

7 CFR 3419 revised Final Rule Frequently Asked Questions

May 11, 2018

1. Who does this Final Rule apply to?

Answer: 1890's including Central State University, Tuskegee University, and West Virginia State University, and 1862's in insular areas.

2. What are the major changes in the Final Rule?

Answer: The Final Rule revises 7 CFR 3419 by making updates to definitions and language consistent with the past three Farm Bills and NIFA policies and practices. For example, replacing the word "formula" with "capacity." Additionally, it establishes in regulation the process by which 1890's and 1862's in insular areas submit requests for matching waivers. The content in the Final Rule is consistent with the current process NIFA uses and clearly defines the situations when a waiver will be considered, the application process, the supporting documentation required, and that documentation must be current, within the past two years. Finally, the revisions remove the term "qualifying education activities" from the definitions and allowable uses of matching funds. The revised Final Rule clarifies the allowable uses of matching funds as activities for the same purpose as Federal award dollars may be spent: agricultural research and extension activities that have been approved in the plan of work required under sections 1445(c) and 1444(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977, section 7 of the Hatch Act of 1887, and section 4 of the Smith-Lever Act.

3. What activities can matching funds be spent on?

Answer: As stated in 7 CFR 3419.6, matching funds must be used for the same purpose as Federal award dollars: agricultural research and extension activities that have been approved in the plan of work.

4. Can I charge tuition dollars or student fees as match?

Answer: No. As stated in 7 CFR 3419.6, tuition dollars and student fees may not be used as matching funds.

5. Qualifying education activities was removed. Can I still count salaries of staff for teaching undergraduate courses as match?

Answer: No. As discussed in the preamble to 7 CFR 3419.6, matching funds must be spent on allowable grant activities. NIFA follows the authorized uses of funds in NARETPA, codified in 7 U.S.C. 3221 and 3222 for extension and research programs. 7 U.S.C. 3222 states that research funds are for conducting agricultural research, printing, disseminating the results of research, administration, planning and direction, purchase and rental of land, and the construction, acquisition, alteration, or repair of buildings necessary for conducting

agricultural research. 7 U.S.C. 3221 states that extension funds are for the expenses of conducting extension programs and activities. 7 U.S.C. 3222(e) expressly prohibits extension funds from being spent on formal classroom instruction.

6. I can't meet my required match. What waivers are available?

Answer: As detailed in 7 CFR 3419.3, 1890's may request a waiver of up to 50% of the required match, and insular areas may request a waiver of up to 100% of the required match.

7. What criteria does NIFA use to waive the match requirement?

Answer: As stated in 7 CFR 3419.3, 1890's and insular areas must demonstrate that they meet one of the following scenarios:

- Impacts from natural disaster, flood, fire, tornado, hurricane, or drought;
- State and/or institution facing a financial crisis; or
- Lack of matching funds after demonstration of good faith efforts to obtain funds.

8. What does my institution need to do to apply for a matching waiver?

Answer: As stated in 7 CFR 3419.4, the President of the eligible institution must submit the request for a matching waiver. A waiver application must include the name of the eligible institution, the type of Federal capacity funds (e.g., research, extension, Hatch), the appropriate fiscal year, the basis for the request (e.g., one or more of the criteria identified in § 3419.3); current supporting documentation, where current is defined as within the past two years from the date of the letter requesting the waiver; and the amount of the request. Requests may be submitted with initial proposals submission or anytime during the fiscal to the Awards Management Division Capacity Branch at: formulagrantsquestions@nifa.usda.gov

9. Where do I report matching funds that my institution expends?

Answer: As stated in 7 CFR 3419.7, matching funds are reported on the annual SF-425 federal financial report.