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National Institute  
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# Equipment Prior Approval for Capacity Grants: Information and Feedback Session



BIOENERGY, CLIMATE,  
AND ENVIRONMENT



FOOD PRODUCTION  
AND SUSTAINABILITY



YOUTH, FAMILY,  
AND COMMUNITY



FOOD SAFETY  
AND NUTRITION



INTERNATIONAL  
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USDA NIFA

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# Agenda

- Applicable audience
  - Capacity grantees
  - Capacity vs. Competitive grants
- Purpose of session
- Definitions
- Prior Approval Requirements
- Implementation Options
- Feedback





# Applicable Audience: Capacity grantees

- ✓ Hatch Act Formula Grants
  - ✓ 1890 Extension
  - ✓ McIntire-Stennis  
Cooperative Forestry  
Research Program
  - ✓ Animal Health and  
Disease Research  
Program
  - ✓ Evans-Allen 1890  
Research Formula Grants
  - ✓ Expanded Food and  
Nutrition Education  
Program
  - ✓ Renewable Resources  
Extension Act
  - ✓ Smith-Lever: 1862  
Cooperative Extension
  - ✓ Tribal College Endowment  
Fund
  - ✓ Tribal Colleges Education  
Equity Grants
- x DOES NOT INCLUDE  
COMPETITIVE CBGs**



# Capacity vs. Competitive Awards

## Capacity

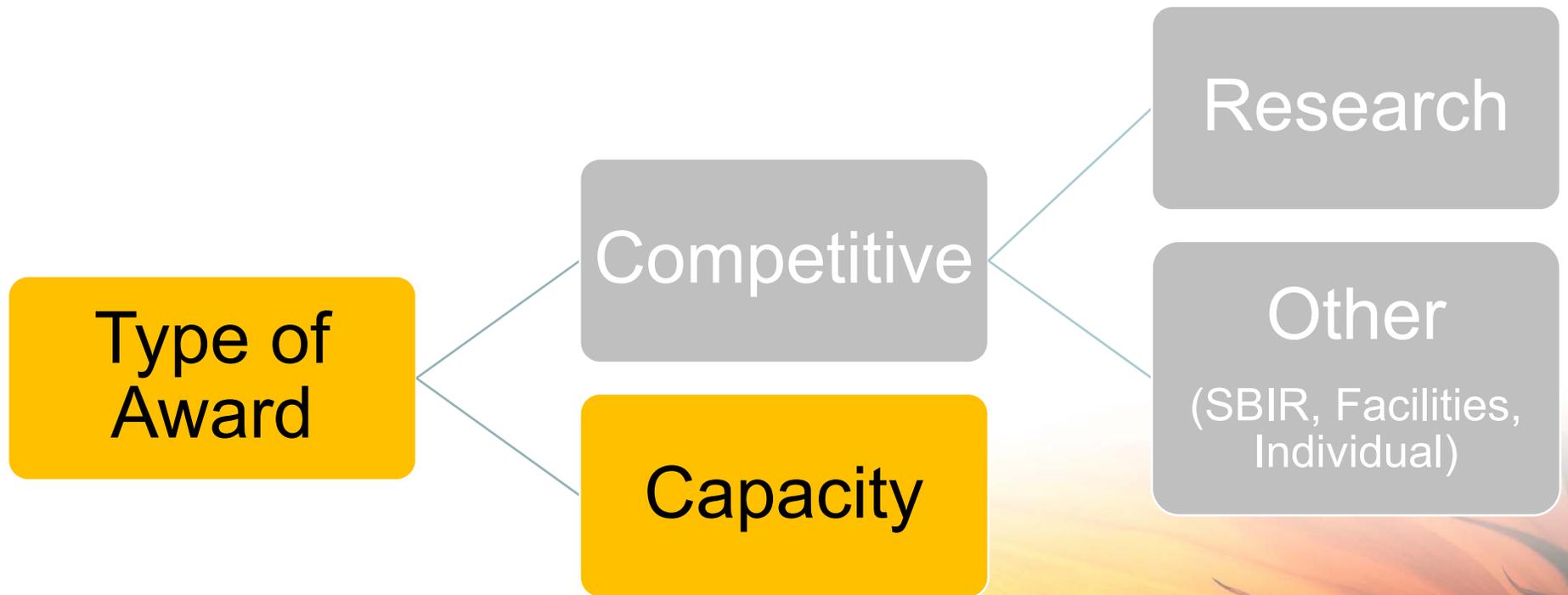
- NIFA Terms and Conditions
- No 424a budget submitted pre-award
- Uniform Guidance  
Prior approval requirements apply

## Competitive

- Research terms and conditions
  - 424a Budget submitted and approved pre-award
  - Prior Approval waived
- USDA Terms and Conditions
  - Budget submitted with application
  - Equipment costs examined
  - Prior approval part of award



# Application of Prior Approval Requirement





# Purpose of session

- Why now?
  - Uniform Guidance
    - Review of grant terms and conditions
  - Increased focus on improper payments (IPERA)
  - Compliance with requirements
- How to implement?





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# Definitions

Equipment  
Supplies



# Equipment

## 2 CFR 200.33

### Equipment

- Tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or \$5,000.

### See also



§ § 200.12 Capital Assets, 200.20 Computing Devices, 200.48 General Purpose Equipment, 200.58 Information Technology Systems, 200.89 Special Purpose Equipment, and 200.94 Supplies.



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# Equipment Types



General Purpose Equipment:  
Not limited to technical activities. Includes information technology systems

Special Purpose Equipment:  
Used for research, medical, scientific, or other technical activities



# Supplies (1 of 2)

## Supplies

## 2 CFR 200.94

### In contrast to Equipment ...

- Supplies means all tangible personal property other than that described in § 200.33 Equipment.
- A computing device is a supply if the acquisition cost is below the lesser of the capitalization levels established by the non-Federal entity for financial statement purposes or \$5,000, regardless of the length of its useful life.



See also § § 200.20  
Computing devices and  
200.33 Equipment.





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# Equipment Prior Approval Requirements



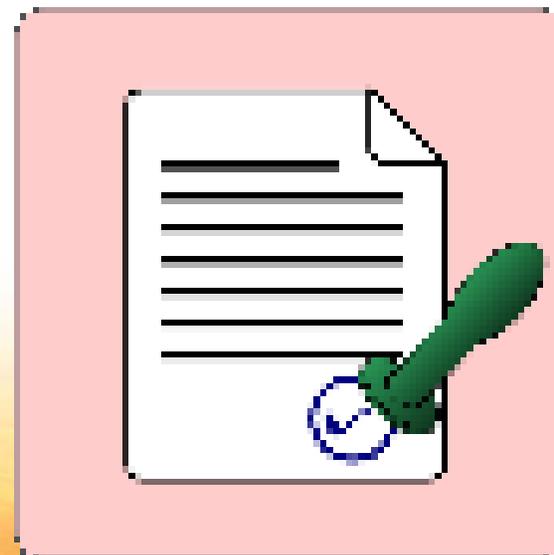
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# What is prior approval?

- Requested in advance of expenditure
- Requested in writing
- Includes item, description, approximate cost, purpose, and timeframe

*Example: Approved budget or modification to award*





# Prior approval requirements

**2 CFR 200.407**

## OMB's Prior Approval rationale

- Where reasonableness and allocability difficult to determine
- Avoid subsequent disallowance
- List of areas in 200.407
  - Equipment and capital expenditures included



**•What is the best way NIFA can implement the prior approval requirement?**



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# Implementation Options

- Submit equipment specific budget with application
- Submit requests in first 90 days of award
  - Batch request
- Submit as needed during award period
  - Batch or individual requests



# Submit Equipment budget

- **PROs**

- *Prior approval given with grant award*
- *Helps with annual planning*

- **CONs**

- *Requires grantees to prepare an equipment budget with application*



# Submit request first 90 days

- **PROs**

- *Doesn't require equipment budget pre-award*
- *Batches request for life of award so does not delay implementation*

- **CONs**

- *Requires planning to be done up front*



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# Submit during life of award

- **PROs**

- *Can submit request as need arises*

- **CONS**

- *May cause implementation delays while awaiting approval*



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# Submission Methods

- Email
  - Template
- Electronic
  - CRIS
  - EZFedGrants
  - Grants.gov as an attachment
  - Other?





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## Prior Approval Pilot - KSU

- Equipment prior approval requests submitted in batch via email
  - Name
  - Description
  - Approximate Cost
  - Purpose
- Reviewed by NPL
- Approved by ADO





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A green chalkboard with a wooden frame, containing the text "Lessons Learned" in white cursive script.

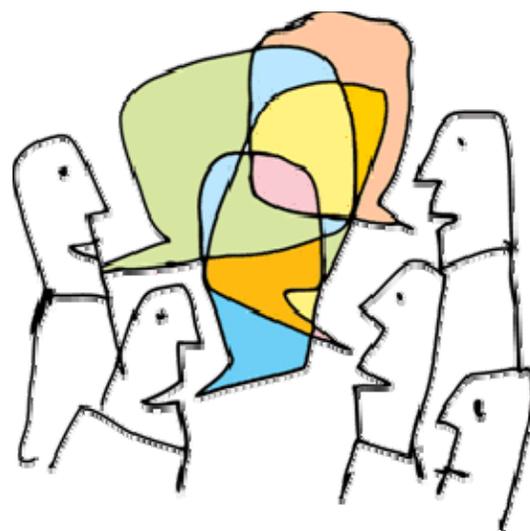
## Lessons Learned

- Batch requests facilitate review and approval
- Prior approval requests **ONLY** for items meeting definition of equipment
- Caution – equipment purchased at end of award
  - Purpose
  - Allocability



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# Feedback



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# Contact Information

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Please submit questions, comments,  
feedback by June 30, 2016!