USDA United States Department of Agriculture | Research, Education, and Economics | National Institute of Food and Agriculture | 1400 Independence Avenue SW Washington, DC 20250

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TO: 1890 Land-Grant Institution Presidents
1890 Deans and Directors

FROM: Sonny Ramaswamy
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SUBJECT: Responses to Questions Re: Administration and Allowable Expenditures, 1890 Capacity and Facilities Funds

NIFA staff had the pleasure of meeting with representatives of the 1890 Land-Grant Institutions on January 27, 2015 at the Association of Extension Administrators (AEA) Winter Meeting. We are providing the following responses to questions that were raised as part of this meeting in an effort to clarify the administration and allowable expenditures of NIFA Capacity and 1890 Facilities funds.

- **Is there any way that the administrators and directors can have more control over the drawdown of funds? It is done at the university level and you do not know how much funding is available at all times in your account.**

  NIFA makes the 1890 funds available to the Institutions using the Automated Standard Applications for Payment System (ASAP) operated by the Department of Treasury's Financial Management Service or the Department of Health and Human Services Payment Management System (which is being phased out). ASAP is the current system for all new NIFA awards. It is a role based application in which access to balance and drawdown information is granted based on the assigned role of the user. Decisions about user roles are made at the institutional level, often in coordination with Sponsored Programs offices, and not governed by NIFA policy. You can access more information about ASAP, including the process for updating user roles, by visiting http://www.fms.treas.gov/asap/.

- **When an extension faculty member has a split teaching appointment, should an extension conference room or auditorium be used as a classroom for his/her class?**

  If an extension faculty has a split teaching appointment, they should teach their classes in locations where other academic classes for the respective Department/College are being taught. Extension facilities, auditoriums, conference rooms, etc. that have been constructed/renovated with 1890 Facilities funds, should be used according to their approved purpose.

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- **Should equipment secured for extension programming be used by extension faculty in carrying out his/her split appointment when teaching?**

  Equipment obtained with NIFA funding for extension programming shall not be used in carrying out non granted related teaching responsibilities. Equipment is not tied to individual faculty, but instead to specific projects/programs. Additionally, the use of equipment is subject to the terms & conditions of the Federal program from which funding was obtain to purchase the equipment. As stated in the 1890 Extension RFA (Part IV, D):

  > *No portion of the funds allocated under this grant shall be applied, directly, or indirectly, to the purchase, erection, preservation, or repair of any building or buildings, or the purchase or rental of land, or in college course teaching, lectures in college, or any other purpose not specified in section 1444 of NARETPA.*

- **Under what conditions should research or extension funding be used to purchase equipment, supplies, or materials for other units within the university, including the library?**

  1890 Research (Section 1445) and 1890 Extension (Section 1444) funding may only be used for NIFA approved research and extension projects/activities. Purchases for units outside of the College of Agriculture are allowable when such purchases are directly related to a NIFA approved project/activity and align with the National Agricultural Research, Extension, and Teaching Policies Act of 1977 (NARETPA), as amended.

  In accordance with 2 CFR § 200.48, vehicles are considered general purpose equipment. Capital expenditures for general purpose equipment, buildings, and land are unallowable as direct charges, except with the prior written approval of the Federal awarding agency or pass-through entity. NIFA will consider a written request if the applicant/recipient can substantiate the equipment is necessary and the institution can prorate the cost of the equipment among the activities to be benefitted. In accordance with section 1473 of NARETPA (7 U.S.C. 3319), indirect costs and tuition remission are unallowable as 1890 Research Program or 1890 Extension Program grant expenditures.

- **Can NIFA capacity funds be used to support personnel who work on programs in areas other than food, agriculture, forestry and natural resources, and nutrition and human science?**

  The expenditure of NIFA capacity funds must be consistent with NIFA-approved Plans of Work. To the extent that personnel who work in other colleges are not fully committed to other tasks, and are spending time doing work that is critical to the success of an approved project, support for them could be an allowable expense. This should be described in the NIFA-approved Plan of Work.

We appreciate this opportunity to clarify the use of 1890 Capacity and Facilities funds, and invite you to send any additional inquiries of this nature via email to wwalker@nifa.usda.gov.