at the bottom of the SF-270.

“I certify that to the best of my knowledge and belief, this advance is necessary to meet planned activities under this agreement. I have examined this request and certify that it is correct for payment.”

### **600.55 Overpayments**

#### A. Overpayment Corrections

Corrections shall be made as noted in B and C below.

#### B. Duplicate Payments

In the case of duplicate payment, the recipient may adjust for the overpayment on future requests for payment. Coordinate such actions with the local NRCS payment office.

#### C. Payment Exceeds Obligated Amount

In the case of payments that exceed the obligated amount for the grant or cooperative agreement, send a letter to the recipient immediately requesting the amount of the overpayment, plus the interest due.

### **600.56 Form SF-269, Financial Status Report**

#### A. Filing

Recipients may be required to file an SF-269, Financial Status Report. The Financial Status Report is the financial reporting document used to obtain information about recipient outlays and unobligated balances.

#### B. SF-269 Waiver

NRCS can waive the SF-269 when it is determined the SF-270 provides adequate information to meet its requirements. However, for advances, an SF-269 will be required no more frequently than quarterly, but at least annually and at the end of the project (7 CFR 3015). Instructions for completing the SF-269, Financial Status Report, can be found in Subpart I, Exhibit Section 600.104. Utilize Section 600.104 and the following information as a guideline for reviewing the SF-269.

#### C. Block 10a, Total Outlays

NRCS personnel do not have access to this information. It can only be developed by the recipients, as accumulated from their own accounting records. Total outlays consist of the recipients' actual expenditures to the date of the report (not just the NRCS' share of actual expenditures). If the costs identified in this block reflect or match up to the total amount the NRCS obligated under the grant or cooperative agreement, it probably does not reflect the true total outlays and should be questioned.

#### D. Block 10c, Program Income Used in Accordance with the Deduction Alternative

Enter all program income used by the recipient during the reporting period. It may not reflect the total amount of program income earned. Deduct these amounts from the total outlays shown in block 10a. Under the deductive alternative, the NRCS and recipient shares are reduced on the same percentage basis that was originally established on the SF-424. In this case, both parties benefit from the program income, rather than just the recipient. Leave this block blank if any other program income alternative is approved.

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### E. Block 10e, Third Party (In-Kind) Contributions

This should include the recipient's "in-kind" contributions where the recipient incurs no expense; nevertheless, these contributions have value and may be used to satisfy a matching requirement, such as volunteer labor (either the recipient's own employees or third party employees/individuals), donated supplies, or donated equipment. The recipient's cash share, which contains actual incurred expenses, should not be included. If cost projections for the basic grant or cooperative agreement reflect in-kind contributions and this block is blank, the recipient should be questioned.

### F. Block 10g, Program Income Used in Accordance with the Matching or Cost Sharing Alternative

If this block indicates program income, the basic grant or cooperative agreement should be reviewed to verify which program income alternative was selected. The deductive alternative is required unless the Responsible Official selected one of the other alternatives. Under the deductive alternative, leave this block blank. If the matching or cost sharing alternative has been selected, be sure that no cost figure is provided in block 10c.

### G. Block 10l, Recipient's Share of Unliquidated Obligations

This figure should correlate to the cost elements in the basic grant or cooperative agreement that were approved and defined as the recipient's cash share.

### H. Block 10m, Federal Share of Unliquidated Obligations

This figure should correlate to the cost elements in the basic grant or cooperative agreement that were approved and defined as the NRCS share.

### I. Block 10q, Disbursed Program Income (Shown on Lines 10c and/or 10g Above)

This figure may not reflect the total amount of program income earned, because it may have been earned but not yet received by the recipient.

### J. Block 10r, Disbursed Program Income Using the Addition Alternative

The additive alternative allows the program income earned to be used to expand the scope of the original project approved under the grant or cooperative agreement.

### K. Block 11a, Type of Rate: Provisional Rate

A provisional rate is an indirect cost rate negotiated and approved in advance for indirect costs not yet incurred, but anticipated by the recipient. These are usually based on historical audited indirect costs. A provisional rate requires adjustment at the end of each recipient's fiscal year based on the actual audited indirect cost rate. The adjustment may result in a revision in payments with either additional costs being billed (if the provisional rate is lower than the actual rate), or in a refund to NRCS (if the provisional rate is higher than the actual rate).

### L. Block 11a, Type of Rate: Predetermined Rate

A predetermined rate is a firm indirect cost rate that cannot be adjusted in the future, either up or down, and is generally used by universities and State or Local Governments. Line up approved rates as closely as possible to historical, actual indirect costs. Determine predetermined rates much the same way as fixed rates.

### M. Block 11a, Type of Rate: Final Rate

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A final rate is the recipient's audited indirect cost rate. Adjust the provisional rates applied to a grant or cooperative agreement projected for future indirect costs at the end of each recipient's fiscal year. Based on the audited final indirect cost rate, billing adjustments, either up or down, may result.

### N. Block 11a, Type of Rate: Fixed Rate

A fixed rate is a negotiated, firm, indirect cost rate that the recipient may apply to a grant or cooperative agreement. If the rate is "fixed," do not adjust the rate up or down on future billings, regardless of the audited indirect cost rates.

### O. Block 11b, Rate

The rate must be verified and questioned if it does not match the rate approved in the grant or cooperative agreement.

### P. Block 11c, Base

Enter the portion of net outlays shown in Line 10d, Column II, against which the rate shown in block 11b was applied.

### Q. Block 11d, Total Amount

Enter the total amount of indirect costs applied to the project during the reporting period. Calculate this amount by multiplying the rate shown in block 11b times the base shown in Block 11c.

### R. Block 11e, Federal Share

Enter the Federal share of the indirect costs (overhead) shown in block 11d, applied to the project. The Federal share of indirect costs shown in this block may vary considerably, depending on the terms in the grant or cooperative agreement.

### S. Additional SF-269 Analysis: Submission

If the submission is the first or only SF-269, the recipient should complete only column III, titled "Cumulative." If the submission is the second or subsequent SF-269, all three columns should be completed by the recipient. The amounts entered in column I should be the same as those in column III of the previous report. The amounts entered in column II are those for the current reporting period. The amounts entered in column III are calculated by adding columns I and II together. Over the life of the grant or cooperative agreement, column III should reflect the type of cumulative totals as the recipient is directed in the grant or cooperative agreement (funding versus grant period).

### T. Additional SF-269 Analysis: Review SF-269

Except where an NRCS audit is warranted, limit the amount of recipient cost or financial data/information under grants and cooperative agreements. Reviewing the SF-269 (compared with SF-270) is one of the few opportunities available to properly assess recipient progress or financial difficulties. The SF-269 is required to provide NRCS with information to help determine if the recipient's project and spending patterns are consistent with milestones and quarterly spending projections shown in SF-424A and narrative of the grant or cooperative agreement. If the recipient has been paid in advance, the recipient shall indicate on SF-269 if it is holding excess cash. In cases where the recipient earns program income, it should reveal a rate of disbursement. Certain adjustments in performance and/or payments may have to be made if discrepancies are found.

### U. Additional SF-269 Analysis: Block 8

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Check the grant or cooperative agreement to see if the recipient has been instructed to complete block 8. The type of reporting required (funding/grant period) identifies the amount of time for which the figures in column III are accumulated. Agreements are funded incrementally that cover more than one year (one fiscal year at a time). For example, if a recipient is directed to complete an SF-269 by funding period, the figures in column III would accumulate for the first year funded, and begin anew in the next funding period (the second year). If a recipient is directed to complete an SF-269 by grant period, the figures in column III would accumulate for the complete approved performance period, which may cover more than one year.

### V. Additional SF-269 Analysis: Compare SF-269 and SF-270

Compare the SF-270 with the SF-269. Be sure that the reporting period entered on the SF-269 and the period covered by the payment request correlate (for example, if an SF-269 is submitted quarterly and an SF-270 is submitted monthly, compare the first quarter SF-269 with the third monthly SF-270). Note that the cost figures are similar between the two forms in various blocks. The SF-269, block 10a should match the SF-270, block 11a; the SF-269, block 10j should correlate to the SF-270, block 11f; the SF-269, block 10t should match the SF-270, block 11d. If disparities exist, the recipient should be questioned to ensure that the figures are accurate and justified.

### W. Additional SF-269 Analysis: Review SF-424, Block 15g

Look closely at the total outlays shown in block 10a and the total project cost approved on the SF-424, block 15g. If the SF-269 is required quarterly, ascertain whether the level of spending is consistent with the project schedules approved in the grant or cooperative agreement. If the recipient's total outlays are low, and a large part of the performance period is past, it indicates that the recipient is far behind schedule.

## **Part 600 – Federal Grants and Cooperative Agreements**

### **Subpart E - Revisions**

**600.60 Evaluating, Negotiating, Preparing, and Executing Revisions**

**600.61 Evaluating Revision Requests**

**600.62 Revision Negotiations**

**600.63 Revision Preparations**

**600.64 Revision Executions**

## Part 600 – Federal Grants and Cooperative Agreements

### Subpart E - Revisions

#### 600.60 Evaluating, Negotiating, Preparing, and Executing Revisions

##### A. Revision Requirements

Grants and cooperative agreements may be revised at any time with the mutual consent of all parties, provided the proposed revision is within the scope of the basic grant or cooperative agreement. The revision must be approved in writing before the changes are implemented. Identify any additional work as a separate job not covered by previous commitment. The basic grant or cooperative agreement may not be revised to the detriment of NRCS (e.g., a decrease in the amount of work without a corresponding decrease in cost contributions, or an increase in the amount of work without a corresponding increase in cost contributions). Revisions that increase NRCS contributions must utilize funds from current-year appropriations.

##### B. Contribution Ratios

In all cost increases or decreases, the negotiator should retain a contribution ratio based on the prorated shares defined in the basic grant or cooperative agreement. For example, if an initial cooperative agreement reflects an NRCS contribution of 50 percent and a recipient contribution of 50 percent of the total cost of the project, be sure that a revision involving a cost increase retains the 50/50 contribution ratio. In cases where the original ratio is not maintained, place documentation in the official file supporting why the ratio is not maintained in the official file. NRCS contribution may not be increased without a written justification.

##### C. Budget Revisions Approval

Certain budget revisions proposed by the recipient require advance approval by the NRCS. Be sure that the recipient forwards a revision application reflecting the desired changes for NRCS consideration. An alternative to revising the agreement is to negotiate an advance agreement at the time of the initial award that identifies the approved budget changes by specific line item on SF-424A.

##### D. Responsible Official

The Responsible Official is responsible for technical and administrative negotiations, and may use other technical and administrative personnel to assist in these negotiations.

##### E. Revision Form(s) Submission

Revisions to an existing grant or cooperative agreement require a recipient to submit only forms that need to be revised as a result of the proposed changes. (For example, if a proposed change involves a cost increase or decrease, the recipient submits a revised SF-424, SF-424A, an additional detailed cost breakdown to support of the revised SF-424A, and a narrative for only those costs associated with the change. If the proposed change is a request for only a time extension, only the SF-424 needs to be submitted, along with a cover letter explaining the request.)

#### 600.61 Evaluating Revision Requests

##### A. Proposed Revisions

## Federal Grants and Cooperative Agreements Handbook

In evaluating the revision request, each document must be closely reviewed and analyzed. Be sure that the proposed changes comply with the scope of the initial grant or cooperative agreement, cost increases or decreases are reasonable and justified, and the recipient has completed the required forms. When evaluating proposed revisions, consider the following:

### B. Review the SF-424, Application for Federal Assistance

Review the SF-424 that was submitted requesting the revision. In addition to the following, consider Subpart I, Exhibits, Section 600.106, when reviewing the SF-424 for revisions.

#### (1) Block 13, Proposed Project (Start Date/End Date)

A revision that increases the duration of an entire project results in a change to the ending date indicated in the initial grant or cooperative agreement, and must be executed before to that date. The request should reflect the amount of time necessary to complete the proposed project.

Requests for revisions of a multiyear grant or cooperative agreement normally reflect the total performance period for a subsequent year (after the initial performance period) in Block 13. For example, if a project initially proposed as a five-year project, and NRCS approved the first two years of work on the initial award, the first revision would cover the third year of work.

#### (2) Block 15, Estimated Funding

If the revision results in a funding increase or decrease to a basic award document, this block should indicate only the revised amount associated with the change (not the cumulative amount). If the revision is approved by NRCS, specify the amount of increase or decrease to NRCS obligation and a summary of the total cumulative funding obligated under the grant or cooperative agreement to date. Further, the recipient shall submit SF-424A or SF-424C that clearly indicates the budget categories in which increases or decreases occur.

If the recipient proposed a contribution on the basic grant or cooperative agreement, the revision should maintain the same contribution ratio. If the ratio is not maintained, documentation supporting this should be placed in the official file.

This block should show the cumulative increased or total (initial award minus proposed revision) decreased costs proposed for the revision period of performance, as follows:

#### (3) Block 15a, Federal

This block shows the total revised NRCS funding for the approved performance period of the revision identified in block 13. State NRCS obligation or de-obligation amount for the revision when the revision is issued. If the recipient is proposing additional Federal funding, it should be separated from NRCS funds and shown in Block 15a or block 15e, identifying it as such.

#### (4) Block 15b, Applicant

This block shows the total revised increase or decrease in the recipient's contribution or matching requirement, if any, for the approved performance period of the revision. The total recipient contribution may consist of non-cash or in-kind contributions. To ensure that the true reflection of total project costs is captured, the recipient contribution should be separated by whichever categories are applicable. This can be

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accomplished by either entering two lines in block 15b or using block 15e (Other), with wording designating the type of contribution, or in the remarks block of the SF-424A. If the remarks block is used, show an asterisk in block 15b of the SF-424 so that they correlate properly, and all parties clearly understand what comprises the total project costs.

(5) Block 15c, State

This block shows any total revised increase or decrease in contributions from a State agency.

(6) Block 15d, Local

This block shows any total revised increase or decrease in contributions from a local government.

(7) Block 15e, Other

This block shows any total revised increase or decrease in contributions from other Federal agencies aside from NRCS, non-Government organizations, private industry, and individuals.

(8) Block 15f, Program Income

This block shows any increase or decrease in anticipated program income, such as registration fees for attending a conference that the applicant should receive during the performance period of the grant or cooperative agreement.

(9) Cost Analysis

Thoroughly analyze each individual cost element. Review the initial grant or cooperative agreement and compare it with the proposed revision. Perform the cost analysis in the same manner as the grant or cooperative agreement was reviewed.

(10) Review Proposed Revisions

The Responsible Official may request assistance from the Review Board to review any significant revision. Review of the proposed revision shall include each of the following:

- (i) Analyzing the cost breakdown submitted in support of SF-424A or SF-424C;
- (ii) Evaluating specific cost elements to determine the allowability, reasonableness, and allocability of costs in the budget.
- (iii) Verifying indirect cost rates. Compare the SF-424A or SF-424C with the SF-424, block 15, included in the application to ensure that the cost figures correspond. If the recipient proposed a contribution, the recipient contribution figure for each budget cost element should be separated into the applicant cash share and "non-cash" share. The applicant's non-cash contribution may be from the sources described as follows:

- An applicant's non-cash contribution is the expense the applicant organization incurs in lieu of cash for its share of direct and indirect costs associated with the project, such as employee salaries, overhead, travel, equipment, supplies, etc. (allowable costs). These do not include in-kind contributions from third parties, non-Federal organizations, or volunteer labor.

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- In-kind contributions are non-cash contributions from third parties that the applicant receives that will be used in the project, such as volunteer labor, donated materials, and equipment, where the applicant incurs no expense. In-kind contributions do not include indirect costs. In-kind contributions are not reimbursable.

If recipient contributions are proposed, and there is no reflection of a "non-cash" share, it should be noted for discussions during negotiations (verify whether or not "non-cash" contributions are a total part of the cost). Inconsistencies in the figures indicate potential cost problems and must be resolved before award.

### C. Form SF-424A or SF-424C, Budget Information

Look closely at each individual budget cost element in the SF-424A or SF-424C. Supplement the SF-424A or SF-424C with an additional detailed cost breakdown to support each budget cost element. Be sure to reconcile of the SF-424A or SF-424C and the detailed cost breakdown. The recipient shall submit the SF-424A or SF-424C that clearly indicates the budget categories in which increases or decreases occur. Three columns of figures should be shown on the form:

- (1) Current or initial budget;
- (2) Change requested; and
- (3) Revised cumulative totals.

For a review of each cost element, refer to the application section regarding cost analysis of financial plan.

### D. Performance Period

The "start date" of the proposed revision should reflect the date the recipient intends to implement the work change (or changes).

If a change is proposed in the work and no additional time is anticipated, the "start date" should reflect the day the recipient intends to implement the work changes. The proposed "expiration date" of the revision should not exceed the expiration date approved under the initial grant or cooperative agreement unless the revision request is an extension of time.

### E. Other Considerations

During the performance of a grant or cooperative agreement, there may be a need for additional or more frequent reporting requirements than those initially prescribed in the original case. A revision may be initiated to add these requirements or to include them in a recipient's proposed revision.

## 600.62 Revision Negotiations

### A. Not All Revisions Require Negotiation

Not all revisions require negotiation. While evaluating the revision, make a list of items to be discussed if negotiations are necessary. In addition, make a separate list of items that are not negotiable, but which must be incorporated into the revision.

### B. How to Negotiate

Negotiations may be:

- (1) Held onsite at the recipient's institution or organization or at an NRCS location.
- (2) Accomplished by written documentation between the parties.
- (3) Accomplished by telephone conversations between the parties and followed by written documentation.

C. Written Documentation

Any items resulting from negotiations should be documented in a written negotiation memorandum and placed in the official file. If the revision involves a complex grant or cooperative agreement, it may be beneficial to have two memorandums: one addressing the program or technical aspects of the project and the other addressing the fiscal and administrative aspects. The reports should be complete, but as brief as possible.

### **600.63 Revision Preparations**

A. Items Included in Revisions

When NRCS is satisfied that all requirements have been met and agreement has been reached between the parties, the revision can be prepared. Be sure that the revision that incorporates the recipient's revised application and other administrative requirements, contains the items described below:

B. NRCS Cooperative Agreement or Grant Number

This is a statement that cites the agency agreement number, a sequential revision number starting with number 1, total Federal funds obligated, and the performance period.

### **600.64 Revision Executions**

Completed Revision

When the complete revision is assembled, the following steps should be taken:

- (1) Obtain recipient's signature(s) on the revisions.
- (2) Obtain NRCS Signatory Official's signature.
- (3) Distribute the revision award package. Distribute copies to the recipient(s) and all others who received a copy of the original award document. Keep the original revision with the official file.

**Part 600 – Federal Grants and Cooperative Agreements**

**Subpart F - Audits**

**600.70 Audits**

**600.71 Program Reviews**

**600.72 Performance Reports and Site Visits**

## **Part 600 – Federal Grants and Cooperative Agreements**

### **Subpart F - Audits**

#### **600.70 Audits**

##### **A. Independent Audits**

Require that the recipient obtain audits by an independent auditor in accordance with OMB Circular A-133 and 7 CFR 3052. NRCS may request its representatives (Office of Inspector General, OIG) to conduct independent audits at any time if NRCS has reason to believe its interests are not being maintained.

##### **B. Audit Records**

After audits are completed, the audit records are sent to the Federal Clearing House designated by OMB Circular 7 CFR 3052.320(h).

NRCS can request copies of the recipient's audit records per 7 CFR 3052.320(f).

#### **600.71 Program Reviews**

##### **NRCS Program Reviews**

NRCS or its representatives may conduct program reviews at any time.

#### **600.72 Performance Reports and Site Visits**

##### **A. Performance Reports**

Check the grant or cooperative agreement to determine the frequency of performance reports required. Be sure that performance reports are submitted at least annually, but no more than quarterly. Each performance report should include at a minimum a statement of progress, including the results to date and a comparison of actual accomplishments with proposed goals for the period; any current problems or unusual developments or delays; and work to be performed during the succeeding period. Some of these issues may require action on the part of NRCS personnel which may include obtaining additional information, withholding payments, or suspending the grant or cooperative agreement.

##### **B. Site Visits**

In instances where a grant or cooperative agreement involves a complex project and/or one of high dollar value, official site visits may be beneficial. Site visits are a good way to determine appropriate use of NRCS funded equipment, proper allocation of facilities to the recipient of the grant or cooperative agreement, or project performance in relation to performance reports.

**Part 600 – Federal Grants and Cooperative Agreements**

**Subpart G - Violations**

**600.80 Suspensions**

**600.81 Terminations**

## Part 600 – Federal Grants and Cooperative Agreements

### Subpart G - Violations

#### 600.80 Suspensions

##### A. Requirements

As described in 7 CFR 3015, 3016 and 3019, a grant or cooperative agreement may be suspended either in whole or in part by the Signatory Official when a recipient has materially failed to comply with its terms and conditions. Areas that may justify suspension are performance related and may include the following: change in methodology without proper approval; failure to submit required financial status and performance reports; performance outside the scope of the instrument; and the appearance of improper expenditures. Issue reasonable written notice stating the cause of the action, corrective action required by the recipient, and the effective date. Do not allow new obligations to be incurred by the recipient during the suspension period; however, obligations incurred by the recipient prior to the suspension may be allowed with NRCS approval if otherwise unavoidable, such as fixed cost for space or other unliquidated obligations.

##### B. Recipient Actions

If the recipient takes corrective action, the suspension may be lifted. In this case, the recipient should be notified in writing of the date the performance may resume. If the recipient does not take corrective action, NRCS should proceed to terminate the grant or cooperative agreement. Depending on the circumstances of the violation, NRCS may terminate the grant or cooperative agreement without suspension.

#### 600.81 Terminations

##### A. Requirements

As described in 7 CFR 3015, 3016 and 3019, a grant or cooperative agreement may be terminated, in whole or in part, at any time prior to the expiration of the grant or cooperative agreement if the recipient fails to materially comply with its terms and conditions. Areas that may justify termination are performance related, and may include the following: change in methodology without proper approval; failure to submit required financial status and performance reports; performance outside the scope of the instrument; and evidence of improper expenditures. The Signatory Official shall give the recipient written notification defining the deficiencies, requesting a "cure" of these deficiencies, and the submission of a corrective plan of action within a reasonable amount of time (e.g., 30 to 60 days). If the recipient does not submit a plan of corrective action within the timeframe established in the notification, termination action may be initiated. The Signatory Official shall give written notification stating the reason for termination and the effective date to the recipient. Termination may also be exercised when NRCS and the recipient agree upon the termination conditions. Upon termination of a grant or cooperative agreement, the recipient shall not incur any new obligations after the effective date, and shall cancel as many outstanding obligations as possible. NRCS may allow full credit to the recipient organization for its share of the non-cancelable obligations properly incurred prior to termination.

##### B. Excess Funds

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Terminations may result in excess funds remaining in the grant or cooperative agreement. If payments were made on a cost reimbursement basis, de-obligate the excess funds. If payments were made on an advance basis, the recipient shall refund any excess funding to NRCS. In either case, document the de-obligation of funds by written revision to the grant or cooperative agreement.

## **Part 600 – Federal Grants and Cooperative Agreements**

### **Subpart H – Closeout**

**600.90 Closing Out Grants or Cooperative Agreements**

**600.91 Reporting Requirements**

**600.92 De-Obligating Funds**

**600.93 Disposing of Equipment (7 CFR 3016, 3019)**

**600.94 Records**

## **Part 600 – Federal Grants and Cooperative Agreements**

### **Subpart H – Closeout**

#### **600.90 Closing Out Grants or Cooperative Agreements**

##### NRCS Process

Closing-out a grant or cooperative agreement is the process by which NRCS determines that all applicable administrative actions and all required work have been completed by NRCS and the recipient. See the following sections for several important elements needed to close-out a grant or cooperative agreement.

#### **600.91 Reporting Requirements**

##### Grant or Cooperative Agreement Terms

The Signatory Official shall ensure that all required performance reports, financial status reports (SF-269), and other reports are received in accordance with the terms of the grant or cooperative agreement. Be sure that the file contains copies of the quarterly, semi-annual, annual, and/or final report(s).

#### **600.92 De-Obligating Funds**

##### Excess Funds

Upon receipt of the final status report (SF-269), the Responsible Official shall determine if excess funds remain in the grant or cooperative agreement. If this occurs, and payment was made on a reimbursement basis, de-obligate the excess funds. If payments were made on an advance basis, the recipient shall refund any excess funding to NRCS. In either case, for proper closeout, document the de-obligation of funds by written revision to the grant or cooperative agreement. In situations where the recipient forwards an SF-270 that bills NRCS for costs exceeding the total funds obligated for the grant or cooperative agreement, payment may be made only for the amount of the total funds obligated. Contact the recipient immediately and request a revised final SF-270.

#### **600.93 Disposing of Equipment (7 CFR 3016, 3019)**

##### A. Title Non-Reservation

If the grant or cooperative agreement approved the equipment purchase, and the award letter did not provide for the transfer of equipment title to NRCS, the Signatory Official shall request an inventory of equipment acquired in whole or in part with Federal funds. In the inventory listing, include each item's current market value, the type of funding used to purchase each item (NRCS versus recipient), and the intended use from the recipient. The recipient may request to keep the equipment or dispose of it. After review of the recipient's equipment list and response, the Signatory Official shall issue written disposition instructions. NRCS may grant approval for the recipient to retain and use the equipment in the project or program for which it was acquired, or approve the recipient to dispose of the equipment and return to NRCS its share of the current market value realized upon the sale of the equipment.

##### B. Title Reservation

## Federal Grants and Cooperative Agreements Handbook

If the grant or cooperative agreement approved the equipment purchase, and reserved the right to transfer title back to NRCS, the Signatory Official shall request an inventory of equipment acquired in part or in whole with Federal funds. In the inventory listing, include each item's current market value, and the type of funding used to purchase each item (NRCS versus recipient). After review of the recipient's equipment list, the Signatory Official shall issue written disposition instructions. NRCS may direct the recipient to return equipment acquired in part or in whole with Federal funds to NRCS, other Federal agencies, or a designated third party. Compensate the recipient organization for its proportionate share of current market value and shipping costs for equipment purchased in part with its funds. NRCS may direct the recipient to sell equipment and allow deduction of any actual and reasonable selling and fixing-up expenses from sale proceeds (7CFR 3015.168 (b), 3016.31 (c)(2), and 3019.32 (c)(2)).

### **600.94 Records**

#### Files Consolidation

Consolidate all copies of NRCS files for the grants and/or agreement in accordance with the NRCS Records Guide.

## **Part 600 – Federal Grants and Cooperative Agreements**

### **Subpart I - Exhibits**

**600.100 - Authorities**

**600.101 - OMB Circulars and USDA Implementing Regulations**

**600.102 - Request for Project**

**600.103 - Sample of Determinations and Findings for Award of a Non-Competitive Discretionary Cooperative Agreement**

**600.104 - Form SF–269, Financial Status Report (Long Form)**

**600.105 – Form SF–270, Request for Advance or Reimbursement**

**600.106 – Form SF–424, Application for Federal Assistance**

**600.107 - Form SF–424A, Budget Information – Non-Construction Programs**

**600.108 - Form SF–424B, Assurances – Non-Construction Programs**

**600.109 - Form SF–424C, Budget Information – Construction Programs**

**600.110 - Form SF–424D, Assurances – Construction Programs**

**600.111 – Cooperative Agreement: Template**

**600.112 – Special Provisions for Grants and Cooperative Agreements Act of 1977**

**600.113 – Designation of Agency Liaison: Template**

**600.100 Authorities**

Agricultural Management Assistance (AMA), 7 U.S.C. 1524(b), 7 CFR 1465 (CFDA 10.917)
Colorado River Basin Salinity Control Program, 43 U.S.C. 1571, 1591–1594 (CFDA 10.070)
Conservation Innovation Grants, 16 U.S.C. 3839aa–8 (CFDA 10.912)
Conservation of Private Grazing Land, 16 U.S.C. 3839bb (CFDA 10.902)
Conservation Technical Assistance Program (CTA), 16 U.S.C. 590a–590f, 590q, 7 CFR Part 610 (CFDA 10.902)
Emergency Watershed Protection Program (EWP), 33 U.S.C. 2203, as amended. 7 CFR Part 624 (NO CFDA #)
Environmental Quality Incentives Program (EQIP), 16 U.S.C. 3839aa–3839aa–8, 3841, 7 CFR Part 1466 (CFDA 10.912)
Farm and Ranch Lands Protection Program, 16 U.S.C. 3830 (CFDA 10.913)
Farmland Protection Policy Act, 7 U.S.C. 4201 <i>et seq.</i> , 7 CFR 658 (CFDA 10.913)
Forestry Incentives Program (FIP), 16 U.S.C. 2103, 7 CFR Part 701 (CFDA 10.064)
Ground and Surface Water Conservation – Environmental Quality Incentives Program, 16 U.S.C. 3801 <i>et seq.</i> (CFDA 10.918)
Highly Erodible Land and Wetland Conservation, 16 U.S.C. 3801 <i>et seq.</i> , 7 CFR Part 12 (CFDA 10.902)
Klamath Basin – Environmental Quality Incentives Program, 16 U.S.C. 3801 <i>et seq.</i> (CFDA 10.919)
Land Inventory and Monitoring Program, 7 U.S.C. 1010a (CFDA 10.902)
National Resources Inventory (NRI), 16 U.S.C. 2004 (CFDA 10.902)
Plant Materials for Conservation, 16 U.S.C. 590a–590f (CFDA 10.905)
Resource Conservation and Development Program, 7 U.S.C. 1010 and 1011; 16 U.S.C. 590a–590f, 590q, and 3451–3461 (CFDA 10.901)
Rural Abandoned Mine Program (RAMP), 30 U.S.C. 1236, 7 CFR Part 632 (CFDA 10.901)
Snow Survey Program, 16 U.S.C. 590a–f (CFDA 10.907)
Soil Survey Program, 16 U.S.C. 590a–f, 42 U.S.C. 3271–3274 (CFDA 10.903)
Soil and Water Resources Conservation Assistance, 16 U.S.C. 3830 note (CFDA 10.902)
Soil and Water Resources Conservation Program, 16 U.S.C. 2001–2009 (CFDA 10.902)
Watershed Protection and Flood Prevention Program, 16 U.S.C. 1001–1009, 33 U.S.C. 701b–1 (CFDA 10.904)

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Watershed Rehabilitation Program, 16 U.S.C. 1012 (CFDA 10.916)
Wetlands Reserve Program (WRP), 16 U.S.C. 3837–3837F, 7 CFR Part 1467 (CFDA 10.072)
Wildlife Habitat Incentives Program (WHIP), 16 U.S.C. 383a, 7 CFR Part 636 (CFDA 10.914)

## Federal Grants and Cooperative Agreements

### 600.101 OMB Circulars and USDA Implementing Regulations

Circular	Regulation
OMB Circular A-21	Cost Principals for Educational Institutions
OMB Circular A-87	Cost Principals for State, Local and Indian Tribal Governments OMB
Circular A-102	Grants and Cooperative Agreements with State and Local Governments
OMB Circular A-110	Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations
OMB Circular A-122	Cost Principals for Non-Profit Organizations
OMB Circular A-133	Audits of States, Local Governments, and Non-Profit Organizations
7 CFR Part 3015	Uniform Federal Assistance Regulations
7 CFR Part 3016	Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Government
7 CFR Part 3017	Government Wide Debarment and Suspension and Government Requirements for Drug-Free Workplace
7 CFR Part 3018	New Restrictions on Lobbying
7 CFR Part 3019	Uniform Requirements for Grants and Cooperative Agreements to Institutions of Higher Education, Hospitals and Other Non-Profit Organizations
7 CFR Part 3052	Audits of States and Local Governments and Non-Profit Organizations

Note: The OMB Circular and USD Implementary Regulations can be obtained from the following web sites:

<http://www.whitehouse.gov/WH/EOP/OMB/html/circular.html>

<http://www.access.gpo.gov/nara/cfr/cfr-table-search.html>

## **600.102 Request for Project**

### **GENERAL INFORMATION**

1. Name of Project(s)
2. Potential Sources (Provide company name, contact name and title, address, phone number and fax number)

### **PROPOSAL INFORMATION**

1. Description of Project (scope of work)
2. Purpose/Objective
3. Benefits (who, how and why)
4. Duration of Project
5. Authority (Public Law or U.S.C.)

### **FUNDING INFORMATION**

1. Estimated Cost of Project
2. NRCS Contribution (funds, equipment, personnel, commitments, etc.)
3. Funding Source

### **600.103 Sample of Determinations and Findings for Award of a Non-Competitive Discretionary Cooperative Agreement**

Pursuant to the Uniform Federal Assistance Regulations, 7 CFR 3015, the Natural Resources Conservation Service offers the following Determination and Findings as justification for awarding a non-competitive cooperative agreement. The main purpose of the award is to provide financial assistance to the Center for Advanced Innovative Conservation (CAIC), a non-government, nonprofit organization in its effort to assist landowners and land users in meeting conservation requirements and needs. CAIC is a resource and information center that invented a new and unique computer-based residue management system that is environmentally responsible and enhances agriculture conservation visibility.

The CAIC plan (proposed to NRCS) involves launching a National program that would involve agribusiness, local Soil and Water Conservation Districts, USDA and Agricultural commodity organizations to implement a computer software system designed for implementing a residue management marketing program. Through a common focus, landowners and land users will be provided with computer software developed by CAIC for implementing more efficient and cost-effective methods of residue management.

Though the proposal presented by CAIC was not solicited by NRCS, evaluation of the proposal shows that the CAIC plan will provide a foundation for increased cooperation between Federal and non-Federal parties in assisting landowners and land users to improve residue management techniques. NRCS, as a lead agency for conservation, believes that the aspects covered by the CAIC plan will serve to provide better technical and planning assistance to the nation's landowners and land users.

#### **FINDINGS**

- (1) NRCS has the authority under the Soil Conservation and Domestic Allotment Act (16 U.S.C.590a-f) to enter into this type of relationship.
- (2) The CAIC proposal/application is based on accomplishing a public purpose of support and stimulation in carrying out activities authorized by conservation related legislation.
- (3) The CAIC proposal/application does not fall under a recent, current or proposed NRCS solicitation.
- (4) NRCS will be substantially involved with CAIC during performance of the activities covered by the application/proposal
- (5) The level of NRCS financial participation in the relationship is commensurate with the anticipated benefits.
- (6) Preparing a solicitation for commensurate marketing proposals/applications would result in significant cost and the possibility of unfairly disclosing information that CAIC has proposed.

#### **DETERMINATIONS**

Based on the above findings, I, as the awarding official, hereby determine that within the requirements of the Regulation of the Secretary, 7 CFR 3015.158(d) (6), this non-competitive award funds an innovative and unique approach; such award is in the best

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interest of the Government; and is needed to assist in accomplishing conservation objectives.

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Signature of State Conservationist

Date

**600.104 Form SF-269, FINANCIAL STATUS REPORT**  
(Long Form)

(Follow instructions on the back)

1. Federal Agency and Organizational Element to Which Report is Submitted	2. Federal Grant or Other Identifying Number Assigned By Federal Agency	OMB Approval No. <b>0348-0039</b>	Page of _____ pages
3. Recipient Organization (Name and complete address, including ZIP code)			
4. Employer Identification Number	5. Recipient Account Number or Identifying Number	6. Final Report <input type="checkbox"/> Yes <input type="checkbox"/> No	7. Basis <input type="checkbox"/> Cash <input type="checkbox"/> Accrual
8. Funding/Grant Period (See instructions) From: (Month, Day, Year)	To: (Month, Day, Year)	9. Period Covered by this Report From: (Month, Day, Year)	To: (Month, Day, Year)
10. Transactions:	I Previously Reported	I This Period	III Cumulative
a. Total outlays			
b. Refunds, rebates, etc.			
c. Program income used in accordance with the deduction alternative			
d. Net outlays (Line a, less the sum of lines b and c)			
<b>Recipient's share of net outlays, consisting of:</b>			
e. Third party (in-kind) contributions			
f. Other Federal awards authorized to be used to match this award			
g. Program income used in accordance with the matching or cost sharing alternative			
h. All other recipient outlays not shown on lines e, f or g			
i. Total recipient share of net outlays (Sum of lines e, f, g and h)			
<b>Federal share of net outlays</b>			
j. Federal share of net outlays (line d less line i)			
k. Total unliquidated obligations			
l. Recipient's share of unliquidated obligations			
m. Federal share of unliquidated obligations			
n. Total Federal share (sum of lines j and m)			
o. Total Federal funds authorized for this funding period			
p. Unobligated balance of Federal funds (Line o minus line n)			
<b>Program income, consisting of:</b>			
q. Disbursed program income shown on lines c and/or g above			
r. Disbursed program income using the addition alternative			
s. Undisbursed program income			
t. Total program income realized (Sum of lines q, r and s)			
11. Indirect Expense	a. Type of Rate (Place "X" in appropriate box) <input type="checkbox"/> Provisional <input type="checkbox"/> Predetermined <input type="checkbox"/> Final <input type="checkbox"/> Fixed		
	b. Rate	c. Base	d. Total Amount
			e. Federal Share
12. Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation.			
13. Certification: <b>I certify to the best of my knowledge and belief that this report is correct and complete and that all outlays and unliquidated obligations are for the purposes set forth in the award documents.</b>			
Typed or Printed Name and Title		Telephone (Area code, number and extension)	
Signature of Authorized Certifying Official		Date Report Submitted	

## FINANCIAL STATUS REPORT

(Long Form)

Public reporting burden for this collection of information is estimated to average 30 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0039), Washington, DC 20503.

**PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET.**

Please type or print legibly. The following general instructions explain how to use the form itself. You may need additional information to complete certain items correctly, or to decide whether a specific item is applicable to this award. Usually, such information will be found in the Federal agency's grant regulations or in the terms and conditions of the award (e.g., how to calculate the Federal share, the permissible uses of program income, the value of in-kind contributions, etc.). You may also contact the Federal agency directly.

Item	Entry
<p>1, 2 and 3. Self-explanatory.</p> <p>4. Enter the Employer Identification Number (EIN) assigned by the U.S. Internal Revenue Service.</p> <p>5. Space reserved for an account number or other identifying number assigned by the recipient.</p> <p>6. Check <i>yes</i> only if this is the last report for the period shown in item 8.</p> <p>7. Self-explanatory.</p> <p>8. Unless you have received other instructions from the awarding agency, enter the beginning and ending dates of the current funding period. If this is a multi-year program, the Federal agency might require cumulative reporting through consecutive funding periods. In that case, enter the beginning and ending dates of the grant period, and in the rest of these instructions, substitute the term "grant period" for "funding period."</p> <p>9. Self-explanatory.</p> <p>10. The purpose of columns I, II, and III is to show the effect of this reporting period's transactions on cumulative financial status. The amounts entered in column I will normally be the same as those in column III of the previous report <i>in the same funding period</i>. If this is the first or only report of the funding period, leave columns I and II blank. If you need to adjust amounts entered on previous reports, footnote the column I entry on this report and attach an explanation.</p> <p>10a. Enter total gross program outlays. Include disbursements of cash realized as program income if that income will also be shown on lines 10c or 10g. Do not include program income that will be shown on lines 10r or 10s.</p> <p>For reports prepared on a cash basis, outlays are the sum of actual cash disbursements for direct costs for goods and services, the amount of indirect expense charged, the value of in-kind contributions applied, and the amount of cash advances and payments made to subrecipients. For reports prepared on an accrual basis, outlays are the sum of actual cash disbursements for direct charges for goods and services, the amount of indirect expense incurred, the value of in-kind contributions applied, and the net increase or decrease in the amounts owed by the recipient for goods and other property received, for services performed by employees, contractors, subgrantees and other payees, and other amounts becoming owed under programs for which no current services or performances are required, such as annuities, insurance claims, and other benefit payments.</p>	<p>10b. Enter any receipts related to outlays reported on the form that are being treated as a reduction of expenditure rather than income, and were not already netted out of the amount shown as outlays on line 10a.</p> <p>10c. Enter the amount of program income that was used in accordance with the deduction alternative.</p> <p>Note: Program income used in accordance with other alternatives is entered on lines q, r, and s. Recipients reporting on a cash basis should enter the amount of cash income received; on an accrual basis, enter the program income earned. Program income may or may not have been included in an application budget and/or a budget on the award document. If actual income is from a different source or is significantly different in amount, attach an explanation or use the remarks section.</p> <p>10d. e, f, g, h, i and j. Self-explanatory.</p> <p>10k. Enter the total amount of unliquidated obligations, including unliquidated obligations to subgrantees and contractors.</p> <p>Unliquidated obligations on a cash basis are obligations incurred, but not yet paid. On an accrual basis, they are obligations incurred, but for which an outlay has not yet been recorded.</p> <p>Do not include any amounts on line 10k that have been included on lines 10a and 10j.</p> <p>On the final report, line 10k must be zero.</p> <p>10l. Self-explanatory.</p> <p>10m. On the final report, line 10m must also be zero.</p> <p>10n. o, p, q, r, s and t. Self-explanatory.</p> <p>11a. Self-explanatory.</p> <p>11b. Enter the indirect cost rate in effect during the reporting period.</p> <p>11c. Enter the amount of the base against which the rate was applied.</p> <p>11d. Enter the total amount of indirect costs charged during the report period.</p> <p>11e. Enter the Federal share of the amount in 11d.</p> <p>Note: If more than one rate was in effect during the period shown in item 8, attach a schedule showing the bases against which the different rates were applied, the respective rates, the calendar periods they were in effect, amounts of indirect expense charged to the project, and the Federal share of indirect expense charged to the project to date.</p>

# 600.105 Form SF-270, Request for Advance or Reimbursement

(See instructions on back)		OMB APPROVAL NO. <b>0348-0004</b>		PAGE _____ OF _____ PAGES
		1. TYPE OF PAYMENT REQUESTED a. "X" one or both boxes <input type="checkbox"/> <b>ADVANCE</b> <input type="checkbox"/> <b>REIMBURSEMENT</b> b. "X" the applicable box <input type="checkbox"/> <b>FINAL</b> <input type="checkbox"/> <b>PARTIAL</b>		2. BASIS OF REQUEST  <input type="checkbox"/> <b>CASH</b>  <input type="checkbox"/> <b>ACCRUAL</b>
3. FEDERAL SPONSORING AGENCY AND ORGANIZATIONAL ELEMENT TO WHICH THIS REPORT IS SUBMITTED		4. FEDERAL GRANT OR OTHER IDENTIFYING NUMBER ASSIGNED BY FEDERAL AGENCY		5. PARTIAL PAYMENT REQUEST NUMBER FOR THIS REQUEST
6. EMPLOYER IDENTIFICATION NUMBER	7. RECIPIENTS ACCOUNT NUMBER OR IDENTIFYING NUMBER	8. <b>PERIOD COVERED BY THIS REQUEST</b> FROM (month, day, year) _____ TO (month, day, year) _____		
9. RECIPIENT ORGANIZATION  Name:  Number and Street:  City, State, and ZIP Code:		10. PAYEE (Where check is to be sent if different than item 9)  Name:  Number and Street:  City, State, and ZIP Code:		

11. COMPUTATION OF AMOUNT OF REIMBURSEMENTS/ADVANCES REQUESTED				
PROGRAMS/FUNCTIONS/ACTIVITIES ►	(a)	(b)	(c)	TOTAL
a. Total program outlays to date (As of date)	\$	\$	\$	\$
b. Less: Cumulative program income				
c. Net program outlays (Line a minus line b)				
d. Estimated net cash outlays for advance period				
e. Total (Sum of lines c & d)				
f. Non-Federal share of amount on line e				
g. Federal share of amount on line e				
h. Federal payments previously requested				
i. Federal share now requested (Line g minus line h)				
j. Advances required by month, when requested by Federal grantor agency for use in making prescheduled advances	1st month			
	2nd month			
	3rd month			

12. ALTERNATE COMPUTATION FOR ADVANCES ONLY	
a. Estimated Federal cash outlays that will be made during period covered by the advance	\$
b. Less: Estimated balance of Federal cash on hand as of beginning of advance period	
c. Amount requested (Line a minus line b)	\$

**CERTIFICATION**

I certify that to the best of my knowledge and belief the data on the reverse are correct and that all outlays were made in accordance with the grant conditions or other agreement and that payment is due and has not been previously requested.	SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL	DATE REQUEST SUBMITTED
	TYPED OR PRINTED NAME AND TITLE	TELEPHONE (AREA CODE, NUMBER, EXTENSION)

This space for agency use

Public reporting burden for this collection of information is estimated to average 60 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0004), Washington, DC 20503.

**PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.**

**INSTRUCTIONS**

Please type or print legibly. Items 1, 3, 5, 9, 10, 11e, 11f, 11g, 11i, 12 and 13 are self-explanatory, specific instructions for other items are as follows:

<i>Item</i>	<i>Entry</i>	<i>Item</i>	<i>Entry</i>
2.	Indicate whether request is prepared on cash or accrued expenditure basis. All requests for advances shall be prepared on a cash basis.		activity. If additional columns are needed, use as many additional forms as needed and indicate page number in space provided in upper right; however, the summary totals of all programs, functions, or activities should be shown in the "total" column on the first page.
4.	Enter the Federal grant number, or other identifying number assigned by the Federal sponsoring agency. If the advance or reimbursement is for more than one grant or other agreement, insert N/A; then, show the aggregate amounts. On a separate sheet, list each grant or agreement number and the Federal share of outlays made against the grant or agreement.	11a.	Enter in "as of date," the month, day, and year of the ending of the accounting period to which this amount applies. Enter program outlays to date (net of refunds, rebates, and discounts), in the appropriate columns. For requests prepared on a cash basis, outlays are the sum of actual cash disbursements for goods and services, the amount of indirect expenses charged, the value of in-kind contributions applied, and the amount of cash advances and payments made to subcontractors and subrecipients. For requests prepared on an accrued expenditure basis, outlays are the sum of the actual cash disbursements, the amount of indirect expenses incurred, and the net increase (or decrease) in the amounts owed by the recipient for goods and other property received and for services performed by employees, contracts, subgrantees and other payees.
6.	Enter the employer identification number assigned by the U.S. Internal Revenue Service, or the FICE (institution) code if requested by the Federal agency.	11b.	Enter the cumulative cash income received to date, if requests are prepared on a cash basis. For requests prepared on an accrued expenditure basis, enter the cumulative income earned to date. Under either basis, enter only the amount applicable to program income that was required to be used for the project or program by the terms of the grant or other agreement.
7.	This space is reserved for an account number or other identifying number that may be assigned by the recipient.	11d.	Only when making requests for advance payments, enter the total estimated amount of cash outlays that will be made during the period covered by the advance.
8.	Enter the month, day, and year for the beginning and ending of the period covered in this request. If the request is for an advance or for both an advance and reimbursement, show the period that the advance will cover. If the request is for reimbursement, show the period for which the reimbursement is requested.	13.	Complete the certification before submitting this request.
Note:	The Federal sponsoring agencies have the option of requiring recipients to complete items 11 or 12, but not both. Item 12 should be used when only a minimum amount of information is needed to make an advance and outlay information contained in item 11 can be obtained in a timely manner from other reports.		
11.	The purpose of the vertical columns (a), (b) and (c) is to provide space for separate cost breakdowns when a project has been planned and budgeted by program, function, or		

		<b>2. DATE SUBMITTED</b>	Applicant Identifier
<b>1. TYPE OF SUBMISSION:</b> Application <input type="checkbox"/> Construction <input type="checkbox"/> Non-Construction	<input type="checkbox"/> Construction <input type="checkbox"/> Non-Construction	<b>3. DATE RECEIVED BY STATE</b>	State Application Identifier
		<b>4. DATE RECEIVED BY FEDERAL AGENCY</b>	Federal Identifier
<b>5. APPLICANT INFORMATION</b>			
Legal Name:		Organizational Unit:	
Address (give city, county, State, and zip code):		Name and telephone number of person to be contacted on matters involving this application (give area code)	
<b>6. EMPLOYER IDENTIFICATION NUMBER (EIN):</b> □□ - □□□□□□□□		<b>7. TYPE OF APPLICANT: (enter appropriate letter in box)</b> <input type="checkbox"/>	
<b>8. TYPE OF APPLICATION:</b> <input type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision If Revision, enter appropriate letter(s) in box(es) <input type="checkbox"/> <input type="checkbox"/> A. Increase Award    B. Decrease Award    C. Increase Duration D. Decrease Duration    Other(specify): _____		A. State B. County C. Municipal D. Township E. Interstate F. Intermunicipal G. Special District H. Independent School Dist. I. State Controlled Institution of Higher Learning J. Private University K. Indian Tribe L. Individual M. Profit Organization N. Other (Specify) _____	
<b>10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER:</b> □□ - □□□□		<b>9. NAME OF FEDERAL AGENCY:</b>	
<b>12. AREAS AFFECTED BY PROJECT (Cities, Counties, States, etc.):</b>		<b>11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT:</b>	
<b>13. PROPOSED PROJECT</b>		<b>14. CONGRESSIONAL DISTRICTS OF:</b>	
Start Date	Ending Date	a. Applicant	b. Project
<b>15. ESTIMATED FUNDING:</b>		<b>16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?</b>	
a. Federal	\$ .00	a. YES. THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON:  DATE _____	
b. Applicant	\$ .00	b. No. <input type="checkbox"/> PROGRAM IS NOT COVERED BY E. O. 12372 <input type="checkbox"/> OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW	
c. State	\$ .00	<b>17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?</b>	
d. Local	\$ .00	<input type="checkbox"/> Yes    If "Yes," attach an explanation. <input type="checkbox"/> No	
e. Other	\$ .00		
f. Program Income	\$ .00		
g. TOTAL	\$ .00		
<b>18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT, THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.</b>			
a. Type Name of Authorized Representative		b. Title	c. Telephone Number
d. Signature of Authorized Representative		e. Date Signed	

## INSTRUCTIONS FOR THE SF-424

Public reporting burden for this collection of information is estimated to average 45 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0043), Washington, DC 20503.

**PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.**

This is a standard form used by applicants as a required facesheet for preapplications and applications submitted for Federal assistance. It will be used by Federal agencies to obtain applicant certification that States which have established a review and comment procedure in response to Executive Order 12372 and have selected the program to be included in their process, have been given an opportunity to review the applicant's submission.

- | Item: | Entry:  | Item: | Entry:   |
|-------|---|-------|--|
| 1.    | Self-explanatory.   | 12.   | List only the largest political entities affected (e.g., State, counties, cities).   |
| 2.    | Date application submitted to Federal agency (or State if applicable) and applicant's control number (if applicable).   | 13.   | Self-explanatory.  |
| 3.    | State use only (if applicable).   | 14.   | List the applicant's Congressional District and any District(s) affected by the program or project.  |
| 4.    | If this application is to continue or revise an existing award, enter present Federal identifier number. If for a new project, leave blank.   | 15.   | Amount requested or to be contributed during the first funding/budget period by each contributor. Value of in-kind contributions should be included on appropriate lines as applicable. If the action will result in a dollar change to an existing award, indicate <i>only</i> the amount of the change. For decreases, enclose the amounts in parentheses. If both basic and supplemental amounts are included, show breakdown on an attached sheet. For multiple program funding, use totals and show breakdown using same categories as item 15. |
| 5.    | Legal name of applicant, name of primary organizational unit which will undertake the assistance activity, complete address of the applicant, and name and telephone number of the person to contact on matters related to this application.  | 16.   | Applicants should contact the State Single Point of Contact (SPOC) for Federal Executive Order 12372 to determine whether the application is subject to the State intergovernmental review process.  |
| 6.    | Enter Employer Identification Number (EIN) as assigned by the Internal Revenue Service.   | 17.   | This question applies to the applicant organization, not the person who signs as the authorized representative. Categories of debt include delinquent audit disallowances, loans and taxes.  |
| 7.    | Enter the appropriate letter in the space provided.   | 18.   | To be signed by the authorized representative of the applicant. A copy of the governing body's authorization for you to sign this application as official representative must be on file in the applicant's office. (Certain Federal agencies may require that this authorization be submitted as part of the application.)  |
| 8.    | Check appropriate box and enter appropriate letter(s) in the space(s) provided:<br><br>-- "New" means a new assistance award.<br><br>-- "Continuation" means an extension for an additional funding/budget period for a project with a projected completion date.<br><br>-- "Revision" means any change in the Federal Government's financial obligation or contingent liability from an existing obligation. |       |  |
| 9.    | Name of Federal agency from which assistance is being requested with this application.  |       |  |
| 10.   | Use the Catalog of Federal Domestic Assistance number and title of the program under which assistance is requested.   |       |  |
| 11.   | Enter a brief descriptive title of the project. If more than one program is involved, you should append an explanation on a separate sheet. If appropriate (e.g., construction or real property projects), attach a map showing project location. For preapplications, use a separate sheet to provide a summary description of this project.   |       |  |

SECTION A - BUDGET SUMMARY						
Grant Program Function or Activity (a)	Catalog and Federal Domestic Assistance Number (b)	Estimated Unobligated Funds		New or Revised Budget		
		Federal (c)	Non - Federal (d)	Federal (e)	Non - Federal (f)	Total (g)
1.		\$	\$	\$	\$	\$
2.						
3.						
4.						
5. Totals		\$	\$	\$	\$	\$
SECTION B - BUDGET CATAGORIES						
6. Object Class Categories	GRANT PROGRAM, FUNCTION OR ACTIVITY				Total (5)	
	(1)	(2)	(3)	(4)		
a. Personnel	\$	\$	\$	\$	\$	
b. Fringe Benefits						
c. Travel						
d. Equipment						
e. Supplies						
f. Contractual						
g. Construction						
h. Other						
i. Total Direct Charge (sum of 6a-6h)						
j. Indirect Charges						
k. TOTALS (sum of 6i and 6j)	\$	\$	\$	\$	\$	
7. Program Income	\$	\$	\$	\$	\$	

<b>SECTION C - NON-FEDERAL RESOURCES</b>				
(a) Grant Program	(b) Applicant	(c) State	(d) Other Sources	(e) TOTALS
8.	\$	\$	\$	\$
9.				
10.				
11.				
12. TOTAL (sum of lines 8 - 11)	\$	\$	\$	\$

<b>SECTION D - FORCASTED CASH NEEDS</b>					
13. Federal	Total for 1st Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
		\$	\$	\$	\$
14. NonFederal					
13. TOTAL (sum of lines 13 and 14)	\$	\$	\$	\$	\$

<b>SECTION E - BUDGET ESTIMATES OF FEDERAL FUNDS NEEDED FOR BALANCE OF THE PROJECT</b>				
(a) Grant Program	FUTURE FUNDING PERIODS (Years)			
	(b) First	(c) Second	(c) Third	(c) Fourth
16.	\$	\$	\$	\$
17.				
18.				
19.				
20. TOTAL (sum of lines 16 - 19)	\$	\$	\$	\$

<b>SECTION F - OTHER BUDGET INFORMATION</b>	
21. Direct Charges:	22. Indirect Charges:
23. Remarks:	

## INSTRUCTIONS FOR THE SF-424A

Public reporting burden for this collection of information is estimated to average 180 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0044), Washington, DC 20503.

**PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET, SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.**

### General Instructions

This form is designed so that application can be made for funds from one or more grant programs. In preparing the budget, adhere to any existing Federal grantor agency guidelines which prescribe how and whether budgeted amounts should be separately shown for different functions or activities within the program. For some programs, grantor agencies may require budgets to be separately shown by function or activity. For other programs, grantor agencies may require a breakdown by function or activity. Sections A, B, C, and D should include budget estimates for the whole project except when applying for assistance which requires Federal authorization in annual or other funding period increments. In the latter case, Section A, B, C, and D should provide the budget for the first budget period (usually a year) and Section E should present the need for Federal assistance in the subsequent budget periods. All applications should contain a breakdown by the object class categories shown in Lines a-k of Section B.

### Section A. Budget Summary Lines 1-4 Columns (a) and (b)

For applications pertaining to a *single* Federal grant program (Federal Domestic Assistance Catalog number) and *not requiring* a functional or activity breakdown, enter on Line 1 under Column (a) the catalog program title and the catalog number in Column (b).

For applications pertaining to a *single* program *requiring* budget amounts by multiple functions or activities, enter the name of each activity or function on each line in Column (a), and enter the catalog number in Column (b). For applications pertaining to multiple programs where none of the programs require a breakdown by function or activity, enter the catalog program title on each line in Column (a) and the respective catalog number on each line in Column (b).

For applications pertaining to *multiple* programs where one or more programs *require* a breakdown by function or activity, prepare a separate sheet for each program requiring the breakdown. Additional sheets should be used when one form does not provide adequate space for all breakdown of data required. However, when more than one sheet is used, the first page should provide the summary totals by programs.

### Lines 1-4, Columns (c) through (g)

For *new applications*, leave Columns (c) and (d) blank. For each line entry in columns (a) and (b), enter in Columns (e), (f), and (g)

the appropriate amounts of funds needed to support the project for the first funding period (usually a year).

For *continuing grant program applications*, submit these forms before the end of each funding period as required by the grantor agency. Enter in Columns (c) and (d) the estimated amounts of funds which will remain unobligated at the end of the grant funding period only if the Federal grantor agency instructions provide for this. Otherwise, leave these columns blank. Enter in columns (e) and (f) the amounts of funds needed for the upcoming period. The amount(s) in Column (g) should be the sum of amounts in columns (e) and (f).

For *supplemental grants and changes to existing grants*, do not use Columns (c) and (d). Enter in Column (e) the amount of the increase or decrease of Federal funds and enter in Column (f) the amount of the increase or decrease of non-Federal funds. In column (g) enter the new total budgeted amount (Federal and non-Federal) which includes the total previous authorized budgeted amounts plus or minus, as appropriate, the amounts shown in Columns (e) and (f). The amount(s) in Column (g) should not equal the sum of amounts in columns (e) and (f).

**Line 5** -- Show the totals for all columns used.

### Section B Budget Categories

In the column headings (1) through (4), enter the titles of the same programs, functions, and activities shown on Lines 1-4 Column (a), Section A. When additional sheets are prepared for Section A, provide similar column headings on each sheet. For each program, function or activity, fill in the total requirements for funds (both Federal and Non-Federal) by object class categories.

**Lines 6a-i** -- Show the totals of Lines 6a to 6h in each column.

**Line 6j** -- Show the amount of indirect cost.

**Line 6k** -- Enter the total of amounts on Lines 6i and 6j. For all applications for new grants and continuation grants the total amount in Column (5), Line 6k, should be the same as the total amount shown in Section A, Column (g), Line 5. For supplemental grants and changes to grants, the total amount of the increase or decrease as shown in Columns (1)-(4), Line 6k should be the same as the sum of the amounts in Section A, Columns (e) and (f) on Line 5.

**Line 7** - Enter the estimated amount of income, if any, expected to be generated from this project. Do not add or subtract this amount from

## **INSTRUCTIONS FOR THE SF-424A (continued)**

the total project amount. Show under the program narrative statement the nature and source of income. The estimated amount of program income may be considered by the federal grantor agency in determining the total amount of the grant.

### **Section C. Non-Federal Resources**

**Lines 8-11.** Enter amounts of non-Federal resources that will be used on the grant. If in-kind contributions are included, provide a brief explanation on a separate sheet.

**Column(a)** - Enter the program title identical to column (a), Section A. A breakdown by function or activity is not necessary.

**Column (b)** - Enter the contribution to be made by the applicant.

**Column (c)** - Enter the amount of the State's cash and in-kind contribution if the applicant is not a State or State agency. Applicants which are a State or State agencies should leave this column blank.

**Column (d)** - Enter the amount of cash and in-kind contributions to be made from all other sources.

**Column(e)** - Enter totals of Columns (b), (c), and (d).

**Line12** - Enter the total for each of Columns (b)-(e). The amount in Column (e) should be equal to the amount on Line 5, Column (f), Section A.

### **Section D. Forecasted Cash Needs**

**Line 13** - Enter the amount of cash needed by quarter from the grantor agency during the first year.

**Line 14** - Enter the amount of cash from all other sources needed by quarter during the first year.

**Line 15** - Enter the totals of amounts on Lines 13 and 14.

### **Section E. Budget Estimates of Federal Funds Needed for Balance of the Project.**

**Lines 16-19** - Enter in Column (a) the same grant program titles shown in column (a), Section A. A breakdown by function or activity is not necessary. For new applications and continuation grant applications, enter in the proper columns amounts of Federal funds which will be needed to complete the program or project over the succeeding funding periods (usually in years). This section need not be completed for revisions (amendments, changes, or supplements) to funds for the current year of existing grants.

If more than four lines are needed to list the program titles, submit additional schedules as necessary.

**Line 20** - Enter the total for each of the Columns (b)-(e). When additional schedules are prepared for this Section, annotate accordingly and show the overall totals on this line.

### **Section F. Other Budget Information**

**Line 21** - Use this space to explain amounts for individual direct object-class cost categories that may appear to be out of the ordinary or to explain the details as required by the Federal grantor agency.

**Line22** - Enter the type of indirect rate (provisional, predetermined, final or fixed) that will be in effect during the funding period, the estimated amount of the base to which the rate is applied, and the total indirect expense.

**Line 23** - Provide any other explanations or comments deemed necessary.

## 600.108 Form SF-424B, Assurances - Non-Construction Programs

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0040), Washington, DC 20503.

**PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.**

**NOTE:** Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the awarding agency. Further, certain Federal awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project cost) to ensure proper planning, management and completion of the project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
4. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
5. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
6. Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.
7. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
8. Will comply, as applicable, with provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.

9. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333), regarding labor standards for federally-assisted construction subagreements.
10. Will comply, if applicable, with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
11. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
12. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
13. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
14. Will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.
15. Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. §§2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.
16. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
17. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
18. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL	TITLE	
APPLICANT ORGANIZATION		DATE SUBMITTED

600.109 Form SF-424C, Budget Information - Construction Programs

OMB Approval No. 0348-0041

NOTE: Certain Federal assistance programs require additional computations to arrive at the Federal share of project costs eligible for participation. If such is the case, you will be notified.

COST CLASSIFICATION	a. Total Cost	b. Costs Not Allowable for Participation	c. Total Allowable Costs (Columns a-b)
1. Administrative and legal expenses	\$ .00	\$ .00	\$ .00
2. Land, structures, rights-of-way, appraisals, etc.	\$ .00	\$ .00	\$ .00
3. Relocation expenses and payments	\$ .00	\$ .00	\$ .00
4. Architectural and engineering fees	\$ .00	\$ .00	\$ .00
5. Other architectural and engineering fees	\$ .00	\$ .00	\$ .00
6. Project inspection fees	\$ .00	\$ .00	\$ .00
7. Site work	\$ .00	\$ .00	\$ .00
8. Demolition and removal	\$ .00	\$ .00	\$ .00
9. Construction	\$ .00	\$ .00	\$ .00
10. Equipment	\$ .00	\$ .00	\$ .00
11. Miscellaneous	\$ .00	\$ .00	\$ .00
12. SUBTOTAL (sum of lines 1-11)	\$ .00	\$ .00	\$ .00
13. Contingencies	\$ .00	\$ .00	\$ .00
14. SUBTOTAL	\$ .00	\$ .00	\$ .00
15. Project (program) income	\$ .00	\$ .00	\$ .00
16. TOTAL PROJECT COSTS (subtract #15 from #14)	\$ .00	\$ .00	\$ .00
<b>FEDERAL FUNDING</b>			
17. Federal assistance requested, calculate as follows: (Consult Federal agency for Federal percentage share.) Enter the resulting Federal share.			Enter eligible costs from line 16c Multiply X _____% \$ .00

## INSTRUCTIONS FOR THE SF-424C

Public reporting burden for this collection of information is estimated to average 180 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0041), Washington, DC 20503.

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This sheet is to be used for the following types of applications: (1) "New" (means a new [previously unfunded] assistance award); (2) "Continuation" (means funding in a succeeding budget period which stemmed from a prior agreement to fund); and (3) "Revised" (means any changes in the Federal Government's financial obligations or contingent liability from an existing obligation). If there is no change in the award amount, there is no need to complete this form. Certain Federal agencies may require only an explanatory letter to effect minor (no cost) changes. If you have questions, please contact the Federal agency.

*Column a.* - If this is an application for a "New" project, enter the total estimated cost of each of the items listed on lines 1 through 16 (as applicable) under "COST CLASSIFICATION."

If this application entails a change to an existing award, enter the eligible amounts *approved under the previous award* for the items under "COST CLASSIFICATION."

*Column b.* - If this is an application for a "New" project, enter that portion of the cost of each item in Column a. which is *not* allowable for Federal assistance. Contact the Federal agency for assistance in determining the allowability of specific costs.

If this application entails a change to an existing award, enter the adjustment [+ or (-)] to the previously approved costs (from column a.) reflected in this application.

*Column.* - This is the net of lines 1 through 16 in columns "a." and "b."

---

Line 1 - Enter estimated amounts needed to cover administrative expenses. Do not include costs which are related to the normal functions of government. Allowable legal costs are generally only those associated with the purchases of land which is allowable for Federal participation and certain services in support of construction of the project.

Line 2 - Enter estimated site and right(s)-of-way acquisition costs (this includes purchase, lease, and/or easements).

Line 3 - Enter estimated costs related to relocation advisory assistance, replacement housing, relocation payments to displaced persons and businesses, etc.

Line 4 - Enter estimated basic engineering fees related to construction (this includes start-up services and preparation of project performance work plan).

Line 5 - Enter estimated engineering costs, such as surveys, tests, soil borings, etc.

Line 6 - Enter estimated engineering inspection costs.

Line 7 - Enter estimated costs of site preparation and restoration which are not included in the basic construction contract.

Line 9 - Enter estimated cost of the construction contract.

Line 10 - Enter estimated cost of office, shop, laboratory, safety equipment, etc. to be used at the facility, if such costs are not included in the construction contract.

Line 11 - Enter estimated miscellaneous costs.

Line 12 - Total of items 1 through 11.

Line 13 - Enter estimated contingency costs. (Consult the Federal agency for the percentage of the estimated construction cost to use.)

Line 14 - Enter the total of lines 12 and 13.

Line 15 - Enter estimated program income to be earned during the grant period, e.g., salvaged materials, etc.

Line 16 - Subtract line 15 from line 14.

Line 17 - This block is for the computation of the Federal share. Multiply the total allowable project costs from line 16, column "c." by the Federal percentage share (this may be up to 100 percent; consult Federal agency for Federal percentage share) and enter the product on line 17.

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**NOTE:** Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the Awarding Agency. Further, certain Federal assistance awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project costs) to ensure proper planning, management and completion of the project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the assistance; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will not dispose of, modify the use of, or change the terms of the real property title, or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the Federal interest in the title of real property in accordance with awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with Federal assistance funds to assure non-discrimination during the useful life of the project.
4. Will comply with the requirements of the assistance awarding agency with regard to the drafting, review and approval of construction plans and specifications.
5. Will provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progress reports and such other information as may be required by the assistance awarding agency or State.
6. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
7. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
8. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
9. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
10. Will comply with all Federal statutes relating to non-discrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.

11. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal and federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
12. Will comply with the provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.
13. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333) regarding labor standards for federally-assisted construction subagreements.
14. Will comply with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
15. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
16. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
17. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
18. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
19. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL	TITLE	
APPLICANT ORGANIZATION		DATE SUBMITTED

## 600.111 Cooperative Agreement: Template

Agreement No. XX-XXXX-X-XXX

This agreement is by and between \_\_\_\_\_, called Recipient, United States Department of Agriculture (USDA), Natural Resources Conservation Service, called NRCS.

### I. Authority

NRCS authority to enter into agreement is \_\_\_\_\_.

### II. Purpose

The purpose of this agreement is \_\_\_\_\_.

### III. BENEFITS TO EACH PARTICIPANT

\_\_\_\_\_

### IV. RESPONSIBILITIES

#### A. THE RECIPIENT WILL:

1. Provide \_\_\_\_\_ percent of the cost of the work described in Attachment C – Detailed Plan of Work and Schedule of Completion and Attachment B – Detailed Budget which are attached and incorporated as part of this agreement. This cost is estimated to be \$\_\_\_\_\_. **(Include if the Recipient will provide a percent of the cost.)**
2. **(Identify other items for which the Recipient is responsible.)**
- 3.
- 4.
5. Submit to the NRCS Technical Liaison a monthly status report and a final report within 30 calendar days after completion of activities covered by this agreement.
6. Request reimbursement monthly **(or quarterly if approved by FNM)** by submitting a completed form SF-270, Request for Advance or Reimbursement, with supporting documentation to NRCS. Refer to Attachment B – Detailed Budget which is incorporated as part of this agreement. Include a Vendor Identification Number (VIN) on the second line of the remittance address on all SF-270 forms submitted for payment in order for NRCS to make payment by electronic funds transfer. Total amount of reimbursement from NRCS will not exceed \$\_\_\_\_\_.

**(Specify what type of documentation needed, and list expenditures by category, such as personnel hours and rates of pay, allowable acquisitions, overhead, etc. Must relate to the budget and programmatic authority and be allowable, allocable and reasonable. If the SF-270 is to be sent to a specific individual, identify that individual, including name, address, fax and phone number.)**

***(If an advance of funds is authorized, also include the following clause. Recipient must still provide documentation of expenditure of funds, as shown in attached budget.)***

7. Advance payments may be made available for anticipated costs for the next 30-calendar day period by submitting a completed form SF-270, Request for Advance or Reimbursement. Request will include a certification that the funds requested are necessary to meet planned activities and will be utilized within 30 calendar days. Request will also include a plan showing expenditures to date and anticipated expenditures or outlays for that period. Request will also include a certification that there is an adequate system in place to track the use of advanced funds.

***(If recipient does not have a Vendor Identification Number for electronic funds transfer in the FFIS payment system, include the following clause.)***

8. If the recipient does not currently have a VIN, one may be obtained by submitting a completed Form SF-3881, Vendor/Miscellaneous Payments Enrollment, to: USDA-Officer of Finance Management – National Finance Center, P.O. Box 60000, New Orleans, LA 70160. A copy of the SF-3881 may be obtained from the NRCS liaison. The bottom portion of the form titled “FINANCIAL INSTITUTION INFORMATION” must be completed by the recipient’s bank or financial institution. Inquiries may be made to OFM/NFC Inquiry at 800-421-0323.

***(If a different payment method will be used such as CCC payments using other than SF-270, describe that process. Paragraphs 6, 7 and 8 may be altered or deleted, as appropriate.)***

9. Comply with the Attachment A - Special Provisions and Attachment D – Equal Opportunity for Construction (***if applicable***) which are attached and incorporated as part of this agreement.
10. Provide the following as a liaison:

	<u>Technical</u>	<u>Administrative</u>
Name:		
Address:		
Telephone No.		
Facsimile No.		
Email Address:		

***(If any property or equipment is provided, include the following clause.)***

11. Be subject to the same rules and regulations that apply to NRCS and other USDA employees when using Government owned property or equipment.

***(If any publication is written or published, include the following clause. If an audiovisual is produced and has a direct production cost to the recipient of over \$5,000, include reference to audiovisual productions.)***

12. Acknowledge NRCS support on any publications written or published or any audiovisual produced with NRCS financial support and, if feasible, on

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any publication reporting the results of, or describing, this supported activity.

**(If additional provisions specific to the agreement are needed they can be included as an attachment F.)**

13. Comply with provisions of attachment F, which are incorporated as part of this agreement.

**B. NRCS WILL:**

**(Be specific on what NRCS will do or provide under the agreement. Must adhere to the requirements of the type of agreement, i.e. cooperative agreement, grant agreement, etc. If any equipment, supplies, office space, records, etc. are to be provided, identify in this section. Note that government vehicles may be made available to conservation districts only if they meet the property damage and bodily injury liability insurance requirements of GM 120-405.23(m). In accordance with AGPMR 104-38.5003, the Agency Head or designee must approve in advance the loan of government vehicles to any other entities outside the Federal government.)**

1. Provide \_\_\_\_\_ percent of the cost of the work described in Attachment C – Detailed Plan of Work and Schedule of Completion and Attachment B – Detailed Budget which are attached and incorporated as part of this agreement. This cost to NRCS will not exceed \$\_\_\_\_\_.
- 2.
- 3.
- 4.
5. Reimburse **or advance funds (if approved)** upon receipt and approval of form SF-270, Request for Advance or Reimbursement. Items of work approved for reimbursement/**advance** are shown in the Attachment B – Detailed Budget which is incorporated as part of this agreement.
6. Provide the following as a liaison:

Technical

Administrative **(may be the same individual identified in IV.A. 7.to receive SF-270)**

Name:  
Address:

Telephone No.  
Facsimile No.  
Email Address:

**V. IT IS MUTUALLY AGREED:**

- A. This agreement is effective through \_\_\_\_\_. It may be renewed by amendment until the objectives of the agreement are accomplished, but not later than the end of the fiscal year in which work is completed.

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- B. Employees of the recipient shall remain its employees while carrying out their duties under this agreement and shall not be considered as Federal employees or agents of the United States for any purpose under this agreement.

***(The following Clause C. as required by General Manual, Title 110, Part 405.405.15 the following clause C. regarding employees of NRCS is to be adapted and included in any Cooperative Agreement where money or personnel are exchanged, or where NRCS will designate an employee to serve as liaison to the organization. )***

- C. Employees of NRCS shall participate in efforts under this agreement solely as representatives of the NRCS. To this end, they shall not participate as directors, officers, employees, or otherwise serve or hold themselves out as representatives of [the partner or other non-Federal entity with whom NRCS is entering into the agreement] or any member [entity]. They also shall not assist [the entity] or any member [entity] with efforts to lobby Congress, or to raise money through fundraising efforts. Further, NRCS employees shall report to their immediate supervisor any negotiations with [entity], or any member [entity], concerning future employment and shall refrain from participation in efforts regarding such party until approved by the Agency.
- D. This agreement may be amended in writing by mutual consent of the parties to this agreement.
- E. This agreement may be terminated by either party by written notice to the other party(ies) at least 30 days in advance of the effective date of the termination.**
- F. The furnishing of financial and other assistance by NRCS is contingent upon funds appropriated by Congress, made administratively available, or authorized by law.
- G. NRCS may terminate this agreement in whole or in part if NRCS determines the recipient has failed to comply with any of the conditions of this agreement. NRCS shall promptly notify the recipient in writing of the determination and reasons for the termination, together with the effective date. Payments made by or recoveries made by NRCS under this termination shall be in accord with the legal rights and liabilities of NRCS and the recipient.
- H. This agreement may be temporarily suspended by NRCS if NRCS determines that corrective action by the recipient is needed to meet the provisions of this agreement. Further, NRCS may suspend this agreement when it is evident that a termination is pending.
- I. Privacy of personal information relating to natural resources conservation programs will be in accordance with Section 1244 of Title II of the Farm Security and Rural Investment Act of 2002 (Public Law 107-171, 116 Stat. 235).
- J. This agreement is effective the date it is signed by both parties.
- K. By signing this agreement, the recipient assures the Department of Agriculture that the program or activities provided for under this agreement will be conducted in compliance with all applicable Federal civil rights laws, rules, regulations, and policies.

**INSERT NAME OF RECIPIENT** \_\_\_\_\_

By \_\_\_\_\_

This action was authorized at an official meeting of ***(Insert name of recipient)*** on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, at

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Title \_\_\_\_\_ (City),  
\_\_\_\_\_ (State)  
Date \_\_\_\_\_  
TIN \_\_\_\_\_  
Attest: \_\_\_\_\_  
\_\_\_\_\_ (Signature)  
Title \_\_\_\_\_

**U. S. DEPARTMENT OF AGRICULTURE  
NATURAL RESOURCES CONSERVATION SERVICE**

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

***(List attachments, as appropriate. Attachments B – D would result from negotiations with the recipient)***

Attachment A – Special Provisions

Attachment B – Detailed Budget

Attachment C – Detailed Plan of Work and Schedule of Completion

Attachment D – Form SF-424

## 600.112 Special Provisions for Grants and Cooperative Agreements Act of 1977

The recipient agrees to comply with the following special provisions which are hereby attached to this agreement.

### I. Drug-Free Workplace.

#### CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS (7 C.F.R. 3017)

#### INSTRUCTIONS FOR CERTIFICATION

1. By signing and/or submitting this application or grant agreement, the grantee is providing the certification set out below.
2. The certification set out below is a material representation of fact upon which reliance is placed when the agency awards the grant. If it is later determined that the grantee knowingly rendered a false certification or otherwise violates the requirements of the Drug-Free Workplace Act, the agency, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.
3. For grantees other than individuals, Alternative I applies.
4. For grantees who are individuals, Alternative II applies.
5. Workplaces under grants, for grantees other than individuals, need not be identified on the certification. If known, they may be identified in the grant application. If the grantee does not identify the workplaces at the time of application, or upon award, if there is no application, the grantee must keep the identity of the workplace(s) on file in its office and make the information available for Federal inspection. Failure to identify all known workplaces constitutes a violation of the grantee's drug-free workplace requirements.
6. Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant takes place. Categorical descriptions may be used (e.g., all vehicles of a mass transit authority or State highway department while in operation, State employees in each local unemployment office, and performers in concert halls or radio studios).
7. If the workplace identified to the agency changes during the performance of the grant, the grantee shall inform the agency of the change(s), if it previously identified the workplaces in question (See paragraph 5).
8. Definitions of terms in the Nonprocurement Suspension and Debarment common rule and Drug-Free Workplace common rule apply to this certification. Grantees' attention is called, in particular, to the following definitions from these rules:

Controlled substance means a controlled substance in Schedules I through V of the Controlled Substances Act (21 U.S.C. 812) and as further defined by regulation (21 CFR 1308.11 through 1308.15);

Conviction means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes;

Criminal drug statute means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, use, or possession of any controlled substance;

Employee means the employee of a grantee directly engaged in the performance of work under a grant,

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including (i) all direct charge employees; (ii) all indirect charge employees unless their impact or involvement is insignificant to the performance of the grant; and, (iii) temporary personnel and consultants who are directly engaged in the performance of work under the grant and who are on the grantee's payroll. This definition does not include workers not on the payroll of the grantee (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the grantee's payroll; or employees of subrecipients or subcontractors in covered workplaces).

### CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS (7 CFR 3017)

#### ALTERNATIVE I. (GRANTEES OTHER THAN INDIVIDUALS)

A. The grantee certifies that it will or will continue to provide a drug-free workplace by—

(a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;

(b) Establishing an ongoing drug-free awareness program to inform employees about—

(1) The dangers of drug abuse in the workplace;

(2) The grantee's policy of maintaining a drug-free workplace;

(3) Any available drug counseling, rehabilitation, and employee assistance programs; and

(4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;

(c) Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph (a);

(d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will—

(1) Abide by the terms of the statement; and

(2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;

(e) Notifying the agency in writing, within 10 calendar days after receiving notice under paragraph (d)(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

(f) Taking one of the following actions, within 30 calendar days of receiving notice under paragraph (d)(2), with respect to any employee who is so convicted -

(1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

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(2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

(g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e) and (f).

B. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant:

Place of Performance (street address, city, county, State, zip code)

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Check  if there are workplaces on file that are not identified here.

ALTERNATIVE II. (GRANTEES WHO ARE INDIVIDUALS)

(a) The grantee certifies that, as a condition of the grant, he or she will not engage in the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance in conducting any activity with the grant.

(b) If convicted of a criminal drug offense resulting from a violation occurring during the conduct of any grant activity, he or she will report the conviction, in writing, within 10 calendar days of the conviction, to every grant officer or other designee, unless the Federal agency designates a central point for the receipt of such notices. When notice is made to such a central point, it shall include the identification number(s) of each affected grant.

**II. Disclosure of Lobbying Activities (7 CFR 3018) (Applicable if agreement exceeds \$100,000)**

**UNITED STATES DEPARTMENT OF AGRICULTURE  
CERTIFICATION REGARDING LOBBYING - CONTRACTS, GRANTS, LOANS  
AND COOPERATIVE AGREEMENTS**

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any

Federal contract, grant, loan or cooperative agreement;

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions;

(3) The undersigned shall require that the

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language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this

transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

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Organization Name Award Number or Project Name

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Name and Title of Authorized Representative

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Signature Date

### **III. Debarment, Suspension, and Other Responsibility Matters - Primary Covered Transactions, (7 C.F.R. 3017)**

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS - PRIMARY COVERED TRANSACTIONS (7 C.F.R. 3017)

#### INSTRUCTIONS FOR CERTIFICATION

1. By signing and submitting this proposal, the prospective primary participant is providing the certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The prospective participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective primary participant to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the prospective primary participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.
4. The prospective primary participant shall provide immediate written notice to the department or agency to which this proposal is submitted if at any time the prospective primary participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the department or agency to which this proposal is being submitted for assistance in obtaining a copy of those regulations.
6. The prospective primary participant agrees by submitting this proposal that, should the proposed

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covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction.

7. The prospective primary participant further agrees by submitting this proposal that it will include the clause titled 'Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction,' provided by the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Nonprocurement Programs.
9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

### CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS - PRIMARY COVERED TRANSACTIONS

(1) The prospective primary participant certifies to the best of its knowledge and belief, that it and its principals:

(a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency;

(b) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and

(d) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

(2) Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

**IV. Clean Air and Water Act**

Clean Air and Water Act Certification (applicable if agreement exceeds \$100,000 or a facility to be used has been the subject of a conviction under the Clean Air Act (42 U.S.C. 1857c-8(c)(1)) or the Federal Water Pollution Control Act (33 U.S.C. 1319(c)) and is listed by EPA, or is not otherwise exempt.)

The recipient signatory to this agreement certifies as follows:

(a) Any facility to be utilized in the performance of this proposed agreement is \_\_\_\_\_, is not \_\_\_\_\_, listed on the Environmental Protection Agency List of Violating Facilities.

(b) To promptly notify the State or Regional Conservationist prior to the signing of this agreement by NRCS, of the receipt of any communication from the Director, Office of Federal Activities, U. S. Environmental Protection Agency, indicating that any facility which he/she proposes to use for the performance of the agreement is under consideration to be listed on the Environmental Protection Agency List of Violating Facilities.

(c) To include substantially this certification, including this subparagraph (c), in every nonexempt sub-agreement.

Clean Air and Water Clause

(Applicable only if the agreement exceeds \$100,000, or a facility to be used has been the subject of a conviction under the Clean Air Act (42 U.S.C. 1857c-8(c)(1)) or the Federal Water Pollution Control Act (33 U.S.C. 1319(c)) and is listed by EPA or the agreement is not otherwise exempt.)

A. The recipient agrees as follows:

(1) To comply with all the requirements of section 114 of the Clean Air Act as amended (42 U.S.C. 1857, et seq., as amended by Public Law 91-604) and section 308 of the Federal Water Pollution Control Act (33 U.S.C. 1251 et. sq., as amended by Public Law 92-500), respectively, relating to inspection, monitoring, entry, reports, and information, as well as other requirements specified in section 114 and section 308 of the Air Act and the Water Act, respectively, and all regulations and guidelines issued thereunder before the signing of this agreement by NRCS.

(2) That no portion of the work required by this agreement will be performed in a facility listed on the Environmental Protection Agency List of Violating Facilities on the date when this agreement was signed by NRCS unless and until the EPA eliminates the name of such facility or facilities from such listing.

(3) To use their best efforts to comply with clean air standards and clean water standards at the facilities in which the agreement is being performed.

(4) To insert the substance of the provisions of this clause in any nonexempt sub-agreement, including this subparagraph A. (4).

B. The terms used in this clause have the following meanings:

(1) The term "Air Act" means the Clean Air Act, as amended (42 U.S.C. 1857 et seq., as amended by Public Law 91-604).

(2) The term "Water Act" means Federal Water Pollution Control Act, as amended (33 U.S.C. 1251 et seq., as amended by Public Law 92-55).

(3) The term "clean air standards" means any enforceable rules, regulations, guidelines, standards, limitations, orders, controls, prohibitions, or other requirements which are contained in, issued under, or

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otherwise adopted pursuant to the Air Act or Executive Order 11738, an applicable implementation plan as described in section 110(d) of the Clean Air Act (42 U.S.C. 1857c-5(d)), and approved implementation procedure or plan under section 111(c) or section 111(d), respectively, of the Air Act (42 U.S.C. 1857c-6(c) or (d)), or an approved implementation procedure under section 112(d) of the Air Act (42 U.S.C. 1857c-7(d)).

(4) The term “clean water standards” means any enforceable limitation, control, condition, prohibition, standards, or other requirement which is promulgated pursuant to the Water Act or contained a permit issued to a discharger by the Environmental Protection Agency or by a State under an approved program, as authorized by section 402 of the Water Act (33 U.S.C. 1342), or by a local government to ensure compliance with pretreatment regulations as required by section 307 of the Water Act (3 U.S.C. 1317).

(5) The term “compliance” means compliance with clean air or water standards. Compliance shall also mean compliance with the scheduled or plan ordered or approved by a court of competent jurisdiction, the Environmental Protection Agency or any air or water pollution control issued pursuant thereto.

(6) The term “facility” means any building, plant, installation, structure, mine, vessel or other floating craft, location or site of operations, owned leased, or supervised by a sponsor, to be utilized in the performance of an agreement or sub-agreement. Where a location or site of operations contains or includes more than one building, plant, installation, or structure, the entire location shall be deemed to be a facility except where the Director, Office of Federal Activities, Environmental Protection Agency, determines that independent facilities are collated in one geographical area.

### **V. Assurances and Compliance**

As a condition of the grant or cooperative agreement, the recipient assures and certifies that it is in compliance with and will comply in the course of the agreement with all applicable laws, regulations, Executive Orders and other generally applicable requirements, including those set out in 7 CFR 3015.205(b) which hereby are incorporated in this agreement by reference, and such other statutory provisions as are specifically set forth herein.

### **VI. Examination of Records**

Give the NRCS or the Comptroller General, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to this agreement. Retain all records related to this agreement for a period of three years after completion of the terms of this agreement in accordance with the applicable OMB Circular.

**600.113 Designation of Agency Liaison: Template**

FROM: Senior Official

TO: Subordinate Official

THROUGH:

SUBJECT: Appointment as Agency Liaison with \_\_\_\_\_ Association

By this memorandum, you are hereby designated to serve as Agency Liaison with the \_\_\_\_\_ Association (Association). Your designation as Agency Liaison is for the purpose(s) of \_\_\_\_\_.

During your service as Agency Liaison, you are, at all times, to act as a representative solely of the interests of the Agency and the United States; you shall not (1) serve as an officer, board member, or employee, or (2) act as agent or representative, of the Association. Your service as Agency Liaison is to conform to the requirements of 18 U.S.C. 201–209 and to the Standards of Ethical Conduct for Employees of the Executive Branch, 5 C.F.R. part 2635. Specifically, during your tenure as Agency Liaison with the Association, you shall not—

- Vote on matters before the Association Board of Directors;
- Serve on committees or task groups unrelated to the above-stated purpose for your service as Agency Liaison.
- Participate in issues related solely to the business or internal interests of the Association (finances, fundraising, membership, etc.);
- Engage in lobbying efforts or representation of the Association’s interests before the Federal Government. [NOTE: This does not preclude you from presenting to the Agency the positions or views of the Association on matters directly related to the interests of the Agency being served through your service as Agency Liaison.]
- Actively participate in Association activities in your personal capacity unless you receive written clearance from me to do so. [NOTE: If you are a member, you may retain your membership; you must, however, refrain from active participation (fundraising, holding office or board membership, employment, committee activities, lobbying, etc.)]

\_\_\_\_\_  
I, \_\_\_\_\_, certify that I have read and understand the foregoing and that I agree to abide by the aforementioned requirements and conditions.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature