



United States
Department of
Agriculture

National Institute
of Food and
Agriculture

National Institute of Food and Agriculture (NIFA) Federal Assistance Policy Guide

THIS VERSION DOES NOT REFLECT THE AGRICULTURAL ACT OF 2014 OR USDA'S IMPLEMENTATION OF THE OFFICE OF MANAGEMENT AND BUDGET "OMB UNIFORM GUIDANCE: COST PRINCIPLES, AUDIT, AND ADMINISTRATIVE REQUIREMENTS FOR FEDERAL AWARDS".

**NIFA Office of Grants and Financial Management
Policy and Oversight Division**

October 1, 2014

Table of Contents

Acronyms	1
I. Introduction	1
A. Scope	1
B. Supersession and Applicability	1
1. Supersession	1
2. Applicability	2
C. Sources of Requirements in Policy Guide	3
D. Effect and Order of Precedence	4
E. Roles and Responsibilities	4
1. NIFA Roles and Responsibilities	4
2. Land-Grant Institutions	6
3. Recipient Roles and Responsibilities During a Grant	7
II. Pre-Award	9
A. Types of NIFA Financial Assistance	9
B. Application Information	10
1. Catalog of Federal Domestic Assistance (CFDA)	10
2. Request for Applications (RFA)	11
3. Capacity Requests for Application (Capacity RFA)	11
4. Applicant Eligibility	12
5. Grants.gov	14
6. DUNS Number	15
7. System for Awards Management (SAM)	15
C. Submitting an Application	16
1. Types of Applications	16
2. Application Documents	17
3. Non-Land Grant College of Agriculture Designation	22
4. Certification Regarding Lobbying	23
5. Capacity-Specific Required Documents	23
6. Submission	27
7. Late Applications	29
D. Public Access to Application Information	29
III. Application Evaluation	30
A. Initial Competitive Application Review	30
1. Disposition of Applications	31
B. Peer Review of Competitive Applications	31
1. Peer Review System (PRS)	31
2. Reviewer Selection	31
3. Types of Review Panels	33
4. Operation of the Review Panel	33
5. Confidentiality	35
6. Conflict of Interest	36
C. Evaluation Criteria	36
D. Non-Competitive Application Review	37
E. Business Management Reviews and Other Pre-Award Activities	37

1. Cost Analysis	38
2. Financial and Other Management Systems Analysis	38
F. Administrative Review for Capacity Grants	39
G. Submitting Revised Documents	40
IV. Award Issuance	41
A. Notification	41
1. Notice of Award Issuance	42
2. Capacity Award Notification	42
3. Feedback to Applicants	43
B. Changes in Project Plans	43
C. Multiple Awards	44
D. Payment	44
1. Project Period	44
2. Budget Period	45
3. Automated Standard Application for Payments (ASAP) System	46
4. Unobligated Balance Carryover	47
E. Capacity Grants	49
1. Capacity Formulas	49
2. Capacity Program Guidance	60
3. Competitive Grants	67
F. Memoranda of Understanding (MOU)	67
G. Availability of Grant Information	67
1. Confidentiality of Information	68
2. Public Access to Research Data	68
3. Freedom of Information Act	69
3. Privacy Act	71
4. Paperwork Reduction Act (PRA)	71
V. Award Management	73
A. Terms and Conditions	73
B. Flow-Down of Requirements From Subawards and Contracts Under Grants	74
C. Reporting	74
1. Non-Construction Reporting Requirements	75
2. Construction Grant Reporting Requirements	75
3. Non-Competing Continuation Progress Reports	75
4. Technical Reporting	75
5. Financial Reporting	76
D. Research Results: Publications, Intellectual Property Rights, and Sharing Research Resources	79
1. Rights in Data	79
2. Access to Research Data: REEport and Current Research Information System (CRIS)	80
3. Sharing Research Resources	80
4. Availability of Research Resources	81
5. Publications	81
6. Patents and Inventions	82
7. Continuance of Operations	91
8. NIFA Official Identifier	92
E. Cost Principles	93

1. Indirect Costs (Facilities and Administrative Costs)	97
2. Applicable Credits	100
3. Disallowed Costs	100
4. Matching or Cost Sharing	101
5. Using Program Income to Meet a Matching or Cost Sharing Requirement	103
6. Indirect Costs as In-Kind Matching Contributions	103
7. Selected Items of Cost	103
8. Prior Approval Requirements	103
F. Audit Requirements	112
1. A-133 Required Documentation	113
2. Audit Resolution	115
3. Site Visit	116
G. Fraud, Waste, and Abuse of NIFA Grant Funds	117
H. Record Retention and Access	119
I. Management Systems and Procedures	120
1. Financial Management System	120
2. Program Income	121
3. Reporting Program Income	122
4. Grantee Internal Controls	123
5. Property Management	124
6. Equipment and Supplies	127
7. Procurement System Standards and Requirements	129
8. Subawards	133
9. Institutional Merit Review – Capacity	133
J. Public Policy Requirements and Objectives	133
K. Special Award Conditions and Enforcement Actions	151
1. Modification of the Terms and Conditions of Award and Special Award Conditions	151
2. Suspension or Termination and Withholding of Support	151
3. Withholding Support	152
4. Other Enforcement Actions	152
5. Recovery of Funds	152
6. Appeals Procedures	153
VI. Other NIFA Assistance Programs	154
A. 4-H Youth Development Program	154
1. 4-H Emblem	154
B. 1994 Institution Endowment Interest Distribution (Tribal)	155
1. Eligibility	156
2. Cost Considerations	156
3. Reporting Requirements	156
C. Hispanic-Serving Agricultural Colleges and Universities (HSACU)	157
1. Eligibility	157
2. Allocation	157
3. Allowable Costs	158
D. Veterinary Medicine Loan Repayment Program (VMLRP)	158
1. Veterinary Shortage Situations	158
2. Program Administration	159
3. Application Process	160

4.	Waiver of Requirements	161
5.	Breach of VMLRP Service Agreement	161
6.	Emergency Service to the Federal Government	161
VII.	Closeout and Post-Award Management	162
A.	Final Federal Financial Report	163
B.	Final Technical Report	163
C.	Final Invention Statement and Certification	164
D.	Submitting Closeout Documents	164
E.	Unobligated Balances and Actual Expenditures	164
F.	Expired Appropriations Accounts	164
	Definitions	166

ACRONYMS

The following are abbreviations used throughout this document. Acronyms are compiled into a single list to assist the reader.

ADO	Authorized Departmental Officer
AES	Agricultural Experiment Station
AFRI	Agriculture and Food Research Initiative
AHDR	Continuing Animal Health and Disease Research Program
AR	Authorized Representative
AREERA	Agricultural Research, Extension, and Education Reform Act
ASAP	Automated Standard Application for Payments system
AWA	Animal Welfare Act
CES	Cooperative Extension Service
CFDA	Catalog of Federal Domestic Assistance
CRIS	Current Research Information System
CSRS	Civil Service Retirement System
DCPPERA	District of Columbia Public Postsecondary Education Reorganization Act
EA	Environmental Assessment
EFNEP	Expanded Food and Nutrition Education Program
EIS	Environmental Impact Statement
FAIN	Federal Award Identification Number
FFATA	Federal Funding Accountability and Transparency Act
FERS	Federal Employee Retirement System
FOIA	Freedom of Information Act
FRAC	Forestry Research Advisory Council
HSACU	Hispanic Serving Agricultural College or University
IACUC	Institutional Animal Care and Use Committee
iEdison	Interagency Edison
IRB	Institutional Review Board
MOU	Memorandum of Understanding
MRF	Multistate Research Fund
NARETPA	National Agricultural Research, Extension, and Teaching Policy Act of 1977
NIFA	National Institute of Food and Agriculture
OMB	Office of Management and Budget
PD/PI	Project Director/Principal Investigator
PMS	Payment Management System
POW	Plan of Work
PRA	Paperwork Reduction Act
PRS	Peer Review System
RA	Research Administrator
REReport	Research, Education, and Extension Project Online Reporting Tool
RFA	Request for Application
RO	Requesting Organization
RREA	Renewable Resource Extension Act
SAES	State Agricultural Experiment Station
SAM	System for Awards Management
OGFM	Office of Grants and Financial Management
USDA	United States Department of Agriculture
VMLRP	Veterinary Medicine Loan Repayment Program

I. INTRODUCTION

This document provides information about the National Institute of Food and Agriculture (NIFA) grant process and its associated authorities and NIFA's responsibilities. The National Institute of Food and Agriculture's Federal Assistance Policy Guide (NIFA Policy Guide) is available online from the NIFA homepage at <http://www.nifa.usda.gov/>. The Office of Grants and Financial Management (OGFM) maintains this document. Changes in statutes, regulations, or policies effective before the next revision of the NIFA Policy Guide will be published separately.

Certain conventions are followed throughout this document. The term "grant" is used to mean both grants and cooperative agreements; however, for clarity, certain sections mention both grants and cooperative agreements. The term "grantee" is generally used to refer to recipients of grants and awardees of cooperative agreements; however the terms "recipient" or "awardee" also are used. "NIFA" may be used in this document to refer to the entire organization or to its component offices.

The NIFA Policy Guide is a compendium of basic NIFA policies and procedures for use by the grantee community and NIFA staff. It covers the NIFA award process, from solicitation, issuance and administration of an award through closeout. These general policies and procedures apply to all NIFA awards, unless there are statutory, regulatory, or award-specific requirements to the contrary as indicated throughout the Policy Guide and specified in individual Requests for Applications (RFA). If the general requirements do not apply to a particular program or type of financial assistance, it is noted. Prospective award recipients are required to comply with the statutes, regulations, and policies referenced in the RFA.

General information about open NIFA assistance opportunities is available on the NIFA website <http://www.nifa.usda.gov/>. Application details, requirement and deadlines appear in individual RFAs. The NIFA website is the most comprehensive source of information on NIFA institutes (including contact information), programs and funding opportunities. NIFA grants are also posted to Grants.gov when the application period is open. Additional information on Grants.gov is available online at www.grants.gov.

A. SCOPE

The NIFA Policy Guide is the central source of NIFA's administrative guidance for recipients of NIFA grants and partners in cooperative agreements. Other policy guidance documents are linked throughout the Policy Guide, when applicable.

B. SUPERSESSION AND APPLICABILITY

1. Supersession

The NIFA Policy Guide supersedes all prior administrative guidance documents. This Policy Guide does not replace the terms and conditions of the award or any of the applicable

regulations in Title 7 of the Code of Federal Regulations or other Titles and legislation. The NIFA Policy Guide does not supersede the Administrative Guidance for Multistate Extension Activities and Integrated Research and Extension Activities (75 FR 48921, August 12, 2010)

The following manuals are superseded:

- Administrative Manual for the McIntire-Stennis Cooperative Forestry Program (March 2000)
- Administrative Manual for Evans-Allen Cooperative Agricultural Research (March 2000)
- Administrative Manual for Continuing Animal Health and Disease Research Program (September 1992)
- Administrative Manual for the Hatch (Experiment Station) Act as Amended (March 2000)
- Expanded Food and Nutrition Education Program Policies (October 1983)
- Administrative Handbook for Cooperative Extension Work, Chapter III (May 1994)

The NIFA Policy Guide should be referenced in conjunction with any available program guidance documents. When applicable, program guidance documents are linked throughout the Policy Guide.

2. Applicability

Recipients of NIFA grants are not directly subject to all of the requirements of the NIFA Policy Guide. Specific requirements and regulations applicable to a particular funding opportunity will be noted directly in the RFA. The Policy Guide provides general information for NIFA staff and grantees; however, the requirements for each particular funding opportunity as indicated in the RFA should be followed.

The function of this NIFA Policy Guide is to assist in the interpretation of statutory and regulatory requirements. The Policy Guide does not replace the regulatory and statutory language and is intended to be compliant with governing statutes and the requirements of 7 CFR parts 3015, 3016, 3019, and 3430. However, in the case of a conflict, the statutes and regulations govern. If there is a perceived conflict between or among these three categories of requirements—statutory and regulatory requirements, the NIFA Policy Guide, and award terms and conditions—or if the grantee has other questions concerning award terms and conditions, the grantee should request written clarification from the Authorized Departmental Officer (ADO).¹ Once a recipient accepts an award, the contents of the Award Face Sheet are binding on the recipient and NIFA unless and until modified by a revised Award Face Sheet signed by the ADO. If resolution of a conflict or issue cannot be reached, the ADO will void the grant.

¹ The Authorized Departmental Officer (ADO) is the individual, acting within the scope of delegated authority, who is responsible for executing and administering awards on behalf of the U.S. Department of Agriculture.

C. SOURCES OF REQUIREMENTS IN POLICY GUIDE

This Policy Guide is based on:

- Generally applicable Public Laws and Executive Orders, OMB circulars, and NIFA's implementation of them
- NIFA-specific policies and procedures applicable to capacity and non-capacity grants and cooperative agreements
- USDA and NIFA regulations, authorizing and appropriating legislation
- Federal appropriations law

The Policy Guide includes policies and regulations from the following sources: OMB Circular A-102 (applicable to grants to State, local, and Indian tribal governments), OMB Circular A-110 (applicable to grants to institutions of higher education, hospitals, and other non-profit organizations), reissued as 2 CFR 215, and OMB circular A-133 (Audits of States, Local Governments, and Non-Profit Organizations). USDA's implementation of the applicable regulations are codified at 7 CFR 3019 (Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-profit Organizations) and 7 CFR 3016 (Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments).² 7 U.S.C. 301-349; 7 U.S.C. 361 - 390d; 7 U.S.C. 450i *et seq.*; 7 U.S.C. 2131 *et seq.*; 7 U.S.C. 2321 *et seq.* (Plant Variety Protection Act); 7 U.S.C. 3101 *et seq.*; 7 U.S.C. 3191 *et seq.*; 7 U.S.C. 7601 *et seq.*; 16 U.S.C. 551 *et seq.*; 16 U.S.C. 1600 *et seq.*; 22 U.S.C. 7101 *et seq.* (Trafficking Victims Protection Act); 31 U.S.C. 6101 *et seq.*; 35 U.S.C. 200 *et seq.* (Bayh-Dole Act); 49 U.S.C. 40118 *et seq.*; Consolidated and Further Continuing Appropriations Act 2012 (Public Law 112-55, Nov. 18, 2011); 2 CFR 417.10-417.1010 (USDA Suspension and Debarment); 7 CFR 3022 (Federal Policy on Research Misconduct); 7 CFR 1 *et seq.* (Freedom of Information Act implementing regulations); 7 CFR 1.110 *et seq.* (Privacy Act implementing regulations); 7 CFR 90.1 *et seq.*; 7 CFR 340 (Genetically Engineered Plants); 7 CFR 8; 7 CFR 3400 – 3431; 7 CFR 3404; 7 CFR 3407 (NEPA); 7 CFR 3419; 9 CFR 1 – 4 (Animal Welfare Regulations); 18 CFR 35 *et seq.*; 37 CFR 401 *et seq.* (Rights to Inventions); 7 FR 25036 (April 27, 2012) (HSACU Certification Process Final Rule); 71 FR 4101 (Jan. 25, 2006) (Revision to the Guidelines for State Plans of Work for the Agricultural Research and Extension Formula Funds); Congressional Research Service (CRS), Agriculture: A Glossary of Terms, Programs, and Laws, 2005 Edition (June 16, 2005); Executive Order 12770 (Metric Usage); 12898 (Environmental Justice); 13333 (Trafficking in Persons); 31513 (Text Messaging while Driving); USDA Departmental Regulations: 5600-002 (Environmental Justice, Dec. 15, 2007); 2401-001 (USDA Intramural Research Misconduct Policies and Guidelines); USDA Departmental Regulations 9700-001 (Small Farms and Beginning Farmers and Ranchers Policy); USDA Secretary's Memorandum, 1074-001, Scientific Integrity Policy (August 5, 2011); NIFA USDA Research Terms and Conditions, Agency-Specific Terms and Conditions, May 2012; NIFA

² All Federal agencies are currently in the process of implementing the [Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#) published December 26, 2013. The NIFA Policy Guide will be updated when all new guidance and regulations are final and effective.

Grants.gov Application Guide: A Guide for Preparation and Submission of NIFA Applications via Grants.gov (March 9, 2012); NIH Guidelines for Research Involving Recombinant DNA Molecules (NIH Guidelines); U.S. PHS Policy on Humane Care and Use of Laboratory Animals, 1986 revision; NIH Guide for the Care and Use of Laboratory Animals, 1985 revision (NIH Publication No. 86-23); Guide for the Care and Use of Agricultural Animals in Agricultural Research and Teaching, First Edition March, 1988.

D. EFFECT AND ORDER OF PRECEDENCE

The NIFA Policy Guide and the terms and conditions of individual awards supplement but do not replace governing statutory and regulatory requirements. The requirements of the NIFA Policy Guide apply in addition to governing statutory and regulatory requirements and award-specific terms and conditions. Requirements not specified in the NIFA Policy Guide will generally be provided in the Award Face Sheet (NIFA 2009 Face Sheet), but such notice is not required for the award to be subject to the requirements of applicable statutes and regulations. The award provisions will indicate if the award is subject to the [Government-Wide Terms and Conditions](#) and the [NIFA Agency-Specific Research Terms and Conditions](#). Note that an individual award also may contain award-specific terms and conditions. Certain NIFA programs may also have program-specific terms and conditions.

E. ROLES AND RESPONSIBILITIES

NIFA is the United States Department of Agriculture's (USDA) primary extramural research agency. NIFA's mission is to advance knowledge for agriculture, the environment, human health and well being, and communities by supporting research, education, and extension programs in the land-grant institution system and other partner organizations. NIFA does not perform actual research, education, and extension. National program leadership and funding are two key mechanisms NIFA uses to advance knowledge. NIFA provides financial assistance in the form of capacity grants to land-grant universities and competitive grants for research, education and extension outreach to land-grant universities, other institutions of higher education, individuals, non-profit organizations, private entities, and consortiums.

1. NIFA Roles and Responsibilities

NIFA is responsible to Congress and the U.S. taxpayer for carrying out its mission in a manner that facilitates cost-effective research in compliance with applicable legislation and regulations. NIFA seeks to ensure integrity and accountability in the award and administration of grants by relying on a system of checks and balances within its own staff and by establishing a similar set of expectations for grantee organizations.

NIFA is one of four USDA agencies that make up the Research, Education, and Economics (REE) mission area (the other agencies are the Agricultural Research Service (ARS), Economic Research Service (ERS), and the National Agricultural Statistical Service (NASS)). The USDA REE agencies provide Federal leadership in creating and disseminating knowledge spanning the biological, physical, and social sciences related to agricultural research, economic analysis, statistics, extension, and higher education. Congress established NIFA through the Food,

Conservation, and Energy Act of 2008. NIFA succeeded the former Cooperative State Research, Education, and Extension Service (CSREES), which existed since 1994.

NIFA is organized into four Institutes (Institute of Food Production and Sustainability; Institute of Bioenergy, Climate, and Environment; Institute of Food Safety and Nutrition; and Institute of Youth, Family, and Community), each with their own programmatic mission. The scope of any one grant or program might encompass the mission of multiple Institutes. NIFA Institutes and offices oversee the capacity and competitive grants processes. The subunits of institutes are typically Divisions. The NIFA organization chart can be found on the NIFA website: <http://www.nifa.usda.gov/about/offices/offices.html>.

Various offices and individuals at NIFA are involved throughout the grant process, from development of the funding opportunity to recipient selection to distribution of funds and post-award management. In carrying out NIFA's primary mission of facilitating research, education, and extension, NIFA interacts on a continuing basis with academic and non-academic institutions, private industry, state and local governments, and other Federal agencies. The roles and responsibilities of NIFA offices and individuals as they relate to grant oversight and management are as follows:

- **NIFA Institutes.** Institutes address broad programmatic areas and may be divided into Divisions based on related science or function. The Institute is led by an Assistant Director and the Divisions are led by a Division Director. The four NIFA Institutes are organized by program function and bring together professionals with expertise in various disciplines. The NIFA Institutes function as multi-disciplinary, outcome-based teams focused on the achievement of core stakeholder needs committed to enhancing the overall performance of programs.
- **Institute Assistant Director:** The Assistant Director provides leadership for the administration of programs and the day-to-day operational management of each Institute. The Assistant Director is also responsible for compliance with policies, regulations, and legislative authorities in the administration of all programs assigned to the Institute.
- **Division Director:** The Division Director supervises the management of programs within their Division and is responsible for a number of other responsibilities assigned to each Institute. Division offices are responsible for the scientific, technical and programmatic review and evaluation of proposals and for recommending that proposals be declined or awarded.
- **National Program Leader:** National Program Leaders (NPL) are senior staff members responsible for networking and collaborating with partners and stakeholders to identify mission-relevant problems, opportunities, and issues requiring federal attention and support; conceiving, formulating, and directing programs and activities to respond to existing or emerging problems, opportunities, and issues through the development and

application of science-based knowledge; administering and managing programs and activities to develop and apply science and knowledge; and, evaluating and assessing the quality, outcomes, and impacts of these programs. The scientific, educational and outreach aspects of an award will be monitored by the NIFA National Program Leader identified in the award letter.

NPLs are the agency contacts on RFAs and are responsible for the day-to-day management of a portfolio of grants, projects, and programs.

- **Planning Accountability and Reporting Staff (PARS).** The NIFA Planning, Accountability and Reporting Staff provide leadership to the agency in strategic planning, performance measurement, and evaluation. The agency uses these activities to improve program leadership and management, allocation of resources, and evaluation of success.
- **Office of Grants and Financial Management.** The Office of Grants and Financial Management (OGFM) is responsible for business, financial, and administrative assistance across the continuum of awards from pre-award through closeout. OGFM ensures that all assistance awards are consistent with applicable policies, regulations, directives and fund certifications. OGFM responsibilities include, but are not limited to, evaluating grant applications for administrative content and compliance with statutes, regulations, and guidelines; negotiating grants and indirect cost rates; providing consultation and technical assistance to applicants and grantees, including interpretation of grants administration policies and provisions; and administering and closing out grants, oversight of active grants, and auditing of grantees.

2. Land-Grant Institutions

The First and Second Morrill Acts established the 1862 and 1890 land-grant universities, respectively. Subsequent legislation established the 1994 land-grant universities and Hispanic Serving Agricultural Colleges and Universities (HSACUs). Many NIFA grant programs, capacity and competitive, support the agricultural extension and experiment station work of the land-grant universities.

COOPERATIVE EXTENSION

All capacity funds allotted for cooperative extension must be used in accordance with the purpose of the authorizing legislation and the terms and conditions of the award. All institutions receiving funds to support cooperative extension work must maintain a definite and distinct administrative division for management and conduct of all cooperative extension work in agriculture and home economics. Institutions must have a Director of cooperative extension.

HATCH/EXPERIMENT STATION

All capacity funds allotted to support State agricultural experiment stations must be used in accordance with the purpose of the authorizing legislation and the terms and conditions of the

award. Each agricultural experiment station must have a Director and Treasurer. The Treasurer, or the equivalent thereto, is responsible for accounting for all allotted funds. (7 U.S.C. 361e).

3. Recipient Roles and Responsibilities During a Grant

The grantee or recipient is the entity receiving financial assistance directly from NIFA to carry out a project or program. The Program Director/Principal Investigator (PD/PI), Authorized Representative (AR), National Program Leader (NPL) and Authorized Departmental Officer (ADO) are key members of the grant team, coordinating and carrying out the scientific and administrative aspects of the grant. Applicants and grantees can communicate with the NPL, and other NIFA staff; however, NIFA conducts official business only with the designated PD/PI(s) and AORs. The Award Face Sheet will identify the contact information for a NIFA ADO for all successful applicants. The roles and responsibilities of grantee participants are as follows:

- **Authorized Representative (AR).** The AR is the designated representative of the grantee organization in matters related to the award and administration of its NIFA grants, including those that require NIFA approval. The AR is the individual authorized to commit the awardees' time and other resources to the project, to commit the awardee to comply with the terms and conditions of the award instrument and to otherwise act on behalf of the awardee institution, organization or entity. The AR should ascertain and assure the materials submitted on behalf of the PD/PI are the original work of the PD/PI and have not been used by other individuals in the preparation and submission of a similar grant application. In signing a grant application, the AR certifies that the applicant organization will comply with all applicable assurances and certifications referenced in the application and that the applicant organization will be accountable both for the appropriate use of funds awarded and for the performance of the grant supported project or activities resulting from the application. The AR is responsible to NIFA for ensuring that the organization complies with applicable Federal laws and regulations, required certifications and assurances, and the terms and conditions of the individual award. For applications submitted electronically through Grants.gov, the signature of the AR is documented as part of the electronic submission process and is authenticated through the Grants.gov registration process. Although NIFA requires that the grantee organization designate such an official, NIFA does not specify the organizational location or full set of responsibilities for this official.
- **Project Director (PD):** Project Director or PD is the single individual designated by the awardee in the application and approved by the Authorized Departmental Officer who is responsible for the direction and management of the project. The PD is also known as the Principal Investigator (PI) for research activities. (7 CFR 3430). NIFA uses the term PD to refer to the individual for all types of projects (research, extension, and education). The organization applying for a NIFA grant, or the applicant organization, may designate multiple individuals as PDs who share the authority and responsibility for leading and directing the project, intellectually and logistically. Each PD is responsible and accountable to the organization receiving a NIFA grant, or the grantee organization, or, as appropriate,

to a collaborating organization, for the proper conduct of the project or program, including the submission of all required reports. The presence of more than one identified PD/PI on an application does not diminish the responsibility or the accountability of any individual PD/PI. The PD/PI listed in Field 14. of the SF-424 R&R Cover Sheet will be considered, for NIFA purposes, the contact PD/PI and will be responsible for communicating information to other PD/PIs.

NIFA encourages PD/PIs to maintain contact with the NIFA NPL or NIFA program staff with respect to the programmatic aspects of the project and OGFMs about the business and administrative aspects of the award. The NIFA staff contacts list is located at <http://www.nifa.usda.gov/>.

- **Research Administrator (RA):** The Research Administrator acts as a local agent of the AR and/or PD/PIs providing day-to-day grant-related support. Depending on the structure of the organization, this individual can be located centrally or within an organizational component such as a Department.

II. PRE-AWARD

A. TYPES OF NIFA FINANCIAL ASSISTANCE

NIFA financial assistance is generally classified by the type of funding mechanism. The primary funding mechanisms are competitive grants, capacity grants, and non-competitive grants and agreements.

Competitive grants are NIFA awards for fundamental and applied research, extension, and higher education activities, as well as for projects that integrate research, education and extension functions. Competitive programs enable NIFA to attract a large pool of applicants to work on agricultural issues of national interest, and to select the highest quality proposals submitted by highly qualified eligible individuals, institutions, or organizations. Competitive grant awards are made following a rigorous peer-review process. Eligibility, administrative rules, and procedures vary for each specific program according to authorizing statute.

Capacity grants are funds to land grant institutions (1862 and 1890 institutions), as defined in section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (NARETPA), schools of forestry, and funds provided through several capacity program authorities for research, education, and extension. In addition, 1994 institutions, as defined in section 532 of the Equity in Educational Land-Grant Status Act of 1994, and Hispanic-Serving Agricultural Colleges and Universities, as defined in section 1404 of NARETPA, receive established amounts of money through endowments. The amount of funds provided to each institution is determined by statutorily defined formulae that may include variables such as the rural population, farm population, and poverty. NIFA is statutorily required to distribute funds to eligible recipients. Local or regional university leaders decide which specific projects will be supported by an institution's capacity grant allotment. These decisions are informed, in part, by stakeholders who both conduct and use agricultural research, education, and extension.

Non-competitive grant programs are projects that are directed by Congress to specifically support a designated institution or set of institutions for particular research, education, or extension on topics of importance to a state or region. These projects are supported through Special Research Grants or Direct Federal Administration Research or Education Grants. Non-competitive RFAs might also be available when competition for a particular program has been waived by NIFA in accordance with its authority to do so. Although NIFA typically enters into grants and cooperative agreements only after competition and a competitive awards process in accordance with the applicable regulations, there are certain situations in which NIFA will determine that competition is not appropriate. (7 CFR 3015.158(a) & (c)). NIFA has authority to waive the competitive review process for awards less than \$75,000. NIFA can also waive the competitive process for nonmonetary awards of property or services, awards to fund continuing work already started under a previous award, awards that cannot be delayed due to an emergency or a substantial danger to health or safety, when it is impracticable to secure

competition, or when the award will fund a unique and innovative unsolicited application. (7 CFR 3015.158(d)). The RFA will indicate if the competitive process has been waived.

Cooperative Agreements. When NIFA will be substantially involved in carrying out the project or program for which funds are awarded, it awards a cooperative agreement rather than a grant. Substantial involvement pertains to programmatic involvement and not administrative oversight. The NIFA Policy Guide pertains to grants and cooperative agreements; however, NIFA may apply terms and conditions that differ from those in the NIFA Policy Guide consistent with the nature of its involvement under cooperative agreements.

The various funding mechanisms establish the nature of the relationship that will exist between NIFA and the recipient throughout the duration of funding. Different funding mechanisms also carry different application and eligibility requirements. However, all applicable requirements will be communicated to potential recipients through the funding opportunity announcement.

B. APPLICATION INFORMATION

Open NIFA RFAs are posted on the NIFA website here:

<http://www.nifa.usda.gov/fo/recentReleasedGrants.cfm>, as well as on the government-wide Grants.gov site. When legislatively required, RFAs will be published in the Federal Register. Potential applicants can also subscribe to Grants.gov and NIFA listservs to be notified when an RFA is published. Press releases may also be used to inform prospective applicants when a new funding opportunity is accepting applications.

1. Catalog of Federal Domestic Assistance (CFDA)

The Catalog of Federal Domestic Assistance (CFDA) is a government-wide publication by the General Services Administration (GSA) and the Office of Management and Budget (OMB) available to the public. The CFDA provides general information about Federal assistance programs, organized by grantor agency.³ The CFDA is the basic reference source of Federal financial and non-financial assistance programs, projects, services, and activities. Programs included in the CFDA are defined as any function of a Federal agency that provides assistance or benefits for a State or States, territorial possession, county, city, other political subdivision, grouping, or instrumentality thereof; any domestic for-profit or non-profit corporation, institution, or individual, other than an agency of the Federal government. It is updated twice a year. The most recently updated print edition and the frequently updated online version can both be accessed through the CFDA website, at <http://www.cfda.gov>.

All USDA programs, including NIFA programs, are found under the prefix 10.XXX. Although the CFDA does provide a general description of NIFA-funded programs, Grants.gov and the NIFA website are updated more frequently with program information.

³ The CFDA is published pursuant to the requirements of 31 U.S.C. § 6104 and OMB Circular No. A-89, *Federal Domestic Assistance Program Information* (Aug. 17, 1984).

NIFA programs can also be identified by the Funding Opportunity Number (FON). The FON is generated by NIFA and is a unique number assigned to a funding opportunity. Applicants can search Grants.gov for a specific funding opportunity by the Funding Opportunity Number and the RFA will also include the FON. (68 Fed. Reg. 37379 (June 23, 2003)).

2. Request for Applications (RFA)

An RFA is a formal statement used to solicit competitive grant, non-competitive grant, or cooperative agreement applications in a well-defined scientific area to accomplish specific program objectives. An RFA indicates the estimated amount of funds set aside for the competition, the estimated number of awards to be made, whether matching or cost sharing is required, and the application submission deadline(s). For cooperative agreements, the RFA will describe the responsibilities and obligations of NIFA and awardees as well as joint responsibilities and obligations.

The RFA will include a description of the eligible activities the program will support, eligible applicants, evaluation criteria and weights assigned to each criteria, as appropriate, how and when to submit applications, applicable cost principles and administrative requirements, the funding instrument to be used (i.e., a grant or cooperative agreement), and the *Catalog of Federal Domestic Assistance* number and title. The RFA also specifies how stakeholders can submit their input for use in the development of the next RFA for that particular program. (<http://www.nifa.usda.gov/nea/stakeholder.html>).

NIFA's acceptance of an application for a competitive grant or award of any project does not commit or obligate NIFA in any way to make any renewal, supplemental, continuation, or other award with respect to an approved application or portion of an approved application. (7 CFR 3430).

3. Capacity Requests for Application (Capacity RFA)

Capacity Requests for Applications (Capacity RFAs)⁴ are published by NIFA on the NIFA website and on Grants.gov. A Capacity RFA identifies project objectives and requirements, eligibility criteria for projects and applicants, and application forms and associated instructions needed to apply. Information submitted in response to each annual Capacity RFA should complement all previously submitted reports. All Capacity RFAs will indicate eligibility information, eligible institutions, matching or cost sharing requirements, and how to apply for the annual appropriation. Eligible institutions must respond to the Capacity RFA through Grants.gov.

Capacity RFAs require submission of an "Application for Federal Assistance," Form SF-424(R&R) and the NIFA Supplemental Information Form. The annual Capacity RFA will identify all forms required to be submitted.

⁴ Capacity RFAs were previously referred to as Formula Grant Opportunities (FGOs).

Each entity that applies and does not have an exemption under 2 CFR 25.110 assures,⁵ by signing the application, that the institution: (1) Will be registered in the System for Awards Management (SAM) prior to submitting an application or plan; (2) Will maintain an active SAM registration with current information at all times during which it has an active Federal award or an application or plan under consideration by an agency; and (3) Will provide its DUNS number in each application or plan it submits to the agency. Each entity that applies and is not exempt under 2 CFR 170.110(b) must ensure that they have the necessary processes and systems in place to comply with the reporting requirements identified in Appendix A to 2 CFR 170 upon receipt of funding. The signature block of the application further identifies the assurances agreed to when the application is signed.

3.1. Update to Application Package

If an applicant has previously applied for funding under a particular capacity grant, an application package must still be submitted through Grants.gov. Applications submitted by previously funded institutions should be submitted as NEW applications. If so instructed, each institution will attach grant-specific forms to the application package using an attachments form. Most Capacity RFAs do not require submission of budget information or a budget narrative. If a capacity program requires submission of budget information, it will be noted in the RFA.

Notification of approval and the release of funds are sent to eligible institutions through a Notice of Award or Form NIFA-2009, Award Face Sheet. The Award Face Sheet includes the legal name and address of the award recipient, title of the project, total amount of approved funding, legal authority under which the award is issued, and the applicable laws, regulations, and terms and conditions.

4. Applicant Eligibility

Eligibility for any NIFA grant program is determined by the authorizing legislation and annual appropriations legislation. For competitive grants, see the "Eligibility" section of the appropriate RFA (located in Part III, A of the RFA). For capacity grants and special line-item grants, NIFA notifies eligible grant recipients of publication of a Capacity RFA and/or contacts them directly. NIFA receives annual appropriations that require the agency to fund very specific areas of agricultural research, education, and extension and cannot accept or consider unsolicited grant applications for funding. To ensure that a particular organization is eligible for a specific funding opportunity, consult the RFA. (http://www.nifa.usda.gov/home/faq_apply.html).

NIFA awards are only made to eligible applicants. Eligible organizations generally include all levels of government (State, local, and Indian tribal governments), including Federal institutions, institutions of higher education, other non-profit organizations,⁶ hospitals, and, in

⁵ Exemptions are identified in 2 CFR 25.110.

⁶ Section 1611 of Title 2 of the U.S.C. prohibits non-profit entities organized under (501)(c)(4) of the Internal Revenue Code that engage in lobbying activities from receiving Federal grants.

rare occasions, individuals. Any special criteria for applicant eligibility or requirements concerning the qualifications of the PD/PI or other staff or participants will be specified in the RFA and program guidelines. On the basis of statutory, regulatory, or published policy limitations, under certain programs or types of awards, NIFA may limit eligibility to, or exclude from eligibility, classes or types of entities. For example, some grants are only available to small businesses. An RFA might also limit the class of eligible applicants by including responsiveness criteria. Responsiveness criteria are objective criteria, such as possessing a particular certification or, if specified by the RFA, not exceeding a stated page limitation.

During the pre-award process, NIFA may make a preliminary assessment of applicant organization eligibility. The applicant may be required to provide proof of its status by submitting documentation.

For non-profit entities, except where the grant program's authorizing legislation sets particular limits, acceptable evidence of eligibility includes the following:

- A copy of a currently valid Internal Revenue Service tax exemption certificate
- A statement from a State taxing body, State attorney general, or other appropriate State official certifying that the applicant organization has a non-profit status
- A certified copy of the organization's certificate of incorporation or similar document that clearly establishes non-profit status or
- Any of the above proof for a State or national parent organization and a statement signed by the parent organization that the applicant organization is a local non-profit affiliate.

In addition to reviewing organizational eligibility, NIFA may consider other factors relating to the applicant's ability to responsibly handle and account for Federal funds and to carry out the project. These factors include the applicant's intended role in the project, the location where the project will be performed, and the role of the PD/PI in the project, and the PD/PI's employment and citizenship status. NIFA will not make an award to an applicant that does not have a substantive role in the project and would simply serve as a conduit for another entity.

4.1. Applicant Citizenship

Any requirements, such as citizenship, affecting the eligibility of the PD/PI or others (e.g., trainees) will be specified in the RFA. In most cases, individuals must have the required citizenship status when the award is made rather than when the application is submitted.

For purposes of applicant citizenship, the following definitions apply unless otherwise stated. U.S. citizens are: individuals born in the United States, Puerto Rico, Guam, Northern Mariana Islands, Virgin Islands, American Samoa, or Swain's Island; foreign-born children, under age 18, residing in the U.S. with their birth or adoptive parents, at least one of whom is a U.S. citizen by birth or naturalization; and individuals granted citizenship status by Immigration and Naturalization Services (INS).

The term “national of the United States”⁷ means a citizen of the United States, or a person who, though not a citizen of the United States, owes permanent allegiance to the United States. A “lawful permanent resident”⁸ is a non-citizen who has been granted authorization to live and work in the United States on a permanent basis. As proof of that status, a person is granted a permanent resident card, commonly called a “green card.”

5. Grants.gov

Grants.gov is a government-wide website that includes, in a single place, postings of all available Federal grant and other financial assistance opportunities. NIFA uses detailed funding opportunity announcements to invite applications for specific funding opportunities. Synopses of these announcements are posted at Grants.gov.

All NIFA funding opportunity announcements, or requests for application, follow the standard government-wide format and are available on-line. In accordance with the government-wide requirements, each funding synopsis is required to provide an electronic link to the full funding opportunity announcement. NIFA posts RFAs to the “Funding Opportunities” section of the NIFA website, Grants.gov and/or the *Federal Register* for competitive and capacity grants. Open NIFA grant opportunities can be found on the [NIFA website](#).

5.1. Grants.gov Registration

All prospective applicants for NIFA grants are required to register with Grants.gov prior to applying to a funding opportunity. Failure to register with Grants.gov will preclude a potential applicant’s eligibility. Potential applicants should ensure that they are in fact registered with Grants.gov prior to submitting their application. Additional information on the Grants.gov registration process can be found on the Grants.gov website, http://www.grants.gov/applicants/get_registered.jsp. Allow sufficient time to complete the registration process. Registration can take as long as four weeks to complete. There is no separate registration required with NIFA aside from the Grants.gov registration.

The Grants.gov registration only needs to be completed one time. The registration process includes obtaining a Data Universal Numbering System (DUNS) number, registering with the System for Awards Management (SAM), and registering in Grants.gov. Organizations previously registered with Grants.gov to submit an application to NIFA, or any other Federal agency, do not need to re-register. PDs do not need to register with Grants.gov, unless they are also the person authorized to submit an application on behalf of their organization.

Adobe Reader software is needed to apply through Grants.gov. This software is available for download at the Grants.gov “Download Software” page

⁷ 8 USC 1101 (a)(22)

⁸ See <http://www.uscis.gov/greencard>

http://www.grants.gov/help/download_software.jsp, which includes Adobe Reader, system requirements and other information.

6. DUNS Number

All applicant organizations must obtain a Data Universal Numbering System (DUNS) number as part of the Grants.gov registration process. The DUNS number serves as the Universal Identifier when applying for Federal grants or cooperative agreements. The DUNS number is a nine-digit number assigned by Dun and Bradstreet Information Services (D&B). If an organization does not have a DUNS number, one can be obtained online at <http://fedgov.dnb.com/webform>. The DUNS number is an identifier for organizations and is not a number specific to a particular PD/PI. All subawardees are also required to obtain a DUNS number and provide that information to the grantee organization.

7. System for Awards Management (SAM)

The General Service Administration's (GSA) Office of Government-wide Policy consolidated the government-wide acquisition and award support systems into one new system – the System for Award Management (SAM). All applicant organizations must register in SAM and ensure their information remains current when they have an application under consideration for NIFA funding. If an award is made, SAM registration must remain current until a final financial report is submitted or the final payment is received, whichever is later.

All functions previously available through CCR/FedReg, ORCA, and Excluded Parties List System (EPLS) were consolidated into the SAM. Additional phases of SAM will include development of additional functions and capabilities of other systems. Applicants for NIFA awards formerly registered with CCR have been transferred to SAM. SAM will send automated notifications to registrants when registration is set to expire. All applicants should confirm their institutional information in SAM before submitting their application. Go to <https://sam.gov> to determine if institutional information is accurate. A current, valid email address is required for each SAM account. This email address serves as a primary means of communicating with you for features such as notifications, alerts, and password resets. Information for a specific institution can be found in SAM by searching by name or DUNS number. An entity's status as a small business will also be noted in SAM. All SAM users will have access to public information.

All entities being considered for Federal contracts must be registered with SAM. All NIFA grantees entering into contracts in furtherance of a NIFA grant must confirm an active contractor registration with SAM.

All parties not eligible to receive a Federal award are listed in SAM. Exclusions are now categorized into four Exclusion Types: (1) ineligible (proceedings pending); (2) ineligible (proceedings completed); (3) prohibition/restriction; (4) voluntary exclusion. Entity types include: Firm, Individual, Vessel, and Special Entity Designation. Additional information on registering with and using SAM is available online at https://www.sam.gov/sam/transcript/System_for_Award_Management_v2.8.pdf

C. SUBMITTING AN APPLICATION

1. Types of Applications

The type of application acceptable may vary by funding opportunity. The RFA will specify what types of applications can be submitted. NIFA generally solicits application of the following kind:

- **New.** An application being submitted to NIFA for the first time. (7 CFR 3430.14).
- **New Continuation.** A noncompeting application for an additional funding/budget period within a previously approved project. (7 CFR 3430.14). A new continuation award is issued for a specified level of effort for a predetermined period of time with a statement of intention to provide additional support at a future date. Continuation of the funding for the award is provided if performance has been satisfactory, appropriations are available for the original purpose, and continued support is in the best interests of the federal government and the public.
- **Continuation.** A continuation award is issued for the subsequent years of a new continuation award. Recipients of a continuation award must apply for subsequent year funding by submitting a noncompeting application for an additional funding/budget period within the previously approved project scope and objectives. Because the initial application contains the details for the full period of time for the project and that is what is competitively reviewed and evaluated, the subsequent applications (i.e., noncompeting application) are consistent with the initial application. Subsequent applications that are vastly different from the initial application may be subject to the competitive review process.
- **Resubmission.** A resubmission is an application submitted for consideration under the same program previously but has not been approved for an award under the program. For competitive programs, this type of application is evaluated in competition with other pending applications in the area to which it is assigned. Resubmissions are reviewed according to the same evaluation criteria as new applications. In addition, applicants must respond to the previous panel review summaries, unless waived by NIFA. When reviewing a resubmission application the panel will evaluate the application as now presented, taking into consideration the responses to comments from the previous scientific review group and changes made to the project. (7 CFR 3430.14).
- **Renewal.** A renewal is an application requesting additional funding for a period beyond that provided by a current award. For competitive programs, a renewal application will be considered in competition with all other applications for the award and must be fully developed, as though the applicant is applying for the first time. Unless otherwise provided,

a progress report for each year the project was already active must be submitted via REEport for a renewal application to be considered. ([7 CFR 3430.14](#)).

- **Resubmitted Renewal.** A resubmitted renewal application is an application that has been previously funded and previously submitted for renewal but not funded for renewal. Review panels will consider resubmitted renewals in competition with all other applications submitted. Reviewers will review the applicant's response to the comments from the unsuccessful review. ([7 CFR 3430.14](#)).
- **Revision Applications.** A revision application is an application that proposes a change to NIFA's financial obligations or contingent liability or the changes to the award terms and conditions of an existing award. ([7 CFR 3430.14](#)).

All attachments to an application must comply with NIFA font, spacing and margin requirements and must be in PDF (portable document format). Information on how to convert documents into PDFs can be found on Grants.gov, available at: http://www.grants.gov/help/download_software.jsp. NIFA recommends producing the documents electronically using text or word-processing software and then converting the document to PDF. This will allow the text to be searched electronically (i.e., do not scan files that have text as an image, scan as text file only).

2. Application Documents

All applications are submitted to NIFA electronically through Grants.gov. The RFA will include instructions on how to access the electronic application forms and how to apply through Grants.gov. The Grants.gov application package includes general forms, such as the SF-424 (R&R), NIFA-specific forms, and program-specific forms. The RFA will indicate the portions of the SF-424 that must be completed.

For additional information on how to complete the necessary forms for competitive grants, please see the *NIFA Grants.gov Application Guide: A Guide for Preparation and Submission of NIFA Applications via Grants.gov*, available at: http://www.nifa.usda.gov/funding/grant_forms/nifa_grants_dot_gov_instructions_2012.pdf

2.1. Letters of Intent

NIFA RFAs may require submission of a letter of intent (LOI) in advance of submission of a full proposal. Submission of an LOI does not require the applicant to submit a full application and does not require NIFA to fund the project. LOIs help NIFA program staff gauge the size and range of the competition, enabling earlier selection and better management of reviewers and panelists. Furthermore, the information contained in an LOI is used to help avoid potential conflicts of interest in the review process and to determine if the potential applicant's proposal is suitable for the program in light of the program priorities, needs, and scope. LOIs also provide applicants with guidance on their proposal.

The Letter of Intent solicitations identify all submission requirements and provide direction on developing an LOI. The LOI, a 1-2 page document, generally contains a descriptive title of the proposed project, names and roles of the project directors and other key personnel, along with the institution, and a brief statement of approaches and objectives, including the program priority to which the project is responding.

LOIs are submitted directly to the NPL for review by NIFA program staff. LOIs are evaluated for how well they address the project or program goals and priorities. LOIs are not externally evaluated or used to make the ultimate funding decision. However, program staff may use LOIs to communicate to the author whether or not a proposed project appears to be within program scope. The NIFA response to an LOI will be “encourage” or “discourage.” If the project appears to be outside of program scope, submission of a full application is discouraged. If submission of an LOI is required, applications submitted without prior submission of the letter of intent by the NPL are returned without review. (<http://www.nifa.usda.gov/about/glossary.html>).

2.2. Application Budget

A budget for the project must be submitted with the application, unless otherwise stated in the RFA. Preparation of a budget requires determining allocable costs in accordance with the applicable cost principles, indirect cost rate, and any matching requirements. Applicants must consult the OMB cost principles, as codified in the Code of Federal Regulations, and prepare their application budget in accordance with the applicable principles. A budget should include a single set of figures. For additional information on cost considerations, please see Part V.E., Cost Principles.

- **Direct Costs.** Direct costs are costs that can be identified specifically with a particular sponsored project, an instructional activity, or any other institutional activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy. Costs that are incurred in similar circumstances for the same purpose will be treated consistently as a direct or indirect cost across the NIFA-sponsored programs.
- **Indirect Costs.** Indirect costs are costs incurred for common or joint objectives, both in furtherance of the purpose of the award, and in support of the standard work of the supported institution. These costs cannot be identified readily and tied to a specific sponsored project, instructional activity, or other institutional activity.

Indirect costs are also known as F&A costs, or Facilities and Administrative costs. Throughout this Policy Guide and NIFA documents, they will be referred to as indirect costs. “Facilities” are defined as depreciation and use allowances, interest on debt associated with certain buildings, equipment and capital improvements, operation and maintenance expenses, and library expenses. “Administration” is defined as general administration and general expenses, departmental administration, sponsored projects

administration, student administration and services, as well as all other types of expenditures not listed specifically as a facilities expenditure.

- **Matching or Cost Sharing.** Matching and cost sharing requirements will be identified in the annual RFA. If matching or cost sharing is required, the applicant must contribute non-Federal funds in support of the project for which they are requesting NIFA funds. If the RFA specifies that matching or cost sharing is required, it also will specify the following:
 - Whether the inclusion of matching or cost sharing in the application is an eligibility requirement or is an evaluation criterion;
 - The nature of the requirement, e.g., whether it is a fixed percentage or NIFA cannot fund more than a specified percentage of costs;
 - Required documentation, such as letters of commitment.

“Cost sharing” refers to any situation in which the recipient shares in the costs of a project other than as statutorily required matching. “Matching” refers to a statutorily specified percentage, whether specified as a fixed or minimum percentage of non-Federal participation in allowable program or project costs that must be contributed by a recipient in order to be eligible for Federal funding or a not-to-exceed percentage of Federal participation.

All matching or cost sharing contributions must be verifiable from the recipient’s records, not included as contributions for any other federally-assisted project or program, necessary and reasonable for proper and efficient accomplishment of project or program objectives, allowable under the applicable costs principles, not paid by the Federal government under another award, except where authorized by Federal statute to be used for cost sharing or matching, and provided for in the approved budget when required.

The source and amount of costs and/or the value of third-party in-kind contributions proposed by the applicant to meet a matching or cost sharing requirement must be identified in the application budget. Allowability of costs for cost sharing and matching purposes is determined by the applicable cost principles. The classification of a contributed cost as either direct or indirect must be consistent with the classification of other costs incurred by the recipient for the same purpose in like circumstances. Guidance on the valuation of in-kind contributions for Educational Institutions is found in 7 CFR 3019.

The Agricultural Act of 2014 (Pub. L. 113-79) § 7128 requires a one-to-one match for all covered programs. The RFA will identify if the program is subject to the new matching requirement. This requirement effects all awards made after October 1, 2014.

The matching funds requirement does not apply to grants awarded:

1. To a research agency of the United States Department of Agriculture (USDA); or
2. To an entity eligible to receive funds under a capacity and infrastructure program (as defined in section 251(f)(1)(C) of the Department of Agriculture Reorganization Act of 1994, 7 U.S.C. 6971(f)(1)(C)), including a partner (see Part VIII, E. Definitions for definition of partnership) of such an entity.

Entities eligible to receive funds under a capacity and infrastructure program and exempt from the matching funds requirement include:

- a. 1862 Land-grant Institutions, including State Agricultural Experiment Stations receiving funding under the Hatch Act of 1887
- b. 1890 Land-grant Institutions
- c. 1994 Land-grant Institutions
- d. Recipients of Continuing Animal Health and Disease, Food Security, and Stewardship Research, Education, and Extension Program Funds — Capacity and Infrastructure Program (CIP)
- e. Hispanic-Serving Agricultural Colleges and Universities (HSACU)
- f. Insular Area Schools Eligible to Receive Funds from the Distance Education/Resident Instruction Grant Programs
- g. Recipients of McIntire-Stennis Cooperative Forestry Program Funds
- h. Non-Land Grant Colleges of Agriculture (NLGCA)
- i. Recipients of funds under a program established under section 1417(b) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3152(b)), including: (1) 1890 Institution Teaching, Research, and Extension Capacity Building Grants Program; (2) Higher Education Challenge Grants Program; (3) Higher Education Multicultural Scholars Program; and (4) Food and Agricultural Sciences National Needs Graduate and Postgraduate Fellowship Grants Program.

A proposal submitted in response to an RFA for a covered program may indicate that the work will be completed by multiple entities as a collaborative partnership. All partners must have a substantial involvement in the project throughout the life of the project. If a partnership among multiple entities is proposed, the proposal must clearly identify the following:

- 1) A narrative of each entity's clearly established role in the project;
- 2) How each entity involved as a partner on the project will contribute to execution of project objectives, determination of experimental design, development of the project work plan and time table, and submission of collaborative, timely reports; and
- 3) A comprehensive project budget that reflects each entity's financial or third party in-kind contribution (see section 2 of 7 CFR 3430 or section 96 of 2 CFR part 200) to the total project budget costs.

If a proposal indicates that the work on the project will be completed by multiple entities as partners, and at least one entity is exempt from the matching requirement under #2 above, the entire project will be exempt from the matching requirement regardless of whether all entities involved are otherwise exempt. Any partner entity can serve as the lead entity on the project. All partners must be significantly involved in the project.

After proposals have been recommended for award, NIFA will determine if the submitted proposal and proposed division of work reflects substantial involvement of all entities involved. If a proposal is recommended for award to a lead entity not otherwise exempt from the matching requirement and the proposal does not reflect substantial involvement of at least one partner that is exempt under #2 above, then the matching requirement will apply. Exemption from the matching requirement for an entity not otherwise exempt is limited to the project for which it is a partner.

Waiver of Match. NIFA may waive the matching funds requirement for a recipient for one year with respect to a competitive grant that involves research or extension activities that are consistent with the priorities established by the National Agricultural Research, Education, Extension and Economics Advisory Board for the year involved.

2.3. Application Requirements

The RFA will provide instructions on how to access the application and what is required for submission. Application information to be submitted typically includes a project narrative, with objectives and methods, budget and budget justification, biographical sketches of senior/key personnel, and other information specified in the RFA and/or in program guidelines, if any. Capacity program RFAs may differ and the RFA should be consulted for applicable submission requirements. Applicants should consult the cost principles and general administrative requirements to prepare the budget and complete other parts of the application. This section describes NIFA policies that affect application preparation and/or submission. For all programs, specific details on application requirements are addressed in application instructions and specific RFAs. NIFA officials should be consulted regarding any significant changes to the application post-submission.

- **Resubmitting an Application.** An application is a resubmitted application if the application was previously submitted to the Program but was not funded. A resubmitted application must include the following information:
 - The NIFA-assigned proposal number of the previously submitted application
 - A summary of the previous reviewers' comments
 - Explanation of how the previous reviewers' comments or previous panel summary have been addressed in the current application. Please note that responding to the comments from a previously unsuccessful review will not guarantee funding.

A resubmitted application must be received by the relevant due dates, will be evaluated in competition with other pending applications in the appropriate area to which they are assigned, and will be reviewed according to the same evaluation criteria as new applications.

- **Previously Funded Applications.** NIFA programs generally do not support multiple projects that are essentially the same. PDs who have had their projects funded previously are discouraged from resubmitting identical applications for further funding that are not sufficiently unique for a new project. This does not apply to continuation funding.
- **Assurance.** Applicants must assure: 1) that the information submitted within the application is true, complete and accurate to the best of the PI's knowledge; 2) that any false, fictitious, or fraudulent statements or claims may subject the PI to criminal, civil, or administrative penalties; and 3) that the PI agrees to accept responsibility for the scientific conduct of the project and to provide the required progress reports if a grant is awarded as a result of the application.
- **Post-Submission Grant Application Materials.** NIFA generally does not accept application materials after the application is submitted, unless otherwise specified in the RFA. All post-submission materials must conform to NIFA policy on font size, margins, and paper size as referenced in the applicable application instructions. All post-submission materials must be submitted in accordance with formatting and other submission restrictions. Additional materials should be sent as a PDF attached to an email to the agency contact listed on the RFA.

The opportunity to submit additional materials is not a means of circumventing submission deadlines, page limitations, or content requirements and should not substantially enhance, alter or add to the originally submitted application. NIFA adheres to the deadline for submission indicated on the RFA.

3. Non-Land Grant College of Agriculture Designation

NIFA maintains an official list of certified Non-Land Grant Colleges of Agriculture (NLGCA). Application to some NIFA grant programs may require proof of certification as an NLGCA. Institutions can electronically request designation as an NLGCA at any time. To request designation, please visit: <http://www.nifa.usda.gov/form/form.html>.

Eligible institutions are public colleges or universities offering a baccalaureate or higher degree in the study of food and agricultural sciences, as defined in 7 U.S.C. 3103(9). Land-grant institutions are not eligible for this designation. Hispanic-serving Agricultural Colleges and Universities (HSACUs) and State-certified non-land grant institutions eligible to receive funds under the McIntire-Stennis Cooperative Forestry Act of 1962 can opt out of their respective

designation to qualify as an NLGCA. For these institutions to be considered for NLGCA designation, an Authorized Representative (AR) of one of these institutions must submit a declaration of the institution's intent not to be considered a HSACU or Cooperating Forestry School, as applicable, to NLGCA.status@nifa.usda.gov prior to submitting the request for NLGCA status. Requests to opt out of their current status must be submitted by December 30. Designation as an NLGCA is effective until September 30, 2018.

4. Certification Regarding Lobbying

By submitting the application package through Grants.gov, the applicant certifies the institution's compliance regarding disclosure of all lobbying activities. In the event that a recipient pays or agrees to pay any lobbying entity for influencing an officer or employee of an agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with any federal action, the land-grant institution must submit a Disclosure of Lobbying Activities form to NIFA as soon as possible. Failure to report lobbying activities is punishable by fines from \$10,000 to \$100,000, for each failure, and/or imprisonment.

5. Capacity-Specific Required Documents

The following section applies to Capacity grants. The below table identifies the NIFA Capacity grants. The Capacity programs are arranged by the applicability of AREERA, which imposes specific reporting requirements on certain programs.

AREERA Capacity Programs	Non-AREERA Capacity Programs
Smith Lever 3(b) & (c), including the District of Columbia	Civil Service Retirement System (CSRS)
Hatch Act (Regular and Multistate)	Federal Employee Retirement System (FERS)
Extension at 1890 Land-Grant Colleges, including Tuskegee University (NARETPA Section 1444)	Renewable Resource Extension Act (RREA)
Evans – Allen (Agricultural Research at 1890 Land-Grant Colleges, including Tuskegee University) (NARETPA Section 1445)	McIntire-Stennis Cooperative Forestry Research Program
	Smith-Lever Special Needs
	Expanded Food and Nutrition Program (EFNEP)
	Animal Health and Disease Research (AHDR)

5.1. Key Contacts Form (Capacity Grants)

Each land-grant university is required to submit a Key Contacts form once a year and each time the institution's points of contact changes. This information is used to transmit important information such as the annual allocation amounts, the availability of funds, and the need for documents to be submitted before funds can be released. NIFA further requires this

information as part of its contingency plan to maintain communications in the event of a business disruption. Contact records will not be revised without an updated Key Contacts form. The Contacts form requires an updated name, address, telephone number, fax number, and email address for the Extension Director/1890 Administrator, the business manager, accountant, the person responsible for drawdowns, and additional staff as needed.

5.2. Capacity Grants General Requirements

NIFA administers capacity grants pursuant to its general authority to provide national leadership and support for cooperative research and extension programs and other cooperative activities in the food and agricultural sciences, to promote and strengthen higher education in the food and agricultural sciences, and to maintain a national food and agricultural education information system, among other responsibilities. NIFA is responsible for oversight and administration of all capacity grant programs and for promulgating the associated rules and regulations. Funding authorities for extension and research activities are derived from: Agricultural Research, Extension, and Education Reform Act of 1998 (AREERA), which amended the Smith-Lever Act, the Hatch Act, and the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (NARETPA). (7 CFR 2.66).

The Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and other Non-Profit Organizations, 7 CFR 3019, apply to the capacity grants administered by NIFA, except as otherwise provided. The regulatory requirements regarding prior approval for programmatic changes and budget revisions do not apply to capacity grants.

5.3. Plan of Work

States are required to submit integrated Plans of Work (POW) pursuant to the Agricultural Research, Extension, and Education Reform Act of 1998 (AREERA) in order to receive certain capacity grant funds. A five-year POW must be prepared for statewide activities. Projects funded under the following capacity grants must be addressed in the POW. For additional information on the POW, see 71 FR 4101, Jan. 25, 2006.

Capacity Grant	Program Statutory Citation
Smith Lever 3(b) & (c), including the District of Columbia	7 U.S.C. 343(b)(1); (c); Section 208 of the D.C. Public Postsecondary Education Reorganization Act, as amended
Hatch Act (Regular and Multistate)	7 U.S.C. 361a
Extension at 1890 Land-Grant Colleges, including Tuskegee University (NARETPA Section 1444)	7 U.S.C. 3221
Evans – Allen (Agricultural Research at 1890 Land-Grant Colleges, including Tuskegee University) (NARETPA Section 1445)	7 U.S.C. 3222

Annual updates to the POW are required, each extending the plan one year. POWs cover both research and extension activities. An integrated POW must be submitted at the state level, meaning that all 1862 and 1890 Research and Extension entities in a state collaborate to submit a joint POW. POWs must reflect the content of the program(s) funded by Federal agricultural research and extension capacity funds and the required matching funds. POW must describe and address critical short-term, intermediate, and long-term agricultural issues in a State. The initial POW and subsequent annual updates should include resources allocated for the various planned programs. Detailed guidance on required content and how to submit a POW can be found at <http://www.nifa.usda.gov/business/reporting/planrept/plansofwork.html>.

Completion of the POW fulfills the reporting requirement for solicitation and consideration of stakeholder input on capacity funded activities. The POW preserves an institution's autonomy and allows for programmatic flexibility within the Federal-State partnership. The "Guidelines for the State Plans of Work for Agricultural Research and Extension Formula Funds" govern the creation and maintenance of POW.

The AREERA POW reporting system is developed and monitored at NIFA by Planning, Accountability & Reporting staff (PARS), in conjunction with the Office of Information Technology (OIT). This system is used by all LGUs to input and edit data and officially submit POWs.

Each program description within a POW must contain the following information:

- Name of the Program. A single research program may include several research projects. This name is distinct from a research project.
- Classification of Program. POWs should be aligned with the Knowledge Areas. The Knowledge Areas Classification Manual is available on the NIFA website at <http://cris.nifa.usda.gov/manualviii.pdf>.
- Situation and Priorities. This section of the POW should discuss the critical agricultural issues within the state that were identified and will be targeted by a particular program. Stakeholder input can also be used to determine the critical agricultural issues within a state. The situation should discuss (1) the problem/issue; (2) why it is a problem/issue; (3) for whom the problem or issue exists and who has a stake in the problem (individuals, households, groups, communities, society in general); (4) what is known about the problem/issue and the people affected; and (5) on what research experience the program is based. Once the situation is established, priorities must be set to ensure that the most important issues are addressed.
- Expected Duration of the Program. Projects should be identified as short-term (one year or less), intermediate (one to five years), or long-term (over five years).
- Inputs. Resources, contributions, and investments that support the program, including, types of funds, including non-Federal and non-matching funds.

- **Outputs.** The activities, services, events, and products that reach people who participate or who are targeted. Outputs lead to specific outcomes and should be monitored with performance measures.
- **Outcomes.** The direct results, benefits, or changes for individuals, groups, communities, organizations, or systems. Outcomes are short-term, medium-term, or long-term achievements and can be positive, negative, neutral, intended, or unintended. The impact of the program is the ultimate, long-term outcome.
- **Assumptions.** The beliefs about the program, the people involved, the way the program will operate, and what will likely be achieved.
- **External Factors.** The environment in which the program exists includes a variety of external factors that interact with and influence the program action and can have a major impact on the program outcomes. A program is affected by and affects external factors.

The initial POW included program review requirements, multistate research and extension activities, and integrated research and extension activities. All 1862 and 1890 LGUs must have an established process for merit review to receive agricultural research and extension funds. All recipients of Hatch funds, including Multistate Research Funds, must have an established scientific peer review system. When applicable, the POW should include information on how the merit and/or scientific peer review functions. Merit review means an evaluation of a proposed activity or elements of a proposed program by professionally knowledgeable individuals whereby the technical quality and relevance to regional and national goals are assessed. (7 CFR 3430.2).

POWs must include multistate extension and integrated research and extension activities conducted by recipients of Smith-Lever 3(b) and (c) and the Hatch Act. Recipient institutions must submit a Form NIFA-PLAN, "Supplement to the 5-Year Plan of Work, Multistate Extension and Integrated Activities" that reflects all multistate activities supported by Smith-Lever 3(b) and (c) funds and integrated activities supported by Smith-Lever 3(b) and (c) funds and Hatch Act funds, annually. This submission must include a brief statement of each planned program or activity and can reference related activities stated in the POW. A NIFA-REPT, "Supplement to the Annual Report of Accomplishments and Results, Multistate Extension and Integrated Activities" must also be submitted annually and should include a summary of all Smith-Lever multistate and integrated activities. (75 FR 48921-27, August 12, 2010).

The 5-Year POW update and an Annual Report of Accomplishments and Results must be submitted to NIFA by April 1 each year. The Annual Report should include impact statements linked to the source of funding and benefits received by target end-users. Reports should also include results statements based on indicators of the outputs and outcomes for the previous year's activities. The outputs and outcomes should be classified as short-term, intermediate, or long-term. Annual reports should also highlight all multi-state, multi-institutional, and multi-disciplinary and integrated activities. If NIFA does not receive the Annual Report of

Accomplishments and Results, 3rd and 4th quarter fund disbursements may be held until the required update is received and approved.

For POWs and Annual Reports of Accomplishments and Results, NIFA will provide a review within 90 days of receipt of the document. Approved POWs and annual reports are publicly available on the NIFA website. NIFA evaluates each POW to determine if it addresses agricultural issues of critical importance to the State, identifies the alignment and realignment of programs to address those critical issues, identifies the involvement of stakeholders in the planning process, gives attention to under-served and under-represented populations, indicates the level of federal capacity funds in proportion to all other funds, provides evidence of multi-state, multi-disciplinary and multi-institutional integrated activities, and identifies the expected outcomes and impacts of the POW. (71 FR 4101).

5.3.1. Stakeholder Input

As a condition of receiving capacity funds, the Agricultural Research, Extension, and Education Reform Act of 1998 (AREERA, Section 102(c)) requires all land-grant institutions to solicit and consider input and recommendations from stakeholders concerning the use of capacity funds. The requirement became effective for all capacity funds distributed to land-grant institutions after September 30, 1999. All land-grant institutions must have an established process for obtaining stakeholder input. Stakeholder input should be obtained and incorporated in determining how capacity funds are used. Stakeholder input is reported through the POW. Each institution must submit a report to NIFA by October 1 of each fiscal year with the following information regarding stakeholder input:

- Actions that were taken by the institution to seek stakeholder input and encourage their participation
- A brief statement of the process used to identify individuals and groups who are stakeholders and to collect input from them and,
- A statement of how the institution considered the collected input.

Failing to comply with the stakeholder input requirements could result in capacity funds being withheld and redistributed. Institutions are not permitted to require stakeholders to provide input as a condition of receiving the benefits of, or participating in, the agricultural research, education, or extension programs at the recipient institution. The same information contained in the annual stakeholder input report is also a part of the State POW, when applicable (discussed below). For additional information see 7 CFR 3418. Detailed guidance on required content and how to submit a POW can be found at <http://www.nifa.usda.gov/business/reporting/planrept/plansofwork.html>.

5.4. Financial Requirements

Institutions must timely submit all financial reporting information identified in the RFA.

6. Submission

6.1. Electronically Submitted Applications

All competitive applications for NIFA grants must be received by the published deadline. An RFA might indicate several submission dates if an LOI and/or preliminary proposal are part of the application requirements. Please note that Grants.gov will time stamp submission of an application. This time stamp serves as the date and time of submission. Applications cannot be submitted after the deadline has passed. If an applicant encounters problems with the Grants.gov application system, a case number should be obtained and reported to NIFA if the sole reason for late submission is due to the documented Grants.gov problem.

If a submission date falls on a weekend, it will be extended to the following Monday. Any time the date falls on a Federal holiday,⁹ the submission date will be extended to the following business day. The application will be on time if it is submitted on or before the following business day.

Within two days of submitting a grant application, Grants.gov will send two email messages to the applicant. The first will confirm receipt of the application by the Grants.gov system. The second will indicate that the application has either been successfully validated by the system prior to transmission to the grantor agency or has been rejected due to errors. If the application was successfully validated, Grants.gov will send a third email that the application has been sent to NIFA for review. Grants.gov-registered applicants can check the status of an application at any time in Grants.gov.

Additional information on the NIFA grant application process can be found in the [“NIFA Grants.gov Application Guide: A Guide for Preparation and Submission of NIFA Applications via Grants.gov.”](#)

6.2. Application Signature

The signature of an AR on the application certifies that the organization will comply with all applicable assurances and certifications referenced in the application. The applicant organization is responsible for verifying conformity with the most current guidelines for all administrative, fiscal, and scientific information in the application, including the facilities and administrative cost (F&A), or indirect cost, rate. The AR’s signature further certifies that the applicant organization has the ability to provide appropriate administrative and scientific oversight of the project and agrees to be fully accountable for the appropriate use of any funds awarded and for the performance of the grant-supported project or activities resulting from the application. Applicants for, and recipients of, NIFA grant funds, whether such funds are received through a grant, indirectly under a contract or consortium agreement, or by a fiscal agent acting on another organization’s behalf, or as student assistance, are responsible for, and must adhere to, all applicable Federal statutes, regulations, and policies, including income tax regulations. Applicants are also expected to be in compliance with applicable State and local laws and

⁹ The ten Federal holidays are: New Year’s Day, Birthday of Martin Luther King, Jr., Washington’s Birthday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day, and Christmas Day.

ordinances. Applicants may be required to provide proof of organizational eligibility (such as proof of non-profit status), trainee or fellow eligibility and citizenship, or other eligibility information. Applications also must demonstrate compliance (or intent to comply), through certification or other means, with a number of public policy requirements.

6.3. Similar or Identical Applications

Applications can only be submitted to NIFA one time. The submission of duplicate or substantially similar applications concurrently for review for more than one program will result in the exclusion of the redundant application from NIFA consideration. However, concurrent submission of an application to other organizations or agencies for simultaneous consideration will not prejudice an application's review.

7. Late Applications

Specific application and submission instructions will be provided in the RFA. RFAs generally will allow applicants a minimum of 30 days to prepare and submit applications. Applications must be submitted to Grants.gov by 5p.m. ET on the due date indicated on the RFA.

Late applications will only be accepted in extenuating circumstances. Applicants must follow the instructions in Part IV, 1.9 of the NIFA Grants.gov Application Guide to inform NIFA of extenuating circumstances that gave rise to a late application. Applicants may request reconsideration of their application in light of extenuating circumstances and NIFA will determine if reconsideration will be granted. If technical problems arise with submission of an application the problem must be documented and a case number obtained from Grants.gov to support any problems with submissions.

D. PUBLIC ACCESS TO APPLICATION INFORMATION

Information contained in grant applications submitted to NIFA that does not result in an award is not considered public information. Once an award is made, certain information may be considered proprietary or private information and will not be released, in accordance with applicable laws. Statutes and policies that require the release of award-related information are intended to foster an open system of government and accountability for governmental programs and expenditures and, in the case of research, to provide information about federally funded activities.

III. APPLICATION EVALUATION

Applications submitted to NIFA are evaluated through a competitive process that is fair, equitable, timely, and conducted in an unbiased manner. Applications for NIFA competitive grants and cooperative agreements, including renewals, revisions, and continuations, are subject to peer review as required by the Agricultural Research, Extension, and Education Reform Act of 1998 (AREERA), and 7 CFR 2.21. NIFA solicits advice of peer scientists, ad hoc reviewers, and other recognized specialists in the specific program areas to carry out the peer review process. Non-competitive application evaluation and capacity grant evaluation processes are also identified in this section.

A. INITIAL COMPETITIVE APPLICATION REVIEW

NIFA's competitive review process consists of two parts; first an initial review by the NIFA program staff is conducted, followed by a second review by the peer review panel. In the initial review conducted by the NIFA program staff, the application's responsiveness to the requirements of the RFA and all other administrative requirements are evaluated. Proposals that do not comply with the stated guidelines will be rejected and not reviewed by the peer review panel. The Panel Manager may also participate in the initial review.

The NIFA program staff receives all grant applications submitted to NIFA through Grants.gov. The program contact (typically an NPL) for a particular program is identified in the RFA. Program staff conducts the initial review of the application for compliance with all administrative requirements. Applicants will be notified of the review status of their application through email. Once the application is under review, application status updates will not be available through Grants.gov. Applications are also reviewed for applicant eligibility. Unless an applicant is required to submit proof of eligibility, the applicant's signature on the application is generally sufficient assurance that the applicant is eligible to apply for and receive an award. However, NIFA may independently verify the applicant's status. It is the responsibility of the applicant organization to select the individuals who have the appropriate expertise to manage the scientific and administrative aspects of the project. The eligibility of these individuals to complete the project will be evaluated during peer review and by the NPL and ADO.

NIFA program staff reviews applications to determine:

- Administrative, programmatic, and financial compliance
- Completeness and accuracy
- Whether the planned activities and expenditures will meet the program's goals
- Whether the institution's stated matching contribution will be sufficient to release any or all of its annual allocation.

After the initial review, and if required, the NPL will convene a panel of peer reviewers to review the applications for compliance with the statutory requirements of the program and

the scientific validity of the proposed project. (7 CFR 3430.31-37; http://www.nifa.usda.gov/business/competitive_peer_review.html).

1. Disposition of Applications

If an applicant is found to be ineligible or if the application does not meet published responsiveness criteria, NIFA will reject the application without further review. If a grant is awarded, in the post-award phase, NIFA monitors changes in recipient and project status to ensure continued eligibility.

All incomplete and late applications and applications determined to be nonresponsive to RFA requirements will not be reviewed. An applicant may withdraw an application from consideration at any time before an award is issued. Successful applicants will be notified of additional information that may be required before an award decision is made. The decision not to award a grant, or to award a grant at a particular funding level, is discretionary and is not subject to appeal. (7 CFR 3430.31-37).

B. PEER REVIEW OF COMPETITIVE APPLICATIONS

After the initial review by NIFA program staff, applications undergo a peer review. The peer review process ensures that NIFA funds proposals with high scientific merit that address the goals and requirements of the program. The NIFA peer review process uses independent reviewers with the appropriate skills, expertise, and experience necessary to evaluate applications. Reviewers use the NIFA-established review criteria and make written recommendations on each application. Reviewer feedback is provided to applicants at the end of the review process.

1. Peer Review System (PRS)

Peer reviewers and potential peer reviewers use the Peer Review System (PRS) to update their personal information, and once selected to serve as panelists, PRS is used to complete and submit reviews. PRS can be accessed at <http://www.nifa.usda.gov/business/prs.html>. First time users of the PRS will be prompted to create an account after receiving an invitation to review. The PRS system maintains a database of reviewers' educational information, areas of expertise, and availability to review. If selected as a panelist, PRS provides information on submitted reviews, review scores of other panel members, and ad hoc reviews. Once complete, reviews are submitted to the NPL through the PRS system.

For additional information please see:

http://www.nifa.usda.gov/business/competitive_peer_review.html

2. Reviewer Selection

The NPL for the applicable program will assemble a panel of peer reviewers based on their knowledge, expertise, and experience in the program area. For some grant programs, a Panel Manager may also assist the NPL in panel organization and facilitation. The NPL selects the Panel Manager who is an active, established scientist possessing broad-based knowledge in the

program area. The Panel Manager will have experience in research, education, and extension as is appropriate for the program. The professional stature of the Panel Managers within their respective scientific communities brings additional visibility and recognition to the program. Panel Managers become part-time, temporary (1-2 years) USDA employees. Duties of the Panel Manager include assisting program leaders in selecting panel members and ad hoc reviewers, assigning proposals to reviewers, chairing the panel meeting, and assisting program leaders with funding decisions. Panel Managers (or their family members) cannot submit an application to the panel on which they serve, as either project director (PD) or co-PD. (7 CFR 3430.31-37). Panel size will depend on the number of proposals deemed eligible for review and the complexity of the program.

The following factors will also be considered in the selection of peer reviewers:

- Level of relevant formal scientific, technical education, and extension experience of the individual, as well as the extent to which an individual is engaged in relevant research, education, or extension activities.
- The need to include experts from various areas of specialization within relevant scientific, education, and extension fields.
- The need to include program experts (e.g., producers, range or forest managers/operators, and consumers) who can assess relevance of the applications to targeted audiences and to program needs.
- The need to include experts from a variety of organizational types (e.g., colleges, universities, industry, State and Federal agencies, for-profit and non-profit organizations) and geographic locations.
- The need to maintain a balanced composition of reviewers with regard to ethnicity, gender representation, and age distribution.
- The need to include reviewers who can judge an application's effectiveness and usefulness to stakeholders and the general public.

The goal is to create a balanced panel with the necessary expertise to cover the range of the proposals, while also maintaining diversity in geographical location, institution size and type, professional rank, gender, and ethnicity. NIFA's larger grant programs also strive to have continuity on the panel from previous years by inviting at least 30 percent of the panelists to return for a subsequent year. Potential panelists must be dedicated to high quality, fair reviews, and be able to devote sufficient time to the review process. No more than one individual, including the Panel Manager, can serve from a single institution or, with a few exceptions, from a single state. As with the Panel Manager, panelists cannot submit an application to the panel on which they've agreed to serve. The integrity of competitive programs depends upon the stature and qualifications of the individual panelists and the fairness and scientific skill with which they administer their scientific review responsibilities. All these qualities are necessary for the careful review and evaluation of the submitted applications. (7 CFR 3430.31-37).

All panels will be conducted either in person or virtually. The NPL will inform the panel of the panel format.

3. Types of Review Panels

Peer review panels may be conducted on –site, virtually, or as a combination of the two. If a virtual panel is conducted, panelists will convene by telephone, internet, or both to discuss their reviews and provide recommendations on proposals to be funded. Panels may be conducted as a combination of on-site reviews and virtual reviews. Submitted applications for review will be available to reviewers through the PRS system. Virtual panels will be used when it is the best method of review for the particular program.

4. Operation of the Review Panel

The NPL and Panel Manager review proposals carefully for completeness and assign them to panel reviewers for review and, when additional expertise is needed, to ad hoc reviewers. Typically, three to four panelists review each proposal. If needed for additional expertise, up to three ad hoc reviewers may also evaluate a proposal. In most cases, each panelist is assigned 12 to 20 proposals, for which they provide written reviews. During the review panel meeting, each panelist also provides an oral evaluation of the assigned proposals. (7 CFR 3430.31-37).

Reviewers prepare reviews using the evaluation criteria published in the RFA to assess the strengths and weaknesses of each proposal. Review criteria are specific to each competitive program. Proposals are typically evaluated for scientific merit, qualifications of project personnel and adequacy of facilities, and relevance to program priorities including importance of the topic for agriculture. Multiple reviewers review each proposal. Reviewers submit their individual reviews prior to the review panel.

During the review panel, reviewers who reviewed the same proposals will discuss the proposals in light of the evaluation criteria and score the proposals. The Panel Manager and/or NPL serve as chairs of the review panel and are responsible for making sure that every application receives a thorough and objective review. They do not provide an individual opinion or review of the proposal; the rating and ranking of the proposal is entirely the consensus opinion of the panel. The Panel Manager and/or NPL also ensure that different types of applications are discussed and ranked separately.

Reviewers will assess all proposals for compliance with the Evaluation Criteria identified in the RFA. The following factors are also considered in determining the scientific and technical merit of an application, as applicable to the particular grant:

Criteria	Purpose of Evaluation	Reference(s)
Protection for Human Subjects	Institutions conducting NIFA-funded research are required to comply with the USDA regulations on the protection of human subjects, set forth in 7 CFR 1c, which incorporate the majority of the HHS	45 CFR 46 7 CFR 1c

	regulations on the protection of human subjects. (45 CFR 46). The institution performing the research is responsible for protecting the rights and welfare of any human subject involved in NIFA sponsored research and related activities. No research involving human subjects may be conducted with NIFA funds unless the recipient organization has submitted a written assurance of compliance, signed by the AR, and been reviewed, certified, and agreed to continued review by an Institutional Review Board (IRB). ¹⁰	
Inclusion of Women, Minorities, and Children	Proposals involving clinical research will be evaluated for the inclusion of minorities and members of both genders, as well as the inclusion of children.	7 CFR 1c.111(a)(3)
Vertebrate Animals	The panel will evaluate the involvement of live vertebrate animals as part of the scientific assessment according to the following five points: (1) proposed use of the animals, and species, strains, ages, sex, and numbers to be used; (2) justifications for the use of animals and for the appropriateness of the species and numbers proposed; (3) adequacy of veterinary care; (4) procedures for limiting discomfort, distress, pain and injury to that which is unavoidable in the conduct of scientifically sound research including the use of analgesic, anesthetic, and tranquilizing drugs and/or comfortable restraining devices; and (5) methods of euthanasia and reason for selection if not consistent with the American Veterinary Medical Association (AVMA) Guidelines on Euthanasia.	7 CFR 2.30-2.38
Application Type	Resubmission, renewal, etc.	See II.C.

When HHS approval of research with human subjects is required, the recipient institution must ensure that those subject to HHS approval comply with the HHS regulations incorporated by reference into 7 CFR 1c, as well as the provisions not incorporated.

¹⁰ "Institutions with HHS-approved assurances on file will abide by provisions of title 45 CFR part 46 subparts A – D....The exemptions at 45 CFR 46.101(b) do not apply to research involving prisoners, subpart C. The exemption at 45 CFR 46.101(b)(2), for research involving survey or interview procedures or observation of public behavior does not apply to research with children, subpart D, except for research involving observations of public behavior when the investigator(s) do not participate in the activities being observed." (7 CFR 1c.101, n.1).

Other evaluative criteria, as required by the authorizing legislation or applicable regulations, may also be used in the review of applications. Following the evaluation and initial ranking of each proposal, panel members write a "panel summary" for proposals they reviewed which reflects the panel consensus. It details the salient points of the panel's assessment of the strengths and weaknesses of the proposal. This review will be available to applicants, but the identity of individual reviewers will not be disclosed.

At the conclusion of the panel, the NPL and/or Panel Manager review the panel ranking to determine the proposals to recommend for funding. The NPL and/or Panel Manager also review the budgets of the top applications to determine if all funding requests are appropriate. Generally proposals are funded according to the panel recommendations until program funds are used up.

Throughout the meeting, the Panel Manager and NPL enforce the conflict of interest rules and ensure confidentiality is maintained. They ensure that conflicted panelists leave the room during review and discussion of applications submitted from their own institutions or from individuals with whom they have a conflict of interest. The Panel Manager and NPL also emphasize confidentiality regarding all matters concerning submission, review, recommendations, ranking, and panel composition, and that confidentiality must be maintained outside the panel meeting room and after the panel meeting as well.

5. Confidentiality

Confidentiality is critical to ensuring the integrity of the peer review process. The identities of reviewers will remain confidential to the maximum extent possible. The names of reviewers will not be released to applicants. Reviewer comments and discussions are not released. Names of institutions and individuals submitting applications, as well as application content and peer evaluations, will be kept confidential, except to those involved in the review process, to the extent permitted by law.

Reviewers must provide assurances that they will comply with NIFA Confidentiality Guidelines. No copying, quoting, or other use of material from any application is permitted. When the peer review is complete, reviewers must destroy all printed and electronic materials related to the application and maintain its confidentiality. If the reviewer is ultimately unable to review the application, he/she must contact the NPL, destroy all printed and electronic materials related to the application, and maintain its confidentiality. Disclosure of a confidentiality issue can be done through the PRS system.

While the content of funded applications is subject to the Freedom of Information Act (FOIA), reviewers should not disclose information contained in applications, as it is the role of USDA, not the reviewer, to determine whether such information is releasable pursuant to the FOIA. Reviewers cannot copy, quote, or otherwise use material from this application. If, for example, reviewers believe that a colleague can make a substantial contribution to the review, they must consult with the appropriate NPL before disclosing either the contents of the application or the

applicant's name. If reviewers identify a conflict of interest and are otherwise unable to review an application they have been assigned, they must contact the NPL and destroy the application and maintain its confidentiality. Unauthorized disclosure of confidential information may subject individuals to administrative sanction, i.e., removal from review of the research application and/or disqualification from involvement in future reviews. (<https://prs.nifa.usda.gov/preLogin.do?page=confide>).

6. Conflict of Interest

During the evaluation process, extreme care is taken to prevent any actual or perceived conflicts of interest that may impact review or evaluation. For the purpose of determining conflicts of interest, the academic and administrative autonomy of an institution shall be determined. Reviewers are expected to be in compliance with NIFA Conflict of Interest Guidelines. A conflict of interest might arise when the reviewer, or an immediate family member of the reviewer, has been associated with the applicant or applicant organization within the past two years, as an advisor, or advisee, co-author or collaborator, owner, partner, officer, director, employee, or consultant; has any financial interest in the applicant or applicant organization; or is negotiating for, or has an arrangement, concerning prospective employment. (7 CFR 3015.158(a)).

Individuals involved in the review process may not participate in any aspect of the proposal evaluation if they have a spouse, child, sibling, parent, partner, close friend, or otherwise have a relationship that might affect judgment, or could be seen as doing so by a reasonable person familiar with the relationship.

These rules apply to everyone involved in the review—the program staff, the Panel Manager, panelists, and ad hoc reviewers. When a proposal comes up for discussion during panel, any panelist with a conflict of interest leaves the panel room or exits the discussion forum and does not participate in review, discussion, or ranking of that proposal. Similarly, if the Panel Manager or NPL has a conflict of interest with a proposal, cannot participate in any aspect of the review for the proposal, including assigning reviewers or being present during panel discussion. Reviewers with a conflict of interest issue can so indicate in the PRS system.

C. EVALUATION CRITERIA

To ensure any project receiving funds from NIFA is consistent with the broad goals of the funding program, the content of each proposal/application submitted to NIFA will be evaluated based on a pre-determined set of review criteria, specific to each program. The NPL develops, adopts, adapts, or otherwise establishes the criteria used to evaluate proposals. It may be appropriate for the NPL to involve other scientists or stakeholders in the development of criteria, or to extract criteria from legislative authority or appropriations language. The review criteria are described in the RFA and will not include criteria concerning any cost sharing or matching requirements per section 103(a)(3) of AREERA (7 U.S.C. 7613(a)(3)). All reviewers are to follow the evaluation criteria established for the program.

Before a final funding decision is made, the following factors will also be considered:

- Commitment of sufficient effort to the project
- No scientific, budgetary, or commitment overlap. Scientific overlap occurs when the same research is proposed in more than one application or a specific research objective and the research design for accomplishing the objective are the same or closely related in two or more applications or awards. Budgetary overlap occurs when duplicate or equivalent budgetary items (e.g., equipment, salaries) are requested in an application but already are provided by another source. Commitment overlap occurs when an individual's time commitment exceeds 100 percent (i.e., 12 person months), whether or not salary support is requested in the application. Overlap, whether scientific, budgetary, or commitment, is not permitted. Any overlap will be resolved by NIFA with the applicant and the PD/PI at the time of award. NIFA will not make awards in support of projects that are already funded.
- Certification of Institutional Review Board (IRB) Approval. If the proposed project involves human subjects research, the certification date of IRB review and approval must be submitted. Pending or out-of-date approvals are not acceptable.
- Verification of Institutional Animal Care and Use Committee (IACUC) Approval. If the proposed project involves research including live vertebrate animals, the verification date of IACUC approval along with any IACUC-imposed changes must be submitted. Pending or out-of-date approvals are not acceptable.
- Human Subjects Education Requirement. If the proposed project involves human subjects in research, certification that any person identified as senior/key personnel involved in human subjects research has completed an education program in the protection of human subjects must be submitted.
- Human Embryonic Stem Cells (hESCs). If the proposed project involves hESCs and the applicant did not identify a hESC line from the NIH Human Embryonic Stem Cell Registry in the application, the information should be submitted to the Registry.
- Other information as requested by NIFA.

D. NON-COMPETITIVE APPLICATION REVIEW

A NIFA grant program may be established by either authorizing legislation and/or appropriations to specifically support a designated institution or set of institutions for particular research, education, or extension topics of importance to the nation, a State, or a region. Although funding for these projects or activities is awarded noncompetitively, they are subject to the same application process, award terms and conditions, Federal assistance laws and regulations, reporting and monitoring requirements, and post-award administration and closeout policies and procedures as competitive Federal assistance programs, unless otherwise provided. All noncompetitive applications recommended for funding must be reviewed by the NPL and, as required, other Departmental and NIFA officials. The review is documented by the NPL. (7 CFR 3430.35).

E. BUSINESS MANAGEMENT REVIEWS AND OTHER PRE-AWARD ACTIVITIES

The panel's proposal rankings are advisory to NIFA and do not constitute the ultimate funding decision. Favorably ranked proposals recommended for funding are submitted by the NPL for further review prior to an award determination being made.

Further review may include (as applicable): alignment with NIFA's funding principles, cost analysis of the project/program budget, assessment of the applicant's management systems, review of the project budget, ensuring continued applicant eligibility, and compliance with any public policy requirements. The applicant may be asked to submit additional information (such as an updated budget or "other support" information or verification of IACUC review) or to undertake certain activities (such as negotiation of an indirect cost rate) in anticipation of an award. However, even at this point in the process, such requests do not guarantee that an award will be made. Following review of all applicable information, NIFA approving and business management officials will determine whether an award can be made, if special conditions are required, and what level of funding is appropriate.

Although these reviews and determinations occur before NIFA makes an award, recipients must continue to comply with eligibility and public policy requirements and maintain adequate management systems throughout the period of support. The pre-award process for non-competing continuation awards is a streamlined version of this process, including an assessment of process.

1. Cost Analysis

Cost analysis is the review and evaluation of each element of an applicant's costs to determine reasonableness, allocability and allowability. Cost analysis involves obtaining cost breakdowns, validating cost data, evaluating specific elements of cost, and examining data to determine the necessity for, and the reasonableness and allowability of, the costs included in the application budget. The extent of cost analysis will depend on the type of funding instrument and award mechanism, the complexity of the project, prior experience with the applicant, and other factors. The amount of NIFA funding is based on reasonable and allowable costs consistent with the principles of sound cost management, considering the program priorities, constraints on the growth of average grant costs, and available funds. (7 CFR 3019.45).

2. Financial and Other Management Systems Analysis

In addition to considering the specific information provided in the application, the ADO determines the adequacy of the applicant's financial and business management systems that will support the expenditure of, and accountability for, NIFA funds. When an applicant has had no prior Federal grants or cost-reimbursement contracts the ADO may review the applicant's financial management and other management systems before an award is made, or within a reasonable time after the award, to determine their adequacy and acceptability. For an applicant with prior NIFA or other Federal cost-reimbursement awards, the ADO may review recent audit reports and other available information to determine whether the applicant's management systems meet the standards established in 7 CFR 3016.21, 7 CFR 3019.14 and 7 CFR 3430.42, as appropriate.

For grants to institutions of higher education, hospitals, and other non-profit organizations, recipients must relate financial data to performance data and develop unit cost information when practical. The recipient's financial management system must meet the following requirements (7 CFR 3019.21):

- Accurate, current and complete disclosure of the financial results of each federally-sponsored project or program in accordance with the reporting requirements set forth in 7 CFR § 3019.52. If a Federal awarding agency requires reporting on an accrual basis from a recipient that maintains its records in a manner other than on an accrual basis, the recipient is not required to establish an accrual accounting system. These recipients may develop such accrual data for required reports on the basis of an analysis of the documentation on hand.
- Records that identify adequately the source and application of funds for federally-sponsored activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, outlays, income and interest.
- Effective control over and accountability for all funds, property and other assets. Recipients must adequately safeguard all assets and make sure they are only used for authorized purposes.
- Comparison of outlays with budget amounts for each award. Whenever appropriate, financial information should be related to performance and unit cost data.
- Written procedures to minimize the time elapsing between the transfer of funds to the recipient from the U.S. Treasury and the issuance or redemption of checks, warrants or payments by other means for program purposes by the recipient.
- Written procedures for determining the reasonableness, allocability and allowability of costs in accordance with the provisions of the applicable Federal cost principles and the terms and conditions of the award.
- Accounting records including cost accounting records that are supported by source documentation.

The ADO will advise the applicant if additional information is required. On the basis of the review results, the ADO will determine the need for any corrective action and may impose special conditions on the award. The ADO also will oversee the recipient's systems as part of its routine post-award monitoring.

F. ADMINISTRATIVE REVIEW FOR CAPACITY GRANTS

All institutions receiving capacity grants must have an active and approved POW on file with NIFA. NIFA will notify the institutions when all requirements have been met or approved. If the eligible institution has met all programmatic and administrative requirements, capacity funding will continue to be released.

G. SUBMITTING REVISED DOCUMENTS

When requested by NIFA as part of the pre-award process, PD/PIs and the AR should discuss potential changes in scope with the NIFA NPL and revise the Project Summary/Abstract, Specific Aims, and/or other sections of their application, as appropriate. Once all issues are resolved, applicants should submit the revised document, as permitted, to the appropriate NIFA individual as a PDF file. All revised application information submitted to NIFA must be approved by an AR.

IV. AWARD ISSUANCE

After all required reviews have been conducted in accordance with the applicable legislation, regulations, and NIFA procedures, NIFA will determine which applications will be funded. An award will be issued to all successful applicants. All applicants will be notified of the funding decision made on their application. The NIFA 2009 – Award Face Sheet is the legal document indicating an award has been made and establishing the amount of funds granted. (7 CFR 3430.41). The effective date of an award will be no later than September 30 of the Federal fiscal year for which the funds were appropriated, unless there is another date specified by law. Abstracts of funded projects can be found through the “Grants Search” page of the NIFA website, <http://www.nifa.usda.gov/fo/funding.cfm>, after NIFA makes awards. Assuming the funding mechanism used (i.e., a grant or cooperative agreement) and the method of selection were in compliance with the applicable laws and regulations and no conflicts of interest tarnished the selection process, the discretionary decision of NIFA will not be questioned by the GAO and the unsuccessful applicant cannot seek to reverse the decision through the GAO.¹¹

A. NOTIFICATION

The Award Face Sheet is the legal document issued to the recipient organization that indicates an award has been made and that funds may be requested from the designated NIFA payment system, usually ASAP, or office. An Award Face Sheet, showing the amount of Federal funds authorized for obligation and any future-year commitments, is issued for each budget period in the approved project period. Any costs incurred by the applicant for the project prior to issuance of the Award Face Sheet are incurred at the recipient’s own risk. The Award Face Sheet will contain any special conditions applicable to that particular award. A revised Award Face Sheet may be issued during a budget period to effect an action resulting in a change in the period or amount of support or other change in the terms and conditions of award. For example, once the condition that prompted an additional requirement to be added has been met, the Award Face Sheet will be amended. An awarding office generally will not issue a revised Award Face Sheet to reflect a recipient’s post- award rebudgeting.

The Award Face Sheet sets forth pertinent information about the grant, including, at a minimum, the following:

- Name and address of performing organization or institution to whom the Administrator has awarded a grant or cooperative agreement
- Title of the project
- Legal authority(ies) under which the grant or cooperative agreement is awarded
- Appropriate CFDA number

¹¹ The GAO oversees “bid protests” by unsuccessful government contract bidders, but does not have a similar review responsibility as to grants and cooperative agreements. (Principles of Federal Appropriations law, 3rd Ed. Vol, II (2006) Ch. 10(B)(3)).

- Name(s) and institution(s) of Project Director(s)
- Identifying award number assigned by NIFA
- Project Period
- Total amount of NIFA financial assistance
- Approved budget plan (may be referenced)
- Other information or provisions (including the Terms and Conditions) deemed necessary by NIFA to carry out its respective awarding activities or to accomplish the purpose of a particular grant or cooperative agreement.

A recipient indicates acceptance of an award and its associated terms and conditions by drawing or requesting funds from the designated NIFA payment system or office. For cooperative agreement awards, NIFA may require the recipient to formally accept the award by signing and returning the Award Face Sheet or a separate document. When a signature is required, the authorized organizational representative must be the signatory of the Award Face Sheet. If a recipient cannot accept the award, including the legal obligation to perform in accordance with award terms and conditions, the organization should notify the ADO immediately upon receipt of the Award Face Sheet. If resolution cannot be reached, the ADO will void the grant. NIFA's determination of applicable terms and conditions of award or an ADO's denial of a request to change the terms and conditions is discretionary and not subject to appeal. Once the recipient accepts the award, the contents of the Award Face Sheet are binding on the recipient unless and until modified by a revised Award Face Sheet signed by the ADO. (7 CFR 3430.41-42).

1. Notice of Award Issuance

Grantees are notified via email when an award has been issued. To ensure proper electronic delivery of the Award Face Sheet, the applicant organization must be sure to enter a valid email address in the application on Grants.gov. Organizations are encouraged to use a unique email address that is not specific to an individual in order to avoid communication problems when personnel change. It is the responsibility of the grantee organization to maintain a current and accurate email address for Award Face Sheets.

When NIFA issues the Award Face Sheet, the document is made available to grantee officials and corresponding PD/PIs via email. Information on the institutions funded under a specific program are published on the NIFA website and publicly available, at <http://www.nifa.usda.gov/funding/abstracts.html>.

2. Capacity Award Notification

An Award Face Sheet will be issued after NIFA reviews the applications submitted through Grants.gov. The award notification includes an itemization of funds to be distributed through ASAP by program or project, as applicable. NIFA will issue amendments when it is necessary to

increase or decrease the amount previously authorized to be drawn by the recipient. NIFA staff will forward copies of each award notification and amendment to the Administrative-Technical Representative, as well as the other individuals identified in the Key Contacts form. In accordance with the federal government's E-Government Initiatives, these documents will be faxed or emailed to the responsible parties whenever possible. NIFA will not generate an award notification if the awardees' funds are held pending receipt of required document or if a significant grant-related problem is unresolved.

Any one of the following conditions will require an amendment of the Award Notification:

- A change in the recipient's name or the ASAP-issued account number. The recipient's staff should notify NIFA immediately if this information changes.
- An increase or decrease in the amount authorized. NIFA issues these amendments when revisions are received that significantly increase or decrease the total authorization on file at ASAP.
- The recipient organization fails to complete any periodic reports that are required by NIFA.

3. Feedback to Applicants

Following the funding decisions, applicants in most NIFA competitive programs receive copies of the written reviews of their proposal (with the reviewers' identifying information removed to maintain reviewer confidentiality), the panel summary, and information on the relative ranking of their proposal. Please contact the appropriate NPL with questions regarding receipt of reviewer comments. (7 CFR 3430.31-37).

B. CHANGES IN PROJECT PLANS

The permissible changes by the awardee, PD/PI(s), or other key project personnel in the approved project shall be limited to changes in methodology, techniques, or other similar aspects of the project to expedite achievement of the approved project goals. If the awardee or the PD(s) is uncertain as to whether a change complies, the question *must* be referred to the ADO for a final determination. The ADO is the signatory of the award document, not the program contact. For a change to take effect, the change in approved goals or objectives must be requested by the awardee and approved in writing by the ADO prior to effecting such changes. Requests for changes outside the scope of the original approved project will not be approved.

Changes in proposed project leadership or the replacement or reassignment of other key project personnel must be requested by the awardee and approved in writing by the ADO prior to effecting such changes. Transfers of actual performance of the substantive programmatic work in whole or in part and provisions for payment of funds, whether or not Federal funds are involved, require prior approval by the ADO. Such requests must be submitted in writing, unless prescribed otherwise in the terms and conditions of the award.

The project period may be extended by NIFA without additional financial support, for such additional period(s) as the ADO determines may be necessary to complete or fulfill the purposes of an approved project, but in no case can the total project period exceed any applicable statutory limit or expiring appropriation limitation. Any extension of time requires the awardee to seek prior written approval by the ADO, unless the terms and conditions of the award provide otherwise. (7 CFR 3439.58(b)).

Unless otherwise stated in the terms and conditions of the award, changes in an approved budget must be requested by the awardee and approved in writing by the ADO prior to instituting such changes if the revision will involve transfers or expenditures of amounts requiring prior approval as set forth in the applicable Federal cost principles, Departmental regulations, or award.

C. MULTIPLE AWARDS

For some special initiatives a project or program may be funded by multiple awards that are associated with one another through special terms and conditions. These terms include any reporting requirements that would need to be coordinated in future years. When multiple awards are issued for a particular project/program at different institutions, the coordination required among the grantee institutions administering the awards will be documented in the special terms and conditions.

D. PAYMENT

NIFA-awarded funds are not distributed as advanced payments. The Award Face Sheet identifies the method of payment that will be utilized for grant payments under the award. Since February 1991, NIFA used the Payment Management System (PMS) operated by Department of Health and Human Services (DHHS) to conduct financial transactions with award recipients. NIFA transitioned from PMS to the Automated Standard Applications for Payment System (ASAP) operated by the Department of the Treasury's Financial Management Service to provide improved customer service, greater transparency, and more efficient reconciliations.¹² NIFA will continue to use ASAP as the main (or current) payment system.

1. Project Period

The funding period of a grant or cooperative agreement is the period of time when Federal funding is available for obligation by the recipient. The funding period also includes any extension of the expiration date of the award. For most grants, NIFA uses the project period system of funding. Under this system, projects are programmatically approved for support in their entirety, but are funded in annual increments called budget periods. The total project period, indicated in the Award Face Sheet, is the time when Federal sponsorship begins to the

¹² Continuation awards, renewal awards, and supplemental awards will use the method of payment (Payment Management System) that was included in the initial award; however, NIFA is moving awards with a PMS designation to the ASAP system. This does not affect awards in their final year (these awards will maintain the PMS designation until closeout of the award).

time it ends and consists of the initial competitive segment, any additional competitive segments authorized by approval of a competing continuation application, and any non-competing extensions. A competitive segment generally will be no longer than 5 years (exclusive of non-competing extensions).

The length of the project period (whether for one or more competitive segments) is determined by NIFA, in consideration of the following:

- Any statutory, regulatory, or administrative requirements.
- The length of time requested by the applicant.
- Any limitation on the length of the project period recommended by the objective or reviewers.
- NIFA's programmatic determination of the frequency of objective review necessary for managing the project, program, or activity.
- NIFA's funding principles as specified in the funding opportunity announcement.

Some Award Face Sheets document approval of a project period that extends beyond the budget period for which funds are provided, indicating NIFA's intention to provide continued financial support. The amounts shown for subsequent years represent projections of future funding levels based on the information available at the time of the initial award. Such projected levels of future support are contingent on satisfactory progress, the availability of funds, and the continued best interests of the Federal government. They are not guarantees that the project or program will be funded or will be funded at those levels, and they create no legal obligation to provide funding beyond the end date of the current budget period as set forth in the Award Face Sheet.

Recipients are required to submit a non-competing continuation application or annual progress report as a prerequisite to approval and funding of each subsequent budget period (continuation award) within an approved project period. A decision to fund the next budget period will be formalized by the issuance of an Award Face Sheet indicating the new budget period and the amount of new funding.

2. Budget Period

The initial Award Face Sheet provides funds for the project during the first budget period. Budget periods usually are 12 months long; however, shorter or longer budget periods may be established for programmatic or administrative reasons. The Award Face Sheet will show the total approved budget for the applicable budget period, including direct costs and, if applicable, indirect costs as well as any required matching or cost sharing.

The initial Award Face Sheet, and each subsequent Award Face Sheet that provides funding, sets forth the amount awarded under that action, amounts previously awarded for that budget period, and, after the initial budget period, any authorized carryover. The amount awarded also is generally shown with a categorical (line item) budget breakdown. The recipient has certain

rebudgeting flexibility within the overall amount awarded as specified in Section 7. However, the total amount awarded (including direct and indirect costs and fee, where applicable) is NIFA's maximum financial obligation to the recipient under that award. Once an award is made, NIFA is not obligated to make any supplemental or other award or to provide additional funding for indirect costs or other purposes.

Regardless of the type of recipient, the negotiated indirect cost rate(s) in effect at the beginning of the competitive segment will be used to determine the amount budgeted for indirect costs for each year of the competitive segment, if indirect costs are allowed. If the rate agreement does not extend to the end of the project period, the last rate in effect will be used to establish the total cost commitment for any remaining future years. After a determination to fund an applicant has been made but prior to the funds being available to the successful applicant, the ADO will determine the applicable indirect cost rate. If there is no indirect cost rate in place at the time the application was submitted, the ADO will negotiate with the awardee and the allocated funds may be withheld until the applicable indirect cost rate is established. Modification to the budget may be needed as a result of the establishment of an indirect cost rate.

3. Automated Standard Application for Payments (ASAP) System

NIFA will distribute all funds through ASAP. Grantees must be enrolled in ASAP to receive funds from NIFA. Organizations are only required to enroll with ASAP one time, provided their account remains in active status. Active status is maintained by logging into the system at least once every 90 days. Please note, if an account has been suspended or the percent of funds permitted to be drawn for a particular quarter has been drawn, a grantee organization will not be able to draw down funds. Once funds are awarded, grantees should contact NIFA for additional assistance.

ASAP enrollment information is sent to grantee organizations in an ASAP Award Letter. For purposes of the ASAP system, the organization receiving funds is often identified as the Requesting Organization (RO). Action must be taken in the ASAP system within 45 days of receiving the ASAP enrollment information. The organization's Authorized Official (AO) receives the ASAP Award Letter. The AO is the person at the organization identified in block 19 of SF 424. The AO will also receive an email with a user ID for the ASAP system and a PIN number through the mail. The AO will be the point of contact that will identify the relevant RO officials and verify the RO data. The head of the organization is required to approve the AO identified information. Individual accounts in the ASAP system can include multiple grant agreements between NIFA (or another Federal agency) and a grantee.

When enrolling as a new organization, organizational eligibility will be verified using the DUNS and EIN numbers identified on the organization's submitted application (SF 424). Once enrollment has been initiated by NIFA and started by the RO, the officials identified to fulfill specific roles must complete identified tasks. Identified individuals have 45 days to complete their task. If it is not complete, the RO's ASAP enrollment will be deleted. Every RO must

identify a Financial Official (FO), the individual responsible for the organization's banking data. The FO is responsible for providing the bank data where the funds will be deposited during the ASAP enrollment process.

HELPFUL TOOLS

Additional enrollment instructions are available from the FMS at:
www.fms.treas.gov/asap/fpa_questions_enrollment.html and
www.fms.treas.gov/asap/forms/userid-pr-revised-09-08-08.pdf.

ASAP customer service: asapcustomerservice@nifa.usda.gov or (202) 401-4527

4. Unobligated Balance Carryover

An unobligated balance is the portion of the authorized Federal funds not yet obligated by the recipient. It is calculated by subtracting the Federal share of the recipient's cumulative obligations from the cumulative Federal funds obligated. (2 CFR 215.2(mm)). In comparison, an unliquidated obligation is the amount of obligations incurred by the grantee but not yet paid. (2 CFR 215.2(II)). Unliquidated obligations should not be included in the unobligated balance.

Recipients with a remaining, unobligated balance at the end of the fiscal year of appropriation may be granted a one-year extension of time to use the unobligated funds. However, carryover provisions dictated by the program-specific legislation may otherwise limit the carryover of funds. If the carryover amount exceeds any congressionally imposed limitations, either by percentage or by time, the funds will be considered excess carryover and may be lost if NIFA does not waive the carryover restrictions.

Carryover balances are monitored to ensure that funding is used within the permitted time period. Recipients should have in place a method of tracking carryover balances so that funds are used pursuant to a "first in, first out" policy as part of their accounting system. Funds from multiple fiscal years can be in a single financial account so long as funds are properly attributed to the fiscal year of allocation and spent in accordance with a "first in first out" policy. Recipients should be able to track funds according to fiscal year of award.

4.1. Unobligated Balance Carryover – Capacity

Limits for carryovers on capacity funds are legislatively determined. Specific carryover limitations established by the authorizing legislation of a particular grant are indicated in the annual program RFA.

4.2. Closeout

Awarded NIFA funds must be obligated within the period of performance and liquidated within 90 days of the end of the period performance. All funds not carried over or used within the project period must be de-obligated. If an improper payment is made with Federal funds, the funds must be returned to NIFA. If unobligated funds remain and the recipient does not intend to spend the unobligated balance, NIFA should be notified and arrangements will be

made for any unspent funds to be returned to NIFA. Recipients returning unspent funds must give NIFA permission to de-obligate the funds from the appropriate fiscal year. If an award has already closed, the institution must return the funds with a check payable to NIFA. The check must indicate that it is for “Return of Excess Funds” and must include the award number. The final financial report must indicate that undrawn funds were returned to NIFA or de-obligated.

E. CAPACITY GRANTS

1. Capacity Formulas

NIFA is statutorily required to award capacity funds when applicants meet the legislatively determined eligibility requirements. Eligible recipients do not compete for the Capacity (formerly referred to as 'Formula') grant funds. Through capacity grants, NIFA provides a broad suite of support activities, including, research and extension to land-grant institutions (1862, 1890, 1994, and HSACU institutions), schools of forestry and schools of veterinary medicine. Capacity funds are provided to 1862 institutions and agricultural experiment stations under the Hatch Act of 1887, extension funds provided to 1862 land grant institutions under sections 3(b) and 3(c) of the Smith-Lever Act and section 208(c) of the District of Columbia Postsecondary Education Reorganization Act, agricultural extension and research funds provided to 1890 institutions under sections 1444 and 1445 of the National Research, Extension, and Teaching Policy Act of 1997 (NARETPA), education capacity funds provided to 1994 institutions under section 534(a) of the Equity in Educational Land-Grant Status Act of 1994, research funds provided to forestry schools under the McIntire-Stennis Act of 1962, and animal health and disease research funds provided to veterinary schools and agricultural experiment stations under section 1433 of NARETPA.

Capacity funds are distributed based on the statutory requirements associated with the particular program. The Smith-Lever Act and Section 1444 of the National Agricultural Research Extension and Teaching Policy Act of 1977 provide that payments to the states are to be made on a quarterly basis: October, January, April and July. Section 208(c) of the D.C. Public Postsecondary Education Reorganization Act adopts the payment procedures of the Smith-Lever Act; however, institutions are encouraged to draw funds on an as-needed basis.

Under a continuing resolution, NIFA may distribute funds on a revised schedule, in accordance with the applicable legislation.

CAPACITY PROGRAMS	
Cooperative Extension at 1862 Institutions [Smith-Lever 3(b) & (c)] AREERA program	
Formula	<p>Smith-Lever 3(b) & (c) funds are allocated to eligible institutions based on a legislatively determined formula. Each state receives a base amount at the 1962 funding level. The insular areas will each receive \$100,000 in addition to the sums appropriated to the several States.¹³ The remainder is distributed as follows:</p> <ul style="list-style-type: none"> • Administrative costs • 20 percent will be paid to the States in equal proportion • 40 percent will be allotted among the several States in the proportion that the rural population of each State bears to the total rural population of all the States, as determined by the census; and, • 40 percent will be allotted among the several States in the proportion that the farm population of each State bears to the total rural population of all the States, as determined by census (7 U.S.C. 343(c)).
Limitations	<ul style="list-style-type: none"> • A percentage of the funds allocated must be spent on multistate and integrated activities. For additional information on how the percentage is determined see: Interim Administrative Guidance for Multistate Extension Activities and Integrated Research and Extension Activities, 75 Fed. Reg. 48921 (Aug. 12, 2010) (“Administrative Guidance”) • Target percentages for multistate extension activities and integrated research and extension activities can be (1) 25 percent of the total funds awarded under Smith-Lever 3(b) and (c) or (2) two times the FY 1997 expenditures for multistate extension activities or integrated research and extension activities (this is also known as the 1997 baseline), but less than 25 percent. All multistate extension activities at 1862 institutions must undergo a merit review. The required allocation of a percentage of Smith-Lever funds to multistate extension activities does not apply to funds provided by a State or local government to meet a matching requirement, to 1994 Land-Grant Institutions, or the insular areas. Administrative Guidance for Multistate Extension Activities and Integrated Research and Extension Activities, 75 Fed. Reg. 48921 (Aug. 12, 2010) (“Administrative Guidance”) • Funds cannot be used, directly or indirectly, for the purchase, construction, preservation, or repair of any building or buildings, the purchase or rental of land, or in college-course teaching, lectures in college, or any other purpose not specified in the Smith-Lever Act. • Funds cannot be used for indirect costs or tuition remission. • If any funds are diminished, lost, or misapplied, the State must replace the funds and no additional funds will be awarded to that State until the funds are replaced.
Reporting Requirements	<ul style="list-style-type: none"> • Eligible institutions must have an approved Plan of Work (POW) on file with NIFA. • Annual Report of Accomplishments and Results (April 1) • POW/Annual Report Supplemental forms (NIFA-REPT; NIFA-PLAN; Brief Summaries) • SF-425 (April 1)

¹³ The College of Micronesia administers the extension program for the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau.

	<ul style="list-style-type: none"> If subawards are granted, institutions must comply with the subaward and executive compensation reporting requirements
Carryover	States are encouraged to fully expend funds appropriated under sections 3(b) and (c) of the Smith-Lever Act in the fiscal year of appropriation; however, funds may be carried over for up to four years after the end of the year for which they were appropriated.
District of Columbia Public Postsecondary Education Reorganization Act (DCPPERA) AREERA Program	
Formula	<p>All appropriated funds are allocated to the University of the District of Columbia.</p> <p>There is no matching or cost sharing requirement for DCPPERA recipients. Section 7417 of the Food, Conservation, and Energy Act of 2008 (Public Law 110-246) eliminated any matching requirement for the extension formula funds provided to the University of the District of Columbia, effective October 1, 2008.</p>
Limitations	<ul style="list-style-type: none"> Funds must be used in accordance with the Smith-Lever Act Funds cannot support indirect costs or tuition remission. (7 U.S.C. 3319). If any funds are diminished, lost, or misapplied, the District of Columbia is responsible for replacing the funds, and until the funds are replaced, no additional appropriations will be paid to the District of Columbia. Funds cannot be spent, directly or indirectly, on the purchase, construction, 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 the Smith-Lever Act. A portion of DCPPERA funds must support integrated activities, in accordance with the institution's established target percentage.
Reporting Requirements	<ul style="list-style-type: none"> Eligible institutions must have an approved Plan of Work (POW) on file with NIFA Annual Report of Accomplishments and Results (April 1) SF-425 (April 1) If subawards are granted, institutions must comply with the subaward and executive compensation reporting requirements
Carryover	DCPPERA funds are expected to be fully expended in the fiscal year of appropriation; however, funds may be carried over for up to four years after the end of the of appropriation.
Agricultural Research at 1890 Land-Grant Institutions (Evans Allen/Section 1445) AREERA Program	
Formula	<p>Section 1445 funds are allocated to eligible institutions based on a legislatively determined formula. Appropriated funds are allocated according to the following legislatively determined formula:</p> <ul style="list-style-type: none"> NIFA retains three percent for administrative costs associated with program administration. Eligible institutions receive the FY 1978 baseline. Funds in excess of the FY 1978 baseline are distributed as follows: Twenty percent to eligible institutions in equal proportions; forty percent to eligible institutions in the proportion that the rural population of the State in which each eligible institution is located bears to the total rural population of all the States in which eligible institutions are located. The balance is distributed to eligible institutions in the

	<p>proportion that the farm population of the State in which each eligible institution is located bears to the total farm population of all the States in which the eligible institutions are located.</p> <ul style="list-style-type: none"> • Allotments to Tuskegee University and Alabama A&M University will be determined as if the two universities are in separate States (7 U.S.C. 3222(b)(2)(B)). • Funds will be paid to eligible institutions in quarterly installments beginning on or about October 1 of each fiscal year.
Limitations	<ul style="list-style-type: none"> • Evans-Allen funds can be used to pay the necessary expenses of planning, coordinating, and conducting cooperative research with other agencies, institutions, and/or individuals. • Funds cannot be spent on indirect costs and tuition remission. If any section 1445 funds are diminished, lost or misapplied, the institution must replace the funds and no additional funds will be allocated until they are so replaced.
Reporting Requirements	<ul style="list-style-type: none"> • Eligible institutions must have an approved Plan of Work (POW) on file with NIFA • REEport Project Initiation • REEport Progress Report • Annual Report of Accomplishments and Results (April 1) • REEport Financial Report • SF-425 (Dec. 31) • If subawards are granted, institutions must comply with the subaward and executive compensation reporting requirements.
Carryover	<p>Funds are to be spent in the year of appropriation; however, funds may be carried over for up to one additional year. If a carryover balance remains at the end of the second fiscal year, the amount of the unexpended balance will be deducted from the allocation to the institution in the following year.¹⁴ There is no limitation on the amount of Federal funds that may be carried over for one additional fiscal year. No prior approval from NIFA is required and NIFA is not authorized to grant any carryover requests beyond one additional year.</p>
Agricultural Extension at 1890 Land-Grant Institutions (Section 1444 Program) AREERA Program	
Formula	<p>Funds will be appropriated to eligible institutions according to the following formula on a quarterly basis:</p> <ul style="list-style-type: none"> • Funds will first be distributed at the FY1978 baseline to institutions in the same proportion. • Four percent of the remaining funds are retained by NIFA for administrative costs associated with administration of the program. • Twenty percent will be allocated equally among the institutions based on the state's proportion of the rural population relative to the rest of the U.S. This is determined based on current census data. • The remainder is allocated to eligible institutions based on the state's proportion of the farm population relative to the rest of the U.S. This is determined based on current census data. • Tuskegee University and Alabama A&M University will be treated as though they are in separate states for purposes of determining the

¹⁴ If funds are deducted due to unexpended, carried over balances, the deducted amount will be redistributed in accordance with the established formula to eligible institutions whose allocation is not subject to any deductions. (7 U.S.C. 3222(a)(5)(B)(ii)).

	distribution of allocated funds.
Limitations	<ul style="list-style-type: none"> • If any Section 1444 funds are diminished, lost or misapplied, the institution must replace the funds and no additional funds will be allocated until they are replaced. • Funds cannot be applied, directly or indirectly, to the purchase, construction, 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 specified in section 1444. • Funds cannot be used for indirect costs or tuition remission.
Reporting Requirements	<ul style="list-style-type: none"> • Eligible institutions must have an approved Plan of Work (POW) on file with NIFA • Annual Report of Accomplishments and Results (April 1) • SF-425 (Dec. 31) for previous fiscal year • If subawards are granted, institutions must comply with the subaward and executive compensation reporting requirements
Carryover	States are encouraged to spend Section 1444 Program funds in the year they are appropriated; however, if carryover is necessary, no more than 20 percent of the funds received by an institution in any fiscal year may be carried forward to the succeeding fiscal year. No prior approval from NIFA is required. Carryover limitations are legislatively mandated and NIFA is not authorized to approve any carryover requests beyond the 20 percent and one-year limitations.
Hatch Act AREERA Program	
Formula	<p>Under the Hatch Act, State Agricultural Experiment Stations receive funds based on a legislatively determined formula. Appropriated funds are distributed as follows:</p> <ul style="list-style-type: none"> • Each state receives the FY 1955 baseline. If the annual appropriation is less than the FY 1955 baseline, the allocation to each SAE will be reduced proportionately. Each insular area receives an additional allocation of \$100,000. Funds made available for the “Regional Research Fund” will continue to be available for the “Multistate Research Fund, State Agricultural Experiment Stations.” • NIFA retains an amount for administrative costs equal to the FY 1955 amount. • The remainder is distributed as follows: <ul style="list-style-type: none"> - 20 percent is equally distributed to each state; - Not less than 52 percent is distributed as follows: 26 percent is allocated to states in an amount based on the proportion of the rural population of the state to the total rural population of the U.S.; 26 percent is allocated to States in an amount based on the proportion of the farm population of the state to the total farm population of the U.S. - 25 percent is distributed to states for multistate research as part of the “Multistate Research Fund, State Agricultural Experiment Stations.” • Funds are allocated under the Hatch Act shall be paid to each State agricultural experiment station in equal quarterly payments.
Limitations	<ul style="list-style-type: none"> • A portion of funds allocated to each institution must be spent on integrated research activities. Target percentages for multistate extension activities and integrated research and extension activities can be (1) 25 percent of the total funds awarded under Smith-Lever 3(b) and (c) or (2) two times the FY 1997 expenditures for multistate extension activities or integrated research and extension activities

	<p>(this is also known as the 1997 baseline), but less than 25 percent. All multistate extension activities at 1862 institutions must undergo a merit review. The required allocation of a percentage of Smith-Lever funds to multistate extension activities does not apply to funds provided by a State or local government to meet a matching requirement, to 1994 Land-Grant Institutions, or the insular areas. Administrative Guidance for Multistate Extension Activities and Integrated Research and Extension Activities, 75 Fed. Reg. 48921 (Aug. 12, 2010) (“Administrative Guidance”).</p> <ul style="list-style-type: none"> • Funds may not be used for indirect costs or tuition remission. If any allocated funds are diminished, lost, or misapplied, the responsible State must replace such funds. No additional appropriations will be made to that State until the funds are replaced.
Reporting Requirements	<ul style="list-style-type: none"> • Eligible institutions must have an approved Plan of Work (POW) on file with NIFA • Annual Report of Accomplishments and Results (April 1) • REEport Financial Report • SF-425 (Dec. 31) for previous fiscal year • REEport Project Initiation • REEport Progress Report • POW/Annual Report Supplemental forms (NIFA-REPT; NIFA-PLAN; Brief Summaries) • If subawards are granted, institutions must comply with the subaward and executive compensation reporting requirements
Carryover	<p>SAESs are encouraged to spend Hatch funds in the fiscal year in which they are appropriated; however, unspent funds may be carried over to the next fiscal year. If at the end of the second year the funds have not yet been expended, the unexpended balance is deducted from the next fiscal year’s allotment to the State. The amount deducted is redistributed to all other eligible States without deductions. NIFA does not grant additional waivers from the one-year carryover limitation.</p>
Hatch – Multistate Research Fund, State Agricultural Experiment Stations AREERA Program	
Formula	<p>The Hatch Act supports the Multistate Research Fund, State Agricultural Experiment Stations (MRF). Multistate funding is appropriated through the Hatch Act as described in the formula above.</p>
Limitations	<p>Funds may not be used for indirect costs or tuition remission. If any allocated funds are diminished, lost, or misapplied, the responsible State must replace such funds. No additional appropriations will be made to that State until the funds are replaced.</p>
Reporting Requirements	<ul style="list-style-type: none"> • Eligible institutions must have an approved Plan of Work (POW) on file with NIFA • Annual Report of Accomplishments and Results (April 1) • REEport Financial Report • SF-425 (Dec. 31) for previous fiscal year • REEport Project Initiation • REEport Progress Report
Carryover	<p>SAESs are encouraged to spend Hatch funds in the fiscal year in which they are appropriated; however, unspent funds may be carried over to the next fiscal year. If at the end of the second year the funds have not yet been expended, the unexpended balance is deducted from the</p>

	next fiscal year's allotment to the State. The amount deducted is redistributed to all other eligible States without deductions. NIFA does not grant additional waivers from the one-year carryover limitation.
Continuing Animal Health and Disease Research Program (AHDR)	
Formula	<p>Appropriated funds are distributed to eligible institutions in accordance with the following formula:</p> <ul style="list-style-type: none"> • NIFA retains four percent of appropriated funds to administrative expenses associated with administration of the program. • 48 percent will be distributed among the States in the proportion to that value of and income to producers from domestic livestock, poultry, and commercial aquaculture species in each State bears to the total value of and income to producers from domestic livestock, poultry, and commercial aquaculture species in all the States, based on the most current inventory of all cattle, sheep, swine, horses, poultry, and commercial aquaculture species published by USDA. • Forty-eight percent will be distributed among the States in the proportion that the animal health research capacity of the eligible institutions in each State bears to the total animal health research capacity in all the States. • If a State has one or more accredited colleges of veterinary medicine, the dean(s) and the director of the SAES must develop a comprehensive animal health and disease research program for the State based on the animal health research capacity of each eligible institution in the State. State-wide comprehensive animal health and disease research program plans must be submitted to NIFA if the State has one or more accredited colleges of veterinary medicine. • If a new college of veterinary medicine is established in a State and is properly accredited, after consultation with the dean of the new college and the director of the SAES and, where applicable, the deans of other accredited colleges in the State, funds must be reallocated pursuant to the established formula. • If two or more states jointly establish an accredited regional college of veterinary medicine or jointly support an accredited college of veterinary medicine serving multiple States, the formula calculation will reflect the combined values for the states.
Limitations	<ul style="list-style-type: none"> • AHDR grant funds cannot be spent on indirect costs or tuition remission. AHDR funds must be spent on approved research projects. • With NIFA approval, institutions may use funds for remodeling facilities or to increase staffing to increase the institution's research capacity. • NIFA must approve all projects to be funded. Prior to submission to NIFA for approval, the dean or director of the eligible institution must approve of all projects.
Reporting Requirements	<ul style="list-style-type: none"> • Annual Program of Research • REEport Project Initiation • REEport Progress Report • REEport Financial Report • SF-425 (Dec. 31) for previous fiscal year
Carryover	States are encouraged to spend AHDR funds in the fiscal year of appropriation; however, funds may be carried over for up to one additional year. There is no limitation on the amount of Federal funds that may be carried over for this one additional fiscal year and no prior approval from NIFA is required to carry over funds. This limitation is legislatively mandated and NIFA is not authorized to grant any carryover requests

	beyond one additional year.
Civil Service Retirement System (CSRS) Retirement Contributions Program	
Formula	This program is being phased out over ten years, beginning in FY 2008. As the program is phased out, the annual percentage of decrease will be added to the Smith-Lever 3(b) & (c) allocation. CSRS program funds are allocated to the institutions with former Schedule A Appointments based on each institution's relative share of the total payments to the Office of Personnel Management (OPM) during the previous year. Effective January 31, 2003, the USDA's authority to grant Schedule A Excepted Appointments to CES employees was terminated. (Pub. L 107-171, Farm Security and Rural Investment Act of 2002, section 7220 (May 13, 2002)).
Limitations	<ul style="list-style-type: none"> • Funds can only be used to support CSRS retirement costs for former Schedule A Appointments. • If any funds are diminished, lost, or misapplied, the institution is responsible for replacing the funds, and until the funds are replaced, no additional appropriations will be paid to the institution. • Funds cannot be spent, directly or indirectly, on the purchase, construction, 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, unless specifically provided. • Funds cannot be used for indirect costs or tuition remission.
Reporting Requirements	<ul style="list-style-type: none"> • SF-425 (April 1)
Carryover	CSRS Retirement Contributions Program funds are expected to be fully expended in the fiscal year of appropriation; however, allocated funds may be carried over for up to four years from the year-end for which they were appropriated.
Expanded Food and Nutrition Education Program (EFNEP)	
Formula	EFNEP funds are allocated to eligible 1862 and 1890 institutions based on a legislatively determined formula. Funds are allocated as follows: <ul style="list-style-type: none"> • Each state receives a base amount at the 1981 funding level. The 1981 baseline amounts are distributed to 1862 institutions. • Of the amount remaining after the 1981 allocation, 4 percent is retained by NIFA for administrative costs and \$100,000 is distributed to all currently eligible states, including 1862s and 1890s. • The remaining funds are distributed based on the poverty calculation.¹⁵ • If the annual appropriation is above the FY 2007 funding level, 15% of the excess is distributed to the 1890s based on the poverty calculation. The remainder is distributed to the 1862s based on the poverty calculation.
Limitations	<ul style="list-style-type: none"> • EFNEP funds cannot be used, directly or indirectly, for the purchase, construction, 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 program legislation. • Funds cannot be used for any purpose(s) other than those approved in the grant documents.

¹⁵ "[A]n amount that bears the same ratio to the total amount to be allocated under this clause as (I) the population living at or below 125 percent of the income poverty guidelines (as prescribed by the Office of Management and Budget and as adjusted pursuant to section 9902(2) of title 42) in the State; bears to (II) the total population living at or below 125 percent of those income poverty guidelines in all States; as determined by the most recent decennial census at the time at which each such additional amount is first appropriated. (7 U.S.C. 3175(d)(2)(B)(ii) & (iii)).

	<ul style="list-style-type: none"> • EFNEP funds cannot be used for indirect costs or tuition remission. • If any funds distributed to States for cooperative agricultural extension work are diminished, lost, or misapplied, the State must replace the funds and no additional funds will be awarded to that State until the funds are replaced.
Reporting Requirements	<ul style="list-style-type: none"> • EFNEP Annual Update • EFNEP Budget Sheet & Budget Justification • SF-425 (April 1) • EFNEP recipients distributing subawards are required to comply with the subaward and executive compensation reporting requirements.
Carryover	Funds are to be fully expended in the fiscal year of appropriation; however, funds may be carried over for up to four years after the end of the year fiscal year of appropriation.
Federal Employee Retirement System (FERS) Retirement Contributions Program	
Formula	This program is being phased out over ten years, beginning in FY 2008. As the program is phased out, the annual percentage of decrease will be added to the Smith-Lever 3(b) & (c) allocation. FERS program funds are allocated to the institutions with former Schedule A Appointments based on each institution's relative share of the total payments to the Office of Personnel Management (OPM) during the previous year. Effective January 31, 2003, the USDA's authority to grant Schedule A Excepted Appointments to CES employees was terminated. (Pub. L 107-171, Farm Security and Rural Investment Act of 2002, section 7220 (May 13, 2002)).
Limitations	<ul style="list-style-type: none"> • Funds can only be used to support FERS retirement costs for former Schedule A Appointments. • If any funds are diminished, lost, or misapplied, the institution is responsible for replacing the funds, and until the funds are replaced, no additional appropriations will be paid to the institution. • Funds cannot be spent, directly or indirectly, on the purchase, construction, 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, unless specifically provided. • Funds cannot be used for indirect costs or tuition remission.
Reporting Requirements	<ul style="list-style-type: none"> • SF-425 (April 1)
Carryover	FERS Retirement Contributions Program funds are expected to be fully expended in the fiscal year of appropriation; however, allocated funds may be carried over for up to four years from the year-end of fiscal appropriation.
McIntire-Stennis Cooperative Forestry Act	
Formula	<p>Funding is provided to the States through a formula-based allocation dependent on several factors, including: non-Federal expenditures for forestry research by state-certified eligible institutions; areas of non-Federal commercial forest land; and, the volume of timber cut annually.</p> <ul style="list-style-type: none"> • After a base amount is allocated to each State, the remaining funds are allocated to States based on three weighted factors: (1) Total non-Federal expenditures for forestry research by State-certified eligible institutions (20%); (2) Area of non-Federal commercial forest land (40%); (3) Volume of timber cut annually (40%). For States with more than one eligible institution, the distribution of funds within the state is determined by the Governor or the Governor's designee. Three percent of the annually allocated funds are retained by NIFA for administrative costs.

	<ul style="list-style-type: none"> Funds are distributed on a quarterly basis.
Limitations	Funds cannot be used for indirect costs or tuition remission.
Reporting Requirements	<ul style="list-style-type: none"> Annual Program of Research (Aug. 15) REeport Project Initiation REeport Progress Report REeport Financial Report SF-425 (Dec. 31) Institutions must report on all subawards and executive compensation.
Carryover	Allocated funds should be spent in the fiscal year in which they are awarded; however funds may be carried over up to one year beyond the fiscal year in which the funds were appropriated. No prior approval is required to carry over funds for one additional year.
Renewable Resource Extension Act (RREA)	
Formula	<p>States are eligible for RREA funds according to the respective capabilities of their private forests and rangelands to yield renewable resources and the relative needs for such resources identified in the periodic Renewable Resource Assessment provided for in 16 U.S.C. 1601 and the periodic appraisal of land and water resources provided for in 16 U.S.C. 2004. (16 U.S.C. 1675). RREA annual funds are allocated to eligible institutions based on a formula that assigns weight to the following factors: Acres of private forests; acres of private rangeland; timber growth; timber harvesting levels; wood industry employment; total state population; and urban population within a state.</p> <ul style="list-style-type: none"> Approximately 6 percent of the funds may be competitively awarded through Renewable Resources Extension Act-National Focus Fund Projects (RREA-NFF).
Limitations	No RREA grant-funded project period can exceed five years. Any extension of time requires prior request by the awardee and approval in writing by the ADO, unless otherwise indicated in the terms and conditions of award. Funds cannot be used for any purposes other than those approved in the grant award documents.
Reporting Requirements	<ul style="list-style-type: none"> REeport Project Initiation REeport Progress Report REeport Financial Report SF-425 (April 1)
Carryover	RREA funds are to be spent in the year of appropriation but may be carried over to the next fiscal year. If more than 50 percent of the annual allocation is to be carried over, NIFA approval is needed. Institutions must submit the following to NIFA: Fiscal year of funds and amount to be carried over; programmatic plans for the funds; circumstances that resulted in the excess carryover; and processes established to avoid excess carryover in the future.
Smith-Lever Special Needs	
Formula	A portion of the Smith-Lever 3(b) and (c) funds support the Smith-Lever Special Needs capacity program. Funds available for Special Needs will continue to be available at the 1962 funding level.

Limitations	<ul style="list-style-type: none"> • Smith-Lever funds cannot be used, directly or indirectly, for 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 the Smith-Lever Act. • Funds cannot be used for indirect costs or tuition remission. • If any funds distributed to States for cooperative agricultural extension work are diminished, lost, or misapplied, the State must replace the funds and no additional funds will be awarded to that State until the funds are so replaced
Reporting Requirements	<ul style="list-style-type: none"> • Active POW • Annual Report (April 1) • SF-425 (April 1) • Special Needs grant recipients are required to comply with all reporting requirements including reporting on subawards and executive compensation.
Carryover	<p>Funds are to be fully expended in the fiscal year of appropriation; however, funds may be carried over for up to four years after the end of the year fiscal year of appropriation. No prior approval from NIFA to carry over the funds is required.</p>

2. Capacity Program Guidance

Extension Capacity Programs	Research Capacity Programs
<ul style="list-style-type: none"> • Smith Lever 3(b) and (c) • Smith Lever Special Needs • Agricultural Extension at 1890 Land-Grant Institutions, including Tuskegee University and West Virginia State University (Section 1444 Program) • EFNEP (Smith-Lever 3(d)) • CSRS • FERS • RREA • District of Columbia Public Postsecondary Education Reorganization Act 	<ul style="list-style-type: none"> • AHDR • Agricultural Research at 1890 Land-Grant Institutions, including Tuskegee University and West Virginia State University (Section 1445 Program) • McIntire-Stennis • Hatch • Hatch Multistate

2.1. Smith-Lever 3(b) and (c)

The Smith-Lever Act of 1914 (7 U.S.C. 341 – 349) established the Cooperative Extension Service (CES) and provides authorization for federal funding of cooperative agricultural extension activities carried out by the 1862 Land-Grant Institutions in coordination with USDA. Separate statutory authorities authorize extension funding for the University of the District of Columbia (Section 208(c) of the District of Columbia Public Postsecondary Education Reorganization Act (Pub. L. 93-471; 88 Stat. 1428) and the 1890 Land-Grant Institutions (Section 1444 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3221)). The CES supports the development of practical applications for research knowledge and giving of instruction and practical demonstrations of existing or improved practices or technologies in agriculture, uses of solar energy with respect to agriculture, home economics, rural energy, and other relevant subjects for dissemination to individuals not enrolled in the institutions. The CES supports imparting information on the non-student community through demonstrations, publications, and otherwise and for the necessary printing and distribution of information in connection with the subjects. The CES provides the continuing adult education based on the agricultural programs in place at land grant universities and their affiliated state agricultural experiment stations. (7 U.S.C. 342).

Institutions receiving Smith-Lever 3(b) and (c) funding must have an approved Plan of Work (POW) on file with NIFA to remain eligible to receive funds.

2.2. Multistate Extension and Integrated Research and Extension Requirements

Eligible institutions must spend a percentage of the funds allocated to eligible institutions under Smith-Lever 3(b) and (c) on multistate extension and integrated research and extension activities, in accordance with AREERA. For additional information see the revised interim Administrative Guidance for Multistate Extension Activities and Integrated Research and Extension Activities, 75 Fed. Reg. 48921 (Aug. 12, 2010) (“Administrative Guidance”). Smith-

Lever recipients should refer to the Administrative Guidance for specific information regarding the statutory requirements.

Multistate activities are collaborative efforts that reflect the programs of institutions located in at least two or more States or territories. Multistate extension activities might include committees, projects, training, workshops, centers, and meetings that involve more than one State or territory. Integrated activities are jointly planned, funded, and interwoven activities between research and extension to solve problems. Such activities include the generation of knowledge and the transfer of information and technology. Examples of integrated activities include joint research and extension personnel appointments. In addition, integrated activities may include coordinating committees, workshops, training, centers, projects, and meetings, as long as they meet the definition of “integrated activities.”

In accordance with the Administrative Guidance, eligible institutions were required to reconfirm or reset target percentages of funds to be spent on multistate extension and integrated research and extension activities.

Waivers from meeting the multistate and integrated requirements may be requested by any institution unable to meet their target percentages due to infeasibility, hardship, or other extenuating circumstances. Requests for waivers must be submitted in writing and must include a justification with supporting documentation stating why the waiver is needed, the source of funds to which the waiver would apply, the applicable fiscal year, the amount of the waiver and how it was computed, as well as documentation of how the institution is planning to meet the target percentages in the future. Waivers will be granted on an annual basis. NIFA will respond to the waiver request within 60 days of receipt.

2.3. District of Columbia Public Postsecondary Education Reorganization Act (DCPPER)

The District of Columbia Public Postsecondary Education Reorganization Act (DCPPER), section 208, authorizes funding for the development of practical applications of research knowledge, education and practical demonstrations of existing or improved practices or technologies in agriculture, uses of solar energy with respect to agriculture, home economics, and rural energy, and related subjects to people not attending the University of the District of Columbia, and teaching them through demonstrations, publications, and otherwise, and for the necessary printing and distribution of information related to the subjects.

Under certain statutes, including the Smith-Lever Act, the University of the District of Columbia (UDC) is considered a university established for the benefit of agriculture and the mechanic arts in accordance with the provisions of the First Morrill Act (7 U.S.C. 301 *et seq.*), and the term “State,” as used in the Smith-Lever Act, includes the District of Columbia. Funding for extension work at UDC is authorized by section 208 of the District of Columbia Public Postsecondary Education Reorganization Act, not the Smith-Lever Act.

2.4. Hatch Act

The Hatch Act supports agricultural research at State Agricultural Experiment Stations. State Agricultural Experiment Stations (SAES) are academic units established under the direction of a college or university or agricultural department of the college or university in each State in accordance with the First Morrill Act. SAESs conduct research of local, regional, and national importance in the areas of food, agriculture, and natural resources. To be eligible to receive funding under the Hatch Act, SAESs must have a chief administrative officer, the Director, and a treasurer.

Institutions must have an established merit review process for internal review of projects supported by Hatch, which must be detailed in the POW.

2.5. Integrated Research Activities

SAESs are required to spend a percentage of the funds they are awarded annually under the Hatch Act on integrated research activities. Integrated activities are jointly planned, funded, and interwoven activities between research and extension to solve problems. Examples of integrated activities include joint research and extension personnel appointments. Integrated activities might include coordinating committees, workshops, training, centers, projects, and meetings. This requirement applies to both Hatch and Hatch Multistate funds, but does not apply to funds provided by the institution to meet the matching requirement. Institutions can report on compliance with all multistate extension and integrated research and extension activities in a single report. Funds that are allocated for integrated activities may also be used by a State to satisfy the multistate activities requirement.

For additional information see the revised interim Administrative Guidance for Multistate Extension Activities and Integrated Research and Extension Activities, 75 Fed. Reg. 48921 (Aug. 12, 2010) (“Administrative Guidance”). Hatch recipients should refer to the Administrative Guidance for specific information regarding the statutory requirements.

In accordance with the Administrative Guidance, eligible institutions were required to reconfirm or reset target percentages of funds to be spent on integrated research and extension activities. Target percentages can be set at (1) 25 percent of the total funds awarded under Hatch or (2) two times the FY 1997 expenditures for integrated research and extension activities (this is also known as the 1997 baseline), that is less than 25 percent.

Waivers from meeting the integrated requirements may be requested by institutions unable to meet their target percentages due to infeasibility, hardship, or other extenuating circumstances. Requests for waivers must be submitted in writing and must include a justification with supporting documentation stating why the waiver is needed, the source of funds to which the waiver would apply, the applicable fiscal year, the amount of the waiver and how it was computed, as well as documentation of how the institution is planning to meet the target percentages in the future. Waivers will be granted on an annual basis. NIFA will respond to the waiver request within 60 days of receipt.

2.6. Hatch Multistate

The Hatch Act supports the Multistate Research Fund, State Agricultural Experiment Stations (MRF). Research conducted under Hatch Multistate employs multidisciplinary approaches in which an SAES working with another SAES, the ARS, or a college or university, cooperates to solve problems that concern one or more State.

The MRF is an efficient and comprehensive approach to finding technological opportunities and undertaking complex problem solving beyond the scope of a single SAES. MRF activities involve cooperative, jointly planned research employing multidisciplinary approaches and oriented towards accomplishment of specific outcomes and impacts based on priorities developed from stakeholder input and NIFA's goals.

2.7. Agricultural Extension at 1890 Land-Grant Institutions (Section 1444 Program)

Section 1444 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (NARETPA) supports agricultural and forestry extension activities at 1890 Land-Grant Institutions. Eligible 1890 institution should designate an Administrator responsible for carrying out the institution's extension activities. The 1890 Administrator must work in coordination with the State Extension Director to develop a comprehensive program of extension work to be conducted in the state and to coordinate annual updates to the State POW. Section 1444 funding also supports contributions to the retirement of employees subject to 7 U.S.C. 331 (7 U.S.C. 3221(a)(3)), the Morrill Act, as amended. Section 1444 funds supporting retirement of land-grant college employees cannot be in excess of 5 percent of the portion of the salaries of employees paid from Federal funds.

Please consult 7 CFR 3419 for additional detail and information on the matching funds requirement for 1890 Land-Grant Institutions receiving agricultural research and extension capacity funds.

2.8. Agricultural Research at 1890 Land-Grant Institutions (Section 1445 Program/Evans-Allen)

Section 1445 of NARETPA authorizes the Evans-Allen Research Program, which supports agricultural research at 1890 land-grant institutions. The Evans-Allen Research Program is also referred to as Section 1445. Research Directors at 1890 institutions and State Agricultural Experiment Station Directors should work together to develop a coordinated, comprehensive program of agricultural research for their state. The Plan of Work should reflect this coordination.

Institutions must have an established merit review process for internal review of projects supported by Evans-Allen, which must be detailed in the POW.

2.9. Animal Health and Disease Research (AHDR)

The Continuing Animal Health and Disease Research (AHDR) Program supports animal health and disease research activities at accredited State veterinary schools or colleges or State agricultural experiment stations (SAES). Eligible institutions and experiment stations conducting AHDR funded research are working to improve the health and productivity of food animals and

horses through effective prevention, control or treatment of disease, reduction of losses from transportation and other hazards, and protect human health through control of animal diseases transmissible to people. When possible, eligible institutions are encouraged to cooperate with other AHDR-funded institutions and conduct regular regional and national meetings.

Each institution receiving AHDR funds must conduct an institutional level review to assess scientific merit of the projects funded. An institutional review of a project proposal should evaluate the project's compliance with the stated goals of institution's animal health and disease research program.

If at any time it is determined that an eligible institution has not complied with the legislative or regulatory requirements applicable to use of the AHDR grant funds, NIFA can withhold an institution's fund. Facts and reasons supporting the withholding will be documented and reported in accordance with 7 U.S.C. 3198.

2.10. Civil Service Retirement System (CSRS) Retirement Contributions Program

The Civil Service Retirement System (CSRS) Retirement Contributions Program defrays the CSRS Retirement costs to institutions continuing to employ former Schedule A Appointees conducting agricultural extension work.

The separate allocation of funds for the CSRS program is being phased out over a 10-year period, which began in FY 2008. As the program is phased out, the amount available for this program is reduced each year, the amount of the reduction is added to the funds available for distribution under the Smith-Lever Act, Section 3(b) and (c). Only employees in the CES with a Schedule A appointment as of the date of termination, May 13, 2002, are eligible to continue receiving support.

CES employees eligible to continue receiving the benefits of the CSRS program as long as they remain employed with the CES. Former federal appointees cannot participate in new federal benefits programs not in effect as of May 13, 2002. Former CES Schedule A appointees may be reappointed to another CES organization and continue their benefits as long as they do not have a break in service. For additional information on the termination of the CSRS program, see Pub. L 107-171, Farm Security and Rural Investment Act of 2002, section 7220 (May 13, 2002).

2.11. Expanded Food and Nutrition Education Program (EFNEP)

The Expanded Food and Nutrition Education Program (EFNEP) provides federal funding for extension activities associated with applying the results of food and nutrition research performed or funded by NIFA to enable low-income individuals and families to engage in nutritionally sound food purchase and preparation practices. The objectives of EFNEP are to assist low-income families and youth in acquiring knowledge, skills, attitudes, and changed behaviors necessary for nutritionally sound diets and to contribute to their personal development and improvement of the total family diet and nutritional well-being. EFNEP is authorized by section 1425 of the National Agricultural Research, Extension, and Teaching

Policy Act of 1977 (7 U.S.C. 3175), and appropriations are made available pursuant to section 3(d) of the Smith-Lever Act.

2.12. Federal Employee Retirement System (FERS) Retirement Contributions Program

The FERS Retirement Contributions Program defrays the FERS retirement costs to the 1862 and 1890 Land-Grant Institutions, and the University of the District of Columbia for former Schedule A Appointees conducting agricultural extension work.¹⁶

The separate allocation of funds for the FERS program is being phased out over a 10-year period, which began in FY 2008. As the program is phased out, the amount available for this program is reduced each year, the amount of the reduction is added to the funds available for distribution under the Smith-Lever Act, Section 3(b) and (c). Only employees in the CES with a Schedule A appointment as of the date of termination, May 13, 2002, are eligible to continue receiving support.

CES employees eligible to continue receiving the benefits of the FERS program as long as they remain employed with the CES. Former federal appointees cannot participate in new Federal benefit programs not in effect as of May 13, 2002. Former CES Schedule A appointees may be reappointed to another CES organization and continue their benefits as long as they do not have a break in service. For additional information on the termination of the FERS program, see Pub. L 107-171, Farm Security and Rural Investment Act of 2002, section 7220 (May 13, 2002).

2.13. McIntire-Stennis

The McIntire-Stennis Act supports forestry research at state forestry schools and colleges to aid in the production, utilization, and protection of forestland, to train future forestry scientists, and to involve other disciplines in forestry research. The current McIntire-Stennis Strategic Plan identifies high priority issues funded projects should seek to address.¹⁷ The McIntire-Stennis Cooperative Forestry (M/S) capacity grant assists all States in carrying out programs of State forestry research at State forestry schools and colleges, and developing a trained pool of forest scientists capable of conducting needed forestry research.

Institutions must conduct an internal merit review to determine which projects to fund. The institutional merit review should: (1) ensure completeness of the project proposal; (2) evaluate relevance of the proposed research; (3) evaluate quality and scientific value of the proposed

¹⁶ Schedule A Excepted Appointments were used to fill positions in the Cooperative Extension Service that were joint appointments with USDA and the institution. People appointed to these positions were Federal employees not part of the competitive service. For additional information see 5 CFR 213.101.

¹⁷ McIntire-Stennis Strategic Plan. "Sustaining Healthy and Productive Forests: An Investment in America's Competitive Position in the Global Marketplace." (2010) (Developed by the National Association of University Forest Resources Programs (NAUFRP)). Eligible institutions should note that although the Strategic Plan is a useful guide to the research priorities to be pursued with McIntire-Stennis funding, they are not legally obligated to comply with any requirements established in the Strategic Plan. The Plan serves as useful guidance but establishes no rights or responsibilities on recipient institutions. The Plan is available online at <http://www.naufrp.org/pdf/M-S%20Plan.pdf>.

research; (4) consider opportunities for cooperation with other individuals or units; (5) provide opportunity for the project leader to interact with reviewers and make adjustments as appropriate; and, (6) provide NIFA with an indication, project by project, that the procedure was followed

Forestry Research Advisory Council (FRAC)

The Forestry Research Advisory Council (FRAC) advises USDA on how to pursue cooperative state forestry. FRAC also provides advice related to the USDA's Forest Service research program. The FRAC is composed of at least sixteen appointed members from Federal and State agencies concerned with developing and utilizing the Nation's forest resources, the forest industries, forestry schools of the State-certified eligible institutions SAESs, and volunteer public groups concerned with forests and related natural resources. FARC appointments are for three-years and appointments are made for staggered terms.

For additional information on the members and work of the FRAC, see 5 U.S.C. App. and 76 Fed. Reg. 16597, March 24, 2011.

2.14. Renewable Resource Extension Act (RREA)

The Renewable Resources Extension Act of 1978 supports an expanded and comprehensive extension program for forest and rangeland renewable resources. (Pub. L. 95-306, 92 Stat. 349, 16 U.S.C. 1671 *et seq.*). The Renewable Resources Extension Act of 1978 (RREA) supports forest and rangeland owners and managers in the sustainable production of wood products, forage and livestock, fish and wildlife populations and developing outdoor recreation opportunities.

The structure and focus of each RREA program varies depending on each State's natural resource base and the educational needs of its citizens. RREA grant funds support programs that, generally, address renewable resources, management and protection of forests and rangelands, technical and financial resources for forest and rangeland owners, small, private, nonindustrial forest landowners, fish and wildlife, forest, range and watershed management, and youth education. Additional program areas may be identified in the annual RFA.

For additional information on the mission and vision for natural resources extension supported by RREA, see the 2012 – 2016 RREA Strategic Plan.¹⁸ Available: http://www.nifa.usda.gov/business/reporting/planrept/pdf/rrea_strat_plan_2012_2016.pdf.

2.15. Smith-Lever Special Needs Capacity Program

Special Needs funds are allocated to a State Cooperative Extension Service to fulfill a purpose or overcome a condition particular to that State. Smith-Lever Special Needs funds support

¹⁸ The 2012-2016 RREA Strategic Plan is a useful tool for understanding how the RREA Program functions, the roles and responsibilities of the parties involved, and the intended future scope of research and programming, the Strategic Plan does not impose any legally enforceable rights or responsibilities on NIFA, USDA, or the recipients of RREA funds.

extension activities identified in eligible institution’s approved 5-Year Plan of Work. Only institutions identified in the annual RFA are eligible to receive these funds.

3. Competitive Grants

There are a number of competitive grants administered by NIFA with regulatory requirements that deviate from the standard competitive grant requirements. NIFA has published specific regulations for these programs. Refer to 7 CFR 3400 – 3406 and 7 CFR 3430.200 – 3430.1000 for those regulations.

F. MEMORANDA OF UNDERSTANDING (MOU)

A memorandum of understanding is an agreement between NIFA and another party(is) that sets out in very broad, general terms, a plan for the parties to coordinate their efforts on activities and/or projects of mutual interest. No specific duties and responsibilities are defined in the MOU. The MOU will describe general terms that identify how the parties intend to cooperate. An MOU will not establish a commitment of resources by NIFA or direct transfer of resources. MOUs do not set forth an implied commitment of funding from one party to the other. MOUs are not used to enter into an agreement for one party to perform a task for another party. MOUs can be extended, modified, or terminated at the request of either party to the agreement. Revisions to an MOU might include changes to the party’s duties, purpose, duration, and mutual interests. All revised MOUs must be resigned by both parties. Unless otherwise agreed upon, MOUs will be limited to a duration of 5 years and will expire 5 years from the date of the last signature. A mutually agreed upon extension will keep the MOU effective beyond the 5 years. NIFA has delegated authority from the Secretary of Agriculture to enter into agreements to further research, extension, or teaching programs in the food and agricultural sciences. (7 CFR 2.66(a)(23)). This delegated authority permits NIFA to enter into MOUs and other authorized agreements. NIFA will not enter into any MOUs for which it does not have legal authority to do so.

G. AVAILABILITY OF GRANT INFORMATION

NIFA routinely places information about awarded grants, including project title, the name of the PD/PI, and the project description, at <http://www.nifa.usda.gov/>. The information submitted by awardees is extensively used by NIFA for describing the NIFA funds, in planning and defending its budget, assessing its programs, and communicating project results. Reported information from awards may be used by State scientists and administrators and is available to the public via the REEIS website, at: <http://www.reeis.usda.gov/>.

For funded research grant applications, NIFA also sends the project description provided by an applicant to the Department of Commerce’s National Technological Information Service (NTIS). NTIS disseminates scientific information for classification and program analysis. The public may obtain the project descriptions from CRIS or request them from NTIS. Project descriptions are typically sent to NTIS on a quarterly basis. Other information may be released case by case as described in this subsection. NTIS is accessible online at <http://www.ntis.gov/>.

1. Confidentiality of Information

Applicants are discouraged from submitting information considered proprietary unless it is deemed essential for proper evaluation of the application. However, if the application contains information that the applicant organization considers to be trade secrets, information that is commercial or financial, or information that is privileged or confidential, the pages containing that information should be identified as specified in the application instructions. The following statement must also be included:

The following pages (specify) contain proprietary information which (name proposing organization) requests not to be released to persons outside Government, except for purposes of evaluation.

When such information is included in the application, it is furnished to the Federal government in confidence, with the understanding that the information will be used or disclosed only for evaluation of the application. NIFA will protect application information from unauthorized disclosure, consistent with the need for peer review of the application and the requirements of the FOIA and Privacy Acts (discussed below).

The original copy of an application, whether paper or electronic, that does not result in an award will be retained by the Agency for a period of three years. Other copies will be destroyed. Such an application will be released only with the consent of the applicant or to the extent required by law. An application may be withdrawn at any time prior to the final funding decision. However, if a grant is awarded as a result of, or in connection with, an application, the federal government has the right to use or disclose the information to the extent authorized by law. This restriction does not limit the federal government's right to use the information if it is obtained without restriction from another source. The application information becomes a part of the record of NIFA transactions, available to the public upon specific request. Information that the Secretary determines to be of a confidential, privileged, or proprietary nature will be held in confidence to the extent permitted by law.

2. Public Access to Research Data

Requests by the public for research data must be submitted to NIFA as a FOIA request. The term "research data" is defined as the recorded factual material commonly accepted in the scientific community as necessary to validate research findings. It does not include preliminary analyses; drafts of scientific papers; plans for future research; peer reviews; communications with colleagues; physical objects (e.g., laboratory samples, audio or video tapes); trade secrets; commercial information; materials necessary to be held confidential by a researcher until publication in a peer-reviewed journal; information that is protected under the law (e.g., intellectual property); personnel and medical files and similar files, the disclosure of which would constitute an unwarranted invasion of personal privacy; or information that could be used to identify a particular person in a research study.

Grantees that are institutions of higher education, hospitals, or non-profit organizations must release research data first produced in a project supported in whole or in part with Federal funds that are cited publicly and officially by a Federal agency in support of an action that has the force and effect of law (i.e., regulations and administrative orders), as required by 7 CFR 3019.36. If the data are publicly available, NIFA directs the requester to the public source. Otherwise, the NIFA FOIA coordinator handles the request, consulting with the affected grantee and the PD/PI. This requirement also provides for assessment of a reasonable fee to cover grantee costs and (separately) the NIFA costs of responding, in addition to the standard FOIA requester fees. An investigator’s or grantee institution’s failure to comply with the request for data will be treated as a material failure to comply with the terms and conditions of award and appropriate enforcement action would be taken. Enforcement actions might include withholding of future support or imposing additional restrictive terms and conditions of award to the grantee institution.

The required release of research data does not apply to commercial organizations or to research data produced by State or local governments. However, if a State or local governmental grantee contracts with an educational institution, hospital, or non-profit organization, and the contract results in covered research data, that data becomes subject to the disclosure requirement.

2.1. Protecting Sensitive Data Used in Research

Recipients of NIFA funds have a responsibility to protect sensitive and confidential data as part of proper stewardship of federally funded research, and take all reasonable and appropriate actions to prevent the inadvertent disclosure, release or loss of sensitive personal information. NIFA advises that personally identifiable, sensitive, and confidential information about NIFA-supported research or research participants not be housed on portable electronic devices. If portable electronic devices must be used, they should be encrypted to safeguard data and information. These devices include laptops, CDs, disc drives, flash drives, etc. Researchers and institutions also should limit access to personally identifiable information through proper access controls such as password protection and other means. Research data should be transmitted only when the security of the recipient’s systems is known and is satisfactory to the transmitter.

3. Freedom of Information Act

The Freedom of Information Act (5 U.S.C. 552) and implementing NIFA regulations (7 CFR 3404.1-.6) require NIFA to release certain grant documents and records requested by members of the public, regardless of the intended use of the information. These policies and regulations apply to information in NIFA’s possession. Generally NIFA cannot require grantees or contractors under grants to permit public access to their records. An exception related to certain research data is described in this subsection. (5 U.S.C. 552(b)).

Records or information generally disclosed by NIFA in response to a FOIA request	Records or information generally withheld by NIFA in response to a FOIA request
<ul style="list-style-type: none"> • Funded applications and funded progress reports, including award data 	<ul style="list-style-type: none"> • Pending competing grant applications • Unfunded new, renewal, and revision

<ul style="list-style-type: none"> Final reports that have been transmitted to the grantee organization of any audit, survey review, or evaluation of grantee performance 	<p>applications</p> <ul style="list-style-type: none"> Financial information pertaining to project personnel, such as institutional base salary information Information pertaining to an individual, the disclosure of which would constitute a clearly unwarranted invasion of personal privacy Pre-decisional opinions in interagency or intra-agency memoranda or letters expressed by Federal government officers, employees, or consultants Evaluative portions of site visit reports and peer review summary statements, including impact/priority scores Trade secrets and commercial, financial, and otherwise intrinsically valuable items of information that are obtained from a person or organization and are privileged or confidential Information which, if released, would adversely affect the competitive position of the person or organization <ul style="list-style-type: none"> Patent or other valuable commercial rights of the person or organization
--	---

Requests for information received under the Freedom of Information Act (FOIA) may request information exempt under FOIA. Requests for information submitted to NIFA may require information from grantees. Information will be sought and collected through the Contact PD/PI. The PD/PI will be given ten (10) working days to identify potentially patentable or commercially valuable information that the PD/PI believes is exempt under FOIA. Any such submission by the PD/PI must be specific as to the nature and type of commercial harm that will result if the requested information is released. General statements by the PD/PI that all information is exempt will not be honored.

The PD/PI must respond to NIFA within the required time period to prevent the release of information to the requester. If the PD/PI does identify commercial or proprietary information, NIFA will review that response. After NIFA consideration of the response, the PD/PI and grantee will be informed if NIFA does not agree with the PD/PI's position. If a document contains both disclosable and non-disclosable information, the non-disclosable information will be redacted and the balance of the document will be disclosed. Please note that personal identifying information is protected under a Certificate of Confidentiality, however the entire related data set will not be exempt. Recipients of NIFA funds are required to store data for three years after the submission of the financial status report.

The USDA and NIFA regulations implementing FOIA provide that only the NIFA FOIA Officer may deny requests for information. Requests for information, the release of which is believed to be

exempt under FOIA, are referred to the NIFA FOIA Officer along with written documentation of the rationale for nondisclosure. If the NIFA FOIA Officer determines that the requested information is exempt from release under FOIA, the requester may appeal that determination to the Director of the Office of Finance and Management at the USDA. Additional information on the FOIA process is available at the NIFA FOIA Office Web site, available on-line at <http://www.nifa.usda.gov/business/awards/foia.html>. (7 CFR 1.1-1.23).

3. Privacy Act

The Privacy Act of 1974, 5 U.S.C. 552a (as amended), and the USDA implementing regulations, 7 CFR 1.110 – 1.123, provide certain safeguards for information about individuals maintained in a system of records (i.e., a system in which information may be retrieved by the individual's name or other identifying information). These safeguards include the rights of individuals to know what information about them is maintained in Federal agencies' files (hard copy or electronic) and how it is used, how they may obtain access to their records, and how to correct, amend, or request deletion of information in their records that is factually incorrect, unless the records are exempt from the Privacy Act. A record, as defined by the Privacy Act, is an item, collection, or grouping of information about an individual that is maintained by an agency, including, but not limited to, his education, financial transactions, medical history, and criminal or employment history that that contains his name, or identifying number, symbol, or other identifying particular assigned to the individual..." (5 U.S.C. 552a(4)).

Records maintained by NIFA with respect to grant applications, grant awards, and the administration of grants are subject to the provisions of the Privacy Act. Pursuant to the Privacy Act, an individual who wishes to know if a NIFA system of records contains information about him/her may make a request, for a fee. NIFA will respond to the request within 30 days of receipt with an acknowledgment of receipt or a denial.

A System of Records Notice informs the public of the existence of a system of records and describes the type of information that an agency will be collecting, who will be collecting the information, how it will be safeguarded, the purpose for collecting such information, etc. It is an advanced notice to the public that must be given before an agency begins to collect, is given access to or can retrieve personal information for a new system of records and must be published in the Federal Register. (http://www.ocio.usda.gov/ocio_sor.html).

Parties other than PD/PIs may request the release of Privacy Act grant records. Such requests are processed under FOIA. For example, information requested by co-investigators in grant applications is released to them only when required under FOIA because they have no right of access under the Privacy Act. When releasing information about an individual to a party other than the subject of the file, NIFA will balance the individual's right to privacy with the public's right to know as provided by the FOIA.

4. Paperwork Reduction Act (PRA)

The Paperwork Reduction Act mandates that all federal government agencies must obtain a Control Number from OMB before promulgating a form that will impose an information collection burden on the general public. Once obtained, approval must be renewed every three years. For a renewal, the agency must explain the reason why the collection is needed and estimate the burden in terms of time and money that the collection will impose upon the persons required to complete it.

OMB clearance is required for NIFA “information collections.” An information collection is when identical questions are posed to, or identical reporting, recordkeeping, or disclosure requirements are imposed on, 10 or more people, whether the collection is mandatory, voluntary, or required to obtain or retain a benefit. All application or reporting forms, whether paper or electronic, that NIFA requires an applicant or recipient to complete and submit must receive OMB approval before NIFA may collect the information. Information collection under a cooperative agreement award or a grant award, under specified conditions, also requires OMB clearance.

V. AWARD MANAGEMENT

A. TERMS AND CONDITIONS

The NIFA-specific terms and conditions are available on the NIFA website at <http://www.nifa.usda.gov/business/awards/awardterms.html>. Government-wide research terms and conditions, if applicable, are available online at <http://www.nsf.gov/awards/managing/rtc.jsp>. All Award Face Sheets will include the terms and conditions applicable to that particular award and should be referred to for more specific instruction.

NIFA grants awards are based on the application submitted to, and approved by, NIFA and are subject to the terms and conditions incorporated either directly or by reference in the following authorities:

- The program legislation and/or program regulation cited in the Award Face Sheet.
- Other statutes.
- Relevant sections of the Code of Federal Regulations.
- The NIFA Federal Assistance Policy Guide, including addenda in effect as of the beginning date of the budget period.
- The award documents including all terms and conditions cited on the document or attachments.

NIFA will maintain a prominent oversight role throughout the life of the award. NIFA, in its capacity as a grantor agency, is responsible for overseeing the use of Federal funds by non-Federal entities. (Single Audit Act, 31 USC 7504(a)(1)).

To create greater consistency in the administration of Federal research awards, all Federal research agencies now utilize a standard core set of administrative terms and conditions on research and research-related awards that are subject to OMB Circular A-110 (2 CFR 215), to the extent practicable.¹⁹ The Government-wide research terms and conditions, including NIFA-specific award terms and conditions, can be found at <http://www.nsf.gov/bfa/dias/policy/rtc/index.jsp>. Grantees are encouraged to review the companion documents to the government-wide research terms and conditions, which include a Prior Approval Matrix, National Policy Requirement Matrix (Subpart B), Subaward Requirement Matrix (Subpart C), and Agency-Specific Requirements. The Research Terms and Conditions apply to all awards to hospitals, institutions of higher education, other non-profit organizations, and for-profit organizations, but not to capacity funded programs, the 1890 Facilities program, the Small Business Innovation Research program, or awards to individuals.

¹⁹ Cost principles are specific to the type of grantee institution and they are codified at 2 CFR parts 220, 225, and, 230. The OMB regulation 2 CFR 215 was previously issued as OMB Circular A-110. The Department of Agriculture codified agency-specific Uniform Federal Assistance Regulations located at 7 CFR part 3015.

Federal administrative requirements allow agencies to waive certain cost-related and administrative prior approval pursuant to expanded authorities (2 CFR 215.25). The NIFA-Specific Terms and Conditions expand on or add to the government-wide terms and conditions. Specific NIFA programs might have additional requirements that will be noted in the RFA and on the Award Face Sheet. The NIFA Agency-Specific Research Terms and Conditions do not apply to capacity grants.

B. FLOW-DOWN OF REQUIREMENTS FROM SUBAWARDS AND CONTRACTS UNDER GRANTS

The terms and conditions of a NIFA award apply directly to the recipient of NIFA funds. The recipient is accountable for the performance of the project, program, or activity; the appropriate expenditure of funds under the award by all parties; and all other obligations of the recipient, as cited in the Award Face Sheet. In general, the requirements that apply to the recipient, including public policy requirements, also apply to sub-recipients and contractors under grants, unless an exception is specified. Sub-recipients that are State and local governments are subject to the provisions in 7 CFR 3015 and 3016 (2 CFR 215). Appendix B of the Government-wide Research Terms and Conditions contains the requirements for subawards organized by the type of recipient. NIFA further requires prior written approval by an ADO for distribution of more than 50 percent of the total dollars of the award to a sub-recipient. (NIFA Research Terms and Conditions May 2012, Article 2).

C. REPORTING

The reporting requirements identified in this Policy Guide are general requirements. Each Award Face Sheet will contain the specific reporting requirements for that grant and additional detail on how to submit all required reports. NIFA's monitoring of a project or activity will continue for as long as NIFA retains a financial interest in the project or activity.

Grantees are responsible for managing the day-to-day operations of grant-supported activities, subawards, and functions and activities supported by the award using their established controls and policies consistent with all NIFA requirements. However, pursuant to NIFA's responsibility to ensure proper stewardship of Federal funds, NIFA will monitor grants to identify potential problems and areas where technical assistance might be needed. Progress reports, site visits, audits, and other required reports assist NIFA in the monitoring and oversight of grants.

NIFA requires grantees to periodically submit progress and financial reports throughout the life of the grant. Other required reports may include annual invention utilization reports, lobbying disclosures, conflict of interest reports, audit reports, reports to the appropriate payment points (in accordance with instructions received from the payment office), and specialized programmatic reports. NIFA uses the iEdison system for submission of all reports related to inventions. Grantees should refer to their award documents for all applicable reporting requirements.

Required financial and final progress reports must be submitted within the time period specified in the award documents. Failure to submit complete, accurate, and timely reports

may indicate the need for closer monitoring by NIFA or may result in possible award delays or enforcement actions. Grantees must obtain the necessary reports from subgrantees. State and local government recipients can waive reporting requirements as appropriate.

1. Non-Construction Reporting Requirements

NIFA requires grantees to submit annual progress and financial reports as well as final performance reports at the end of a program period. All annual reports are due 90 days after the grant anniversary. That is, one year following the month and day on which the project period begins and each year thereafter until a final report is required. Report required to be submitted quarterly or semi-annually, must be submitted within 30 days of the reporting period. When applicable, the following information should be included in performance reports:

- A comparison of actual accomplishments to the goals established for the period.
- An explanation for why established goals were not met, if applicable.
- Additional pertinent information including, as appropriate, analysis and explanation of cost overruns and high unit costs.

All performance and financial reports are submitted through the REEport (Research, Extension, and Education online project reporting tool). Failing to submit a required financial, progress or final report in a timely manner may lead to grant funds being withheld until the required report is submitted. Each performance and financial report covers the most-recent one-year period, with the exception of the final report, which covers the life of the grant. All grantees should notify NIFA when an event occurs that has a significant positive or negative impact on the grant or subgrant supported activity as soon as that event occurs, even if it is not at a required reporting time. (7 CFR 3016.40(d); 7 CFR 3019.51(f)).

For additional information see 7 CFR 3430.55, 3016.41, and 3019.52.

2. Construction Grant Reporting Requirements

NIFA relies on on-site technical inspections and certified data on progress towards completion to monitor progress under construction grants and subgrants. Additional performance reports may be required as needed. (7 CFR 3016.40(c); 7 C.F.R 3019.).

3. Non-Competing Continuation Progress Reports

Continuation awards support a specified program or project for a predetermined period of time with a statement of intention to provide additional support at a future date, provided that the grantee's performance has been satisfactory, appropriations are available for this purpose, and continued support would be in the best interest of the Federal government and the public. Progress reports are typically required to be submitted annually, or more frequently, as required by NIFA. Progress reports will be submitted through REEport. (7 CFR 3430.14).

4. Technical Reporting

4.1. Capacity Program of Research Reporting

Capacity grant recipients must annually submit a Program of Research to NIFA. The Program of Research should include a listing of all approved, active capacity grant funded projects for the institution. Any additional reporting requirements will be identified in the specific award documents.

4.2. Capacity Plan of Work Reporting

See Part II, C, 5, 5.3.

4.3. Final Technical Report

Final technical reports must be submitted through REEport within 90 calendar days after the expiration or termination of the award. The final report will cover the entire period of performance and must describe the progress made during the award. The information reported in the final report might be information that was previously reported on annual progress reports during the award. Final technical reports will also require grantees to identify all equipment purchased with Federal funds under the award and to indicate how the equipment will subsequently be used. Failing to submit a final technical report within 90 calendar days of the award expiration or termination may result in funds being withheld for other active NIFA grants with the same named PD and may prevent the grantee from receiving future NIFA grants until the required report is received and approved by NIFA.

The final technical report must include any inventions that were not previously reported that were conceived or first actually reduced to practice during the performance award and a written statement as to the grantee's election to obtain patents for the invention.

For additional information please see 7 CFR 3430.55.

5. Financial Reporting

NIFA requires grantees to submit a Federal Financial Report, Form SF-425, on an annual basis no later than 90 days following the award anniversary date. The final financial report is due 90 days after the expiration date of the award. All financial reports are submitted to the Awards Management Division. Grantees should refer to the *NIFA Terms and Conditions* for guidance on completing the SF-425. (Appendix B). (7 CFR 3016.41; 7 CFR 3019.52). The SF-425 due date for Capacity grantees differ; refer to Part IV., E.1. for reporting requirement due dates.

Grantees should note that the preferred method of financial report submission to AMD is as a PDF. Grantees should report financial information on the same accounting basis that they use in their normal accounting system, cash or accrual basis. Any matching contribution requirements should be included in the final financial report. Unliquidated obligations should not be included in the final financial report. If the grantee has remaining obligations at the end of the award, grantees should request an extension of time to submit the report and submit a provisional report in the meantime that shows the remaining unobligated balances.

Grantees with funds still disbursed through the PMS system are required to submit their financial reports electronically through the PMS system in accordance with the established deadlines. Failure to submit timely, quarterly reports will result in funds being restricted. Quarterly financial reporting is not required for grantees with funds disbursed through ASAP. (7 CFR 3430.56(e)).

5.1. Request for Extension

Grantees may request an extension of time to complete their final financial report prior to the end of the 90-day period following the expiration or termination of the award. The request for an extension of time must include a provisional report and anticipated submission date, as well as a justification for the late submission. Subject to legislatively determined fund expirations or other policy limitations, the funds will remain available for drawdown during the time permitted for extension. (7 CFR 3430.56).

5.2. Late and Overdue Financial Reports

If no request for an extension is made by the grantee, a report will be considered late if it is submitted more than 90 days after the expiration or termination of the grant. Extenuating circumstances will excuse a late submission that is no more than 30 days late. If extenuating circumstances exist, the financial report should be submitted as a provisional report and should include an anticipated submission date, a justification for the late submission and the extenuating circumstances.

When financial reports are not submitted within the identified time frame, they are considered overdue. When reports are overdue, applicable balances in the grantee's payment management system will be restricted. Grantees who have not requested an extension of time to submit their final financial report and who need to access remaining funds will have to work with NIFA AMD to obtain permission to draw down funds from their account. Documentation and justification must be provided to NIFA when requesting permission to draw down funds. NIFA will only approve drawdowns after the expiration of an award with an overdue financial report if extenuating circumstances exist.

NIFA may require additional financial reports or more frequent reporting. Any additional requirements will be identified in the terms and conditions of the award. (7 CFR 3430.56).

5.3. Subaward and Executive Compensation Reporting

The Federal Funding and Accountability Transparency Act (FFATA or "Transparency Act") of 2006 was passed with the intent of empowering the public with the ability to hold the government accountable for all spending decisions in an effort to reduce wasteful spending. The Transparency Act includes additional reporting requirements that facilitate providing the public with information on federal spending. Information required to be submitted pursuant to the Transparency Act is published at www.USAspending.gov. Pursuant to the Transparency Act, additional information on subawards and executive compensation is required when a non-Federal entity is receiving or administering a NIFA grant, cooperative agreement, loan, loan guarantee, subsidy, insurance, direct appropriation, assessed and voluntary contribution or

other financial assistance that authorizes the non-Federal entity to spend Federal funds. (2 CFR 170.100 and 2 CFR 170.320). The requirements of the Transparency Act do not apply to individuals receiving NIFA grants. (2 CFR 170.110). The requirements for reporting names and total compensation of the five most highly compensated executives do not apply unless in the organization's preceding fiscal year, it received 80 percent or more of their annual gross revenue in Federal procurement contracts and Federal financial assistance awards and subawards. (2 CFR 170.110). Grantees receiving \$25,000,000 or more in annual gross revenue from Federal procurement contracts and subcontracts and Federal financial assistance awards are also subject to the reporting requirements of the Transparency Act. (2 CFR 170.110).

The reporting requirements of the Transparency Act will be included in the terms of the award. Grantees subject to the Transparency Act reporting requirements must have systems in place to comply with the reporting requirements at the time of application. (2 CFR 170.200). Grantees must report all actions that obligate \$25,000 or more in Federal funds. Grantees and subgrantees must report total compensation for each of the five most highly compensated individuals for the preceding fiscal year. Subrecipients are required to report total compensation for each of the five most highly compensated individuals for the preceding fiscal year if they received 80 percent or more of their annual gross revenue in Federal procurement contracts and Federal financial assistance awards and subawards or \$25,000,000 or more in annual gross revenue from the federal procurement contracts and subcontracts and federal financial assistance awards (2 CFR 170 Appendix A). Grantees with a gross income of under \$300,000 are exempt from reporting subaward information and total executive compensation.

All information regarding obligations of \$25,000 or more must be reported to <https://www.fsrc.gov/> and total executive compensation must be reported as part of the SAM registration process. Grantees will be required to register with, and submit timely reports, to FSR. Recipient organizations may be required to verify the following information in FSR: organization DUNS number; name and address of organization; parent DUNS number; CFDA number; Federal Award Identification Number (FAIN); Federal awarding agency.

Information must be reported by subawardees no later than the month after the month when the funds were initially obligated. (2 CFR 170 Appendix A). Subawardees must report their executive compensation information to the primary grantee by the end of the month following the month when the subaward was made. (2 CFR 170 Appendix A). Information regarding executive compensation is not required to be reported if the public has access to the same information through the periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (2 CFR 170.110). All required reporting pursuant to the Transparency Act is included in the award terms and conditions.

5.4. Capacity Grant Financial Reports

Grantees must submit an annual SF- 425, Federal Financial Report (this form consolidates and replaces four financial reporting forms; the SF-269, SF-269A, SF-272, and SF-272A) until the

time the award is closed. Grantees are not required to submit quarterly SF-425 reports.²⁰ Research program financial reports must be submitted by December 31 and extension program financial reports must be submitted by April 1. Funds will be placed on hold if reports are not timely submitted. All required reports will be identified in the Award Face Sheet.

D. RESEARCH RESULTS: PUBLICATIONS, INTELLECTUAL PROPERTY RIGHTS, AND SHARING RESEARCH RESOURCES

It is NIFA policy that the results and accomplishments of the research, education, and extension activities it funds should be made available to the public. PD/PIs and grantee organizations are expected to make the results and accomplishments of their activities available to the research community and to the public at large. If an organization's NIFA funded research, education, and extension activities result in inventions, federal legislation and regulations dictate the rights and title to the invention. The results of NIFA funded research are publicly available on the Current Research Information System (CRIS). Information from NIFA funded research, education, and extension is also available through the Research, Education, and Extension Information System (REEIS). Pursuant to the requirements of the Federal Agricultural Improvement and Reform (FAIR) Act of 1996, USDA established the REEIS to provide a state-of-the-art comprehensive, integrated system for monitoring and evaluating research, education, and extension activities conducted or supported by the USDA. (7 U.S.C. 3121). Grantees must comply with the NIFA Research Terms and Conditions, which require preparation and publication of progress and technical reports for NIFA, other scientists and administrators, and the public. All reported project information is publicly available at: <http://www.reeis.usda.gov>.

1. Rights in Data

Grantees generally own the rights in data resulting from a grant-supported project. Special terms and conditions of the award may indicate alternative rights, e.g., under a cooperative agreement or based on specific programmatic considerations as stated in the applicable RFA. Except as otherwise provided in the terms and conditions of the award, any publications, data, or other copyrightable works developed under a NIFA grant may be copyrighted without NIFA approval. However, NIFA reserves a royalty-free, nonexclusive and irrevocable right to reproduce, publish, or otherwise use the work for Federal purposes, and to authorize others to do so when data has been developed by an educational institution with NIFA support. (7 CFR 3019.36). Recipient's rights in inventions and patents will be discussed in a later section. For this purpose, "research data" is defined as the recorded factual material commonly accepted in the scientific community as necessary to validate research findings, but not any of the following: preliminary analyses, drafts of scientific papers, plans for future research, peer reviews, communications with colleagues, trade secrets, and personnel and medical information. (7 CFR 3019.36(d)(2)). This "recorded" material excludes physical objects. (7 CFR 3019.36(d)(2)).

²⁰ Grantees still receiving funds through PMS must continue to submit quarterly SF-425 reports. Funds in PMS accounts are frozen if the quarterly reports are late.

Rights in data also extend to students, fellows, or trainees under awards whose primary purpose is educational, with the authors free to copyright works without NIFA approval. Data developed by a consortium participant also is subject to this policy.

2. Access to Research Data: REEport and Current Research Information System (CRIS)

All projects supported by NIFA funds must be documented in the Current Research Information System (CRIS) database. Project data are accepted into this system electronically via the REEport data collection software. No funds will be released to grantees until the required information has been electronically submitted through REEport. NIFA requires annual progress reporting, due one year and 90 days after the month and day on which the project period begins and each year thereafter until the final report is due in the last year of the grant. In addition to the information requested on the Progress Report recipients must provide the following information:

- A comparison of actual accomplishments with the goals established for the reporting period (where the output of the project can be expressed readily in numbers, a computation of the cost per unit of output should be considered if the information is considered useful) (7 CFR 3430.55);
- The reasons for failing to meet established goals if goals were not met (7 CFR 3430.55); and
- Additional pertinent information including, when appropriate, analysis and explanation of cost overruns or unexpectedly high unit costs. The annual report of “Funding and Staff Support” (Form AD-419) is due February 1 of the year subsequent to the Federal fiscal year being reported. (7 CFR 3430.55).

Grantees should consult the Award Face Sheet to determine if additional technical reports are required to be submitted more frequently than annually. Any additional reporting requirements will be included as special terms and conditions of the NIFA award. (7 CFR 3430.55). Information submitted via REEport is available to the public in the CRIS at <http://cris.nifa.usda.gov/>. The Planning, Accountability, & Reporting Staff office of NIFA is responsible for maintaining REEport and the CRIS database. Project information submitted through REEport is also accessible through the Research, Economics, and Education Information System (REEIS) website, and the NIFA website. The Project Initiation form in REEport is required to be submitted before a Project’s start date; this information is made public in the above-mentioned systems once submitted through REEport. Awardees can access REEport through the NIFA Reporting Portal at <http://portal.nifa.usda.gov>.

3. Sharing Research Resources

NIFA encourages sharing the unique research resources developed with the support of NIFA funds. NIFA believes that data sharing is essential for expedited translation of research results into knowledge, products, and procedures to improve agricultural research, education, and extension. Sharing such unique research resources (also called research tools) is an important means of enhancing the value of NIFA-sponsored research. Restricting the availability of

unique resources can impede the advancement of further research. Therefore, when these resources are developed with NIFA funds and the associated research findings have been accepted for publication, or after they have been provided to NIFA, it is important that they be made readily available for research purposes to qualified individuals within the scientific community. For any subawards, including a consortium agreement, which may produce research data or tools, the recipient must include a provision requiring third-party data or research tools to be made available to the recipient and to NIFA, as appropriate. NIFA recognizes the rights of grantees and contractors to elect and retain title to subject inventions developed with Federal funding pursuant to the Bayh-Dole Act. Grantees should note that the applicable RFA and Award Face Sheet will include any specific data-sharing requirements associated with a particular award.

Data-sharing agreements must reflect the objectives of the Bayh-Dole Act and the Technology Transfer Commercialization Act of 2000 to ensure that inventions and discoveries subject to copyrighting and patents are used in a manner to promote free competition and enterprise without unduly encumbering future research and discovery.

4. Availability of Research Resources

Documents and/or samples of any material developed during a NIFA supported project must be provided to NIFA upon NIFA request. If research resources are shared with the research community for a fee, fees must be treated as program income. Since NIFA retains a non-exclusive royalty-free right to all research results from NIFA funded research, no fees will be collected from NIFA.

Investigators are expected to submit unique biological information, such as DNA sequences or crystallographic coordinates, to the appropriate data banks so that they can be made available to the broad scientific community. When distributing unique resources, investigators are to include pertinent information on the nature, quality, or characterization of the materials.

NIFA recognizes that data sharing may be complicated or limited, in some cases, by organizational policies, local IRB rules, and local, State and Federal laws, and regulations. The rights and privacy of individuals who participate in NIFA-sponsored research must be protected at all times. Thus, data intended for broader use should be free of identifiers that would permit linkages to individual research participants and variables that could lead to deductive disclosure of the identity of individual subjects. Investigators also must exercise great care to ensure that resources involving human cells or tissues do not identify original donors or subjects, either directly or through identifiers such as codes linked to the donors or subjects.

Applicant organizations unable to comply with these requirements should promptly contact NIFA to discuss the circumstances, obtain information that might enable compliance, and reach an understanding in advance of an award.

5. Publications

As a means of sharing knowledge, NIFA encourages grantees to arrange for publication of NIFA-supported original research in primary scientific journals. Grantees also should assert copyright in scientific and technical articles based on data produced under the grant where necessary to effect journal publication or inclusion in proceedings associated with professional activities. Journal or other copyright practices are acceptable unless the copyright policy prevents the grantee from making copies for its own use (as provided in 7 CFR 3019.36).

Proper acknowledgement of public funding in published articles, manuscripts, presentations and press releases is critical for the success of the agency’s programs. Please use the following language to acknowledge NIFA support in such publications, as appropriate:

“This work is/was supported by the USDA National Institute of Food and Agriculture, [insert project type, e.g. Hatch/Evans-Allen/McIntire Stennis] project [insert accession number].”

The recipient must also include a disclaimer stating the following:

“The contents are solely the responsibility of the authors and do not necessarily represent the official views of the USDA or NIFA.”

If the grantee plans to issue a press release concerning the outcome of NIFA grant-supported research, they should notify NIFA in advance to allow for coordination. Publications resulting from work performed under a NIFA grant-supported project must be included as part of the annual or final progress report submitted to NIFA. When publications are available electronically, electronic access information should be provided. If not available electronically, one copy of the publication may be provided along with the progress report.

6. Patents and Inventions

Innovative research conducted by NIFA grantees can result in inventions and data subject to copyright and patent regulations. Inventions developed with the support of a Federal grant or other financial assistance is subject to special legislation and regulations. The primary source of guidance is the Bayh-Dole Act, as amended by the Technology Transfer Commercialization Act of 2000 (P.L. 106-404) and the implementing regulations, located at 37 CFR 401. The principal objectives of these laws and the implementing regulations are to promote commercialization of federally funded inventions, while ensuring that inventions are used in a manner that promotes free competition and enterprise without unduly encumbering future research and discovery. (37 CFR 401). Legislation and regulations related to patent rights in inventions made with Federal financial support also seek to protect the public against nonuse and unreasonable use of Federally-funded inventions. (35 U.S.C. 200). Federal laws and regulations only apply to “subject inventions.” A “subject invention” is conceived or first actually reduced to practice in the performance of a federally supported project. (37 CFR 401). An invention is any invention or discovery that is or may be patentable or otherwise protectable under Title 35 of the United States Code, or any novel

variety of plant, which is or may be protectable under the Plant Variety Protection Act (7 U.S.C. 2321 *et. seq.*).

The awardee, rather than NIFA, retains ownership rights to inventions and patents despite the Federal funding. The purpose of the applicable legislation and regulations is to ensure that Federal agencies support broadening the US technology base by moving new knowledge gained in the research lab into the development of new products and processes (Executive Order 12591, April 10, 1987, 52 FR 13414). NIFA does have the right to periodic reports regarding the use of the invention. (37 CFR 401.8). Additionally, USDA reserves a royalty-free, nonexclusive, and irrevocable license to exercise, and to authorize others to exercise, the rights for Federal Government purposes. Subject to this license, the owner is free to exercise, preserve, or transfer all its rights. However, the recipient must ensure that no agreement is entered into for transferring the rights, which would conflict with the nonexclusive license of USDA. (7 CFR 3015.175).

The Bayh-Dole Act of 1980 (Public Law 96-517; 35 U.S.C. 200-212) and the related Executive Order, No. 12591 (April 10, 1987) provide incentives that encourage the practical application of research supported through Federal funding agreements. To be able to retain rights and title to inventions made with Federal funds, (i.e., subject inventions), the grantee must comply with a series of regulations that ensure the timely transfer of the technology to the private sector, while protecting limited rights of the Federal government. If the recipient is a small business or non-profit organization (including universities and other institutions of higher education), the allocation of rights in inventions produced under a grant or cooperative agreement will be determined in accordance with the Bayh-Dole Act and OMB Circular A-124, codified in 37 CFR 401. (7 CFR 3015.175). Notably, scholarships, fellowships, training grants, or other funding agreements made by NIFA, or any other Federal agency, to an awardee for primarily educational purposes cannot contain any provision giving NIFA or any other Federal agency any rights to inventions made by the awardee. (35 U.S.C. 212).

Grantees with inventions subject to copyright or patent protections developed during a Federally funded project are required to make efforts to commercialize the subject invention through patent or licensing, formally acknowledge the Federal government's support in all patents that arise from the subject invention and formally grant the Federal government a limited use license to the subject invention.

6.1. Invention Reporting

Grantees must disclose to NIFA all subject inventions within two months after disclosing to the individual at the recipient institution responsible for patent matters. (37 CFR 401.14). The disclosure to NIFA must be in writing and identify the individuals working on the invention, as well as the grant number or other identifying information. (37 CFR 401.14). Technical detail sufficient to convey a clear understanding of the invention should be included in the disclosure. (37 CFR 401.14). Grantees are also required to disclose any publications related to the invention and the status of the publication.

Within two years of disclosure of the invention, the grantee must determine if they will retain title to the invention or elect to waive their ownership rights. Within one year of electing to retain title, grantees must file their initial patent application or non-provisional patent or PVP application, for the subject invention, unless otherwise provided. (37 CFR 401.14). On the patent application, the grantee must include that the invention was made with the Federal government's support and that the Federal government retains certain rights to the invention. (35 U.S.C. 202). If necessary, additional patent applications in other countries or international patent offices must be submitted within ten months of filing the initial patent application, or six months from the date the US Commissioner of Patent and Trademarks grants permission to file a foreign patent application. (37 CFR 401.14).

If the grantee fails to elect to retain title within the specified time limits, including any extensions of time granted at NIFA's discretion, the grantee will convey title to NIFA, upon written request to do so. (37 CFR 401.14). If NIFA obtains title to a subject invention, the grantee then retains a non-exclusive, royalty-free license in each subject invention. (37 CFR 401.14). Additionally, the Federal government will not be entitled to publicly disclose or publish research results except under any one of the following circumstances: (1) The award recipient publicly discloses or gives permission for publication; or (2) The award recipient does not elect to file for a U.S. patent or PVP on such results, pursuant to 37 CFR Part 401.14(c)(2) and (3); or (3) After the award recipient files for a U.S. patent or PVP pursuant to 37 CFR Part 401.14(c)(3). The government is limited to publication of the information on publicly accessible databases, such as Genbank. If a subgrantee, rather than the primary grantee, develops a subject invention with the support of a Federal award, the subgrantee retains the rights to the subject invention and must comply with the same reporting requirements. (37 CFR 401.14). A recipient awarding a subgrant is allowed to reserve a nonexclusive license for itself, similar to the one reserved for USDA, with respect to any copyright or rights subject to this section that arise under the subgrant. (7 CFR 3015.175).

Any information that NIFA obtains from grantees related to subject inventions, as well as any information on utilization or efforts to obtain utilization as part of NIFA required reporting will be treated by NIFA as commercial and financial information obtained from a person and privileged and confidential and not subject to disclosure under FOIA. (35 U.S.C. 202). Grantees with subject inventions are not permitted to grant to any person an exclusive right to use or sell the subject invention unless the purchaser agrees that any product embodying the subject invention or produced through the use of the subject invention will be manufactured substantially in the United States. Deviation from this requirement must be approved by NIFA. A grantee's failure to comply with invention reporting requirements and/or associated NIFA policies on intellectual property and resource sharing may result in the loss of patent rights or a withholding of grant funds or other enforcement actions. (37 CFR 401.14).

Invention Reporting (37 CFR 401)				
Invention Reporting Requirement	Action Required	When Action Must be Taken	Notes	Regulatory Reference (37 CFR 401)²¹
Employee Agreement to Disclose All Inventions	Employees of the grantee institution supported by the Federal award (e.g., PD/PI) must sign an agreement to abide by the terms of the Bayh-Dole Act and the NIFA Policy Guide as they relate to intellectual property rights.	At time of employment	Grantee organizations and consortium participants must have policies in place regarding ownership of intellectual property, including conflict of interest issues.	401.14, Standard Patent Rights Clause (f)(2)
Invention Report and “Disclosure”	The grantee organization must submit to NIFA a report of any subject invention. This includes a written description (the “invention disclosure”) of the invention with complete technical detail.	Within 2 months of the inventor’s initial report of the invention to the grantee organization.	There is no single format for disclosing inventions to the Federal government. Inventor(s), NIFA grant number, and date of any public disclosure must be identified.	401.14(a)(2) 401.14(c)(1)
Rights to Consortium Participant Inventions	Consortium participants under NIFA grants retain rights to any subject inventions they make.	Within 2 months of the inventor’s initial report of the invention to the consortium participant.	The grantee cannot require ownership of a consortium participant’s subject inventions as a term of the consortium agreement.	401.14(g)(1) 401.14(g)(2)
Election of Title to Invention	The grantee must notify NIFA of its decision to retain or waive title to invention and patent rights.	Within 2 years of the initial reporting of the invention to NIFA.		401.14(b) 401.14(c)(2) 401.14(f)(1)
Confirmatory License	For each invention, the grantee must provide a user license to NIFA	When the initial non-provisional patent application is filed.		401.14(f)(1)
Patent	The grantee must inform NIFA	Within 1 year after election of	An initial patent application is	401.14(c)(3)

²¹ Please note, all references to sections in 37 CFR 401.14 are to sections within the Standard Patent Rights Clause, reproduced in its entirety in that section.

Application	of the filing of any non-provisional patent application. The patent application must include a Federal government support clause.	title, unless there is an extension.	defined as a non-provisional U.S. application. The patent application number and filing date must be provided. The following language is to be used on patent application: “This invention was made with government support under (identify the funding award) awarded by NIFA. The government has certain rights in the invention.” All communications for such requests must be sent to NIFA	401.2(n) 401.14(f)(4)
Assignment of Rights to Third Party	If the grantee is a non-profit organization, it must ask NIFA approval to assign invention or U.S. patent rights to any third party, including the inventor(s).	As needed. All communication for such requests must be sent to NIFA.	Grantees that are for-profit entities (including small businesses) do not need to ask approval, but ongoing reporting remains a requirement for each invention.	401.14(k)
Issued Patent	The grantee must notify NIFA that a patent has been issued.	When the patent is issued.	The patent issue date, number, and evidence of Federal government support clause must be provided.	401.5(f)(2)
Extension of Time to Elect Title or File Patent	The grantee may request an extension of up to 2 years for election of title, or an extension of up to 1 year for filing a patent application.	As needed.	Requests for extension of time require prior approval.	401.14(c)(4)
Change in Patent Application Status	The grantee must notify NIFA of changes in patent status.	At least 30 days before any pending patent office deadline.	This notification allows NIFA to consider continuing the patent action.	401.14(f)(3)
Invention Utilization Report	The grantee must submit information about the status of commercialization of any	Annually.	This report gives an indication of whether the objectives of the law are being met. Specific	401.14(h)

	invention for which title has been elected.		reporting requirements can be found in iEdison (http://iEdison.gov).	
Final Invention Statement and Certification	The grantee must submit to NIFA a summary of all Inventions made during the entire term of each grant award.	Within 90 days after the project period (competitive segment) ends.	Required information is specified on the required form. If no inventions occurred during the project period, a negative report must be submitted.	401.14(f)(5)

6.2. Plant Variety Protection

The breeder of any sexually reproduced or tuber propagated plant variety (other than fungi or bacteria) who has so reproduced the variety is entitled to plant variety protection for the variety, subject to certain conditions and requirements. Similar to development of inventions that are subject to patent and copyright registration, the Plant Variety Protection Act facilitates a system for breeders of protectable plant varieties to register their development. A plant variety is eligible for registration if it is new, distinct, uniform, and stable.

The plant the grantee is seeking to protect must be new. A plant is considered new if on the date of filing the application for plant variety protection, propagated or harvested material of the plant variety has not been sold or otherwise disposed of to other persons, by, or with the consent of, the breeder, or the successor in interest of the breeder, for purposes of exploitation of the variety in the United States, more than 1 year prior to the date of filing. A plant variety is also considered new if the plant has not been sold or otherwise disposed of in any area outside of the United States more than 4 years prior to the date of filing, except in the case of a tuber propagated plant variety subject to USDA waiver of the limitations. The plant variety must be distinct, in the sense that the variety is clearly distinguishable from any other variety publicly known to exist or known as a matter of common knowledge at the time of the filing of the application. The variety must also be uniform, in the sense that any variations are describable, predictable, and commercially acceptable. The plant variety must also be stable, in the sense that the variety, when reproduced, will remain unchanged with regard to the essential and distinctive characteristics of the variety with a reasonable degree of reliability commensurate with that of varieties of the same category in which the same breeding method is employed. (7 U.S.C. 2402).

The owner of the plant variety is the party eligible to file an application for a certificate of Plant Variety Protection with the USDA Agricultural Marketing Service (AMS) Plant Variety Protection Office (PVPO). The PVPO will determine if the variety submitted is in fact new, distinct, genetically uniform, and stable. Grantees must comply with PVPO's application requirements, available on-line [here](http://www.ams.usda.gov/AMSV1.0/ams.fetchTemplateData.do?template=TemplateM&navID=PVPOApplicationRequirements&page=PVPOApplicationRequirements&description=PVPO-Application%20percent20Requirements) (<http://www.ams.usda.gov/AMSV1.0/ams.fetchTemplateData.do?template=TemplateM&navID=PVPOApplicationRequirements&page=PVPOApplicationRequirements&description=PVPO-Application%20percent20Requirements>). All pending application contents are confidential and information on the application contents will not be distributed. (7 U.S.C. 2426). Grantees should note that plants subject to protection under the Plant Variety Protection Act are also eligible for protection under a utility patent.

Each certificate of plant variety protection certifies that the breeder has the right, during the term of the protection, to prevent others from selling the variety, offering it for sale, reproducing, importing or exporting, conditioning, stocking, or using the variety in producing a hybrid or different variety, as provided by the Plant Variety Protection Act. (7 CFR 97.1). Grantees should note that if the USDA determines that a protected plant variety should be

declared open to use by the public, the USDA will give the owner of the variety appropriate notice and an opportunity to respond. (7 CFR 97.700).

6.3. Interagency Edison (iEdison)

Pursuant to the requirement that all recipients of Federal grants or contracts report details of inventions and patents made through such awards, NIH developed an on-line Extramural Invention Information Management System; Edison. The Edison system was deployed in October 1995, becoming the first Web-based electronic system in the government to support administrative requirements. iEdison assists with managing the required reporting on subject inventions and maintains the confidentiality of the information. Access to iEdison is available on-line at: <https://s-edison.info.nih.gov/iEdison/>.

An overview of the iEdison invention reporting process, an iEdison tutorial, and extensive help text can be found as links on the iEdison home page. Requests for detailed instructions or other questions regarding Interagency Edison should be directed to:

Division of Extramural Inventions & Technology Resources (DEITR)

National Institutes of Health (NIH)
6705 Rockledge Drive, Suite 310, MSC 7980
Bethesda, Maryland 20892-798

Telephone: (301) 435-1986
Facsimile: (301) 480-0272
Email: Edison@nih.gov

The invention report and a copy of the signed invention disclosure must be reported electronically through the Interagency Edison Web interface. To submit the signed disclosure electronically requires that it be rendered as a PDF or TIFF file. The signed disclosure should contain a brief description of the original invention including the Title, Inventor(s) Name(s), and source of Federal support used (e.g., Agency Award Number). After the report and disclosure are received in the iEdison system, NIFA will have access to a copy of the disclosure document.

NIFA grantees should use iEdison to make changes to the disposition of the invention, including title election or non-election, assignment of rights to third parties, patent application(s) or PVP(s), and patents or PVP(s) received. iEdison also supports electronic submission of documents required for several other aspects of the Bayh-Dole reporting process. Once a patent or PVP is applied for and an application serial number is available, an executed confirmatory license to the government must be submitted. The license must also be submitted in instances where the invention has been licensed but not patented (as is the case of biological materials). For this purpose, iEdison provides a confirmatory license template that can be submitted via fax.

The awardee organization must submit a copy of the portion of the patent or PVP application that contains the "Government Support Clause," offering proof of formal acknowledgment of government support of the underlying invention. For PVP applications, the government support clause must be inserted in Exhibit E, block 11 of the application.

Requests for assignment of rights to third parties (e.g., the inventor) must include certification by the inventor. The certification process is defined at, and can be carried out as described, under the USDA/NIFA link on the [iEdison home page](#). The signed certification must be submitted to the NIH office listed above via fax (preferable) or U.S. Mail. Requests for waiver of the domestic manufacturing requirement must be submitted to the NIFA office listed above via fax (preferable) or U.S. Mail, including a detailed justification.

6.4. Royalties and Licensing Fees from Copyrights, Inventions and Patents

Grantees can earn royalties, license fees, and other income from a copyrighted work developed under a NIFA grant or subgrant. The grant or subgrant agreement governs the disposition of income from copyrighted work. If the provisions of the grant award do not treat this kind of income, there are no USDA requirements governing its disposition and the disposition must be in accordance with the recipient's own policies. (7 CFR 3015.44). A recipient is not prohibited from imposing disposition requirements on sub-recipients earning income from royalties, license fees, and other copyrighted work. Disposition requirements imposed on sub-recipients must be in addition to, and not inconsistent with, any requirements imposed by the provisions of the grant award. (7 CFR 3015.44). For state, local, and tribal government recipients of NIFA grants, Income from royalties and license fees for copyrighted material, patents, and inventions developed by a grantee or subgrantee is program income only if the revenues are specifically identified in the grant agreement or other regulations as program income. (7 CFR 3016.25(e)). Educational institutions and non-profits do not have an obligation to NIFA with regards to program income for income earned from license fees and royalties for copyrighted material, patents, patent applications, trademarks, and inventions produced under a NIFA award, unless otherwise provided. (7 CFR 3019.24(h)).

In accordance with the standard patent rights clauses to be included in grant agreements, as appropriate, NIFA requires reporting on the use of subject inventions and other information that NIFA reasonably determines must be reported. (37 CFR 401.14(h)). As part of the annual subject invention utilization report, recipients must report income generated by all subject inventions to which title has been elected, including inventions that have been patented and those that are licensed but not patented.

6.5. Transfer of Rights to the Inventor

If a grantee small business firm, non-profit organization, or other institution does not elect to retain title to the invention, an employee-inventor may request to retain title, subject to certain conditions set forth by the regulations appearing in 37 CFR 401.9. USDA requires that an inventor certification be completed by the inventor(s) before NIFA will consider an inventor's request to retain title to an invention. The inventor certification ensures that inventors electing to retain title fully understand their associated obligations to the government. USDA's approval of the inventor's request to retain title is treated as effectively equivalent to the grantor/contractor retaining title. The employee-inventor must comply with all the above-mentioned reporting requirements. Among the responsibilities under 37 CFR 401, the inventor(s) has one year from the date of approval by USDA to seek patent protection as stated in (c)(3) of the Standard Patent Rights Clauses set forth in 37 CFR 401.14. Rights to the

invention will revert to the government after one year unless an extension of time is requested from NIFA. Additional information can (<http://www.csrees.usda.gov/business/awards/intellprop.html>).

Inventors who wish to retain title to their invention(s) should complete the inventor certification. The responsible official at the grantee/contractor organization must then complete and sign the lower portion of the certification. The completed certification and a summary of the invention disclosure must then be faxed to USDA/NIFA at (202) 720-7714. Only complete forms, including both the inventors and the institutional authorizing official's signature, will be accepted by NIFA for review and action. Review of a transfer of rights to the inventor request can take several months. Both the inventor and the grantee/contractor will be notified in writing regarding NIFA's decision on the request.

The inventor certification is available as a PDF file, which can be completed online and then printed. Adobe Acrobat Reader is required and is available for free at the Adobe Web site. http://www.nifa.usda.gov/business/awards/intellprop/to_inventor.html.

6.6. Special Provisions for Grants with Non-Profit Organizations

Non-profit organization grantees with subject inventions that are licensing their invention must make a reasonable effort to attract small business firms and must give such firms preference in licensing. Licensing decisions of small business are subject to NIFA review. (37 CFR 401.14).

Non-profit organizations receiving NIFA funds are not permitted to transfer the rights of a subject invention without NIFA approval, unless the assignment of rights in the invention is made to an organization with its primary function being invention management (subject to the above requirements for transfer of an invention). The grantee non-profit will also be required to share royalties with the inventor. (35 U.S.C. 202(a)(7)). Grantees should review existing agreements with third parties and revise them, as appropriate, to ensure consistency with the terms and conditions of their NIFA award and proper representation of the objectives and requirements of the Bayh-Dole Act. Non-profit grantees should contact NIFA and consult the Bayh-Dole Act and 37 CFR 401 for further guidance on the transfer of rights in inventions.

The central point of contact at NIFA for questions and issues pertaining to patents and inventions including plant variety protections (PVP) (this does **not** include questions and issues regarding Interagency Edison) is: USDA NIFA PARS (bayhdole@nifa.usda.gov)

7. Continuance of Operations

In response to requirements for major system contingency planning as part of the Federal government's security management process, the USDA has formulated and is implementing a *Disaster Recovery and Business Resumption Plan*.²²

²² The Computer Security Act of 1987, OMB Circular A-130, Appendix III, and PDD 63 require contingency planning for major systems as part of the security management process. Specifically, these mandates require that contingency planning be conducted for each major system. NIST Publication 800-34, *Contingency Planning Guide*

(<http://www.ocio.usda.gov/directives/doc/DM3570-001.htm>). Numerous departments within the Federal government work with the Department of Homeland Security to ensure that Federal business operations and services to the public will sustain as short an interruption as possible in the event of adverse weather conditions, fire, and acts of terror against the federal government.

7.1. NIFA Contingency Plan

NIFA has established a contingency plan that allows key NIFA personnel the ability to communicate with the land-grant institutions and continue business operations in the event of business disruption due to a natural or unnatural disaster. The information provided to NIFA on the Key Contacts form is maintained for regular business use and is also stored offsite as part of the contingency plan.

7.2. States

States must ensure their contact information remains current with NIFA. In the event of unforeseen business disruptions, NIFA will implement its contingency plan and utilize the information you submit on the Key Contacts form. The institution will submit this information annually in its SF-424-R&R application package before the start of each fiscal year and during the year if changes occur. Though NIFA highly recommends that each institution establish a contingency plan for its extension service, expenses related to devising or maintaining plans are not allowable.

7.3. State Extension Directors/1890 Administrators

The State Extension Director/1890 Administrator will be the primary contact NIFA will attempt to reach, followed by the Business Manager, and the Accountant, should he or she not be accessible. Awardees should ensure NIFA has all telephone, cellular phone, fax numbers, and email addresses in case a disaster occurs in Washington, DC and/or the awardees' state.

8. NIFA Official Identifier

Eligible institutions may use the NIFA logo in addition to their own for research-related purposes only. In doing so, they must observe the following requirements:

- As often as possible, the logo should appear next to the name National Institute of Food and Agriculture. The recommended typeface is Helvetica Medium Italic, flush left and ragged right.
- Never enlarge a jpg file beyond 100 percent. If you are unable to use the vector (scalable eps) version, and need a larger jpg, request one for the NIFA visual information specialist (see below).
- The integrity of the complete logo should be maintained in all uses. Additions and deletions to the logo are not permitted.

for Information Technology Systems, provides additional guidance that will be used to establish USDA's IT Contingency Program.

- To maintain clear identification, the logo should appear proportionally isolated from other elements, such as titles or graphic devices. It should not be obscured by intersecting lines, shadows, or screens, or reproduced against strongly patterned backgrounds that would impair its recognition.
- Whenever possible, the NIFA logo should be reproduced in two colors: green (PMS 354) and blue (PMS 287). If color cannot be used, the logo should be reproduced in black and white with the green indicated with 100 percent black and the blue shaded at 60 percent black. No other exceptions are allowed.
- When used in conjunction with symbols of other public and private sector partners, the NIFA logo should have equal placement.
- The logo should appear no smaller than .75 inch in width.

Please send a copy of the material showing the NIFA logo once it is completed to the Communications Staff at NIFA. The logos and styles may be found on the NIFA Logo page, accessible at: http://www.nifa.usda.gov/about/offices/nifa_logo.html.

E. COST PRINCIPLES

Cost considerations are critical throughout the life cycle of a grant. Federal cost principles are designed to ensure that the government bears its fair share of the total costs, as determined in accordance with generally accepted accounting principles, and that recipients are using their NIFA-awarded funds for permissible costs. (2 CFR 220.15; 2 CFR 225.20; 2 CFR 230.15). The cost principles are used to determine allowable costs for sponsored activities. The cost principles are used by applicants to formulate application budgets, when applicable, and to allocate the charges incurred pursuant to the grant. The cost principles ensure that the Federal government and the recipient each bear their fair share of the costs of the project, except where restricted or prohibited by law. Non-profit organizations exempt from the cost principles are identified in 2 CFR 230, Appendix C. For additional information please see: 2 CFR 220, Appx. A; 2 CFR 225, Appx. A; 2 CFR 230, Appx. A.

As identified in the RFA, applicants for competitive grants must submit a budget proposal with their application for funding and any modifications that are made after an Award Face Sheet has been issued require NIFA's prior approval. Requests for approval must be submitted to NIFA in writing.

During post-award administration, the ADO, or an ADO designee, monitors expenditures for conformance with cost policies. The ADO's monitoring includes, among other things, responding to prior approval requests and reviewing progress reports, audit reports, and other periodic reports. The ADO also may use audit findings as the basis for final cost adjustments.

This Section addresses the general principles underlying the allowability of costs, differentiates direct costs from indirect costs, and highlights a number of specific costs and categories of cost for NIFA applicants and grantees. It is not intended to be all-inclusive and should be used as a supplement to the applicable cost principle and any program-specific legislation or regulations that would further inform the way NIFA funds can be spent.

In general, NIFA grant awards provide for reimbursement of actual, allowable costs incurred and are subject to Federal cost principles. The cost principles establish standards for the allowability of costs, provide detailed guidance on the cost accounting treatment of costs as direct or indirect, and set forth allowability, allocability, and reasonableness principles for selected items of cost. The type of organization receiving NIFA funds determines which particular set of cost principles apply (regardless of whether domestic or foreign). An applicant's budget request will be reviewed for compliance with the governing cost principles and other requirements and policies applicable to the type of recipient and the type of award. Any resulting award will include a budget consistent with these requirements, unless otherwise provided.

The cost principles are set forth in the following documents and are incorporated by reference in 7 CFR 3015.191, 7 CFR 3015.192, and 7 CFR 3015.193. As noted below, OMB Circulars A-21, A-87 and A-122 have been relocated to Title 2 in the Code of Federal Regulations:

Cost Principle	OMB Circular	Code of Federal Regulation
Cost Principles for Educational Institutions	OMB Circular A-21	2 CFR 220
Cost Principles for State and Local Governments and Indian Tribal Governments	OMB Circular A-87	2 CFR 225
Cost Principles for Non-profit Institutions, except those specifically listed in 2 CFR 230, Appendix C.	OMB Circular A-122	2 CFR 230
Contracts with Commercial Organizations	—	48 CFR 31.2

Contracts with commercial organizations are subject to the Federal Acquisition Regulations (FAR). The FAR principles must be used to determine allowable costs for for-profit organizations. Notably, any independent research and development costs (IR&D), including allocable indirect costs, are unallowable.²³

Grantees may use their own accounting systems, policies, and procedures to implement the cost principle requirements as long as they meet the standards prescribed in 7 CFR 3015.190 for financial management systems.

²³ Independent research and development (IR&D) means a contractor's IR&D cost that consists of projects falling within the four following areas: (1) Basis research, (2) applied research, (3) development, and (4) systems and other concept formulation studies. The term does not include the costs of effort sponsored by a grant or required in the performance of a contract. IR&D effort shall not include technical effort expended in developing and preparing technical data specifically to support submitting a bid or proposal. (48 CFR 31.205-18).

Allowable costs must be reasonable, allocable to a NIFA award based on the cost principles, given consistent treatment through application of those generally accepted accounting principles appropriate to the circumstances, and must conform to any limitations or exclusions established in the cost principles or the award terms and conditions. (2 CFR 220, Appx. A, C.2). Allowable costs are either direct or indirect costs. The allowability of costs under NIFA awards also may be governed by requirements specified in the program legislation, regulations, or the specific terms and conditions of the award, which will take precedence over the general provisions in this manual.

Allowable costs must meet the following tests:

- **Reasonableness (Including Necessity):** A cost may be considered reasonable if the nature of the goods or services acquired or applied, and the amount involved, reflects the action a prudent person would have taken under the circumstances prevailing when the decision to incur the cost was made. (2 CFR 220, Appx. A; 2 CFR 225, Appx. A; 2 CFR 230, Appx. A).

Determinations of reasonableness take into consideration the following: whether the cost is of a type generally necessary for the organization's operations or the grant's performance, whether the recipient complied with its established organizational policies in incurring the cost or charge, and whether the individuals responsible for the expenditure acted with due prudence in carrying out their responsibilities to the Federal government and the public at large, as well as to the organization. (2 CFR 220, Appx. A; 2 CFR 225, Appx. A; 2 CFR 230, Appx. A).

- **Allocability:** A cost that is allocable to a particular assistance agreement is not necessarily allowable or reasonable. A cost is allocable to a cost objective, a specific grant, function, department, or other component, if the goods or services involved are chargeable or assignable to such cost objective in accordance with the relative benefits received or other equitable relationship. A cost is allocable to a grant if it is incurred solely in order to advance work under the grant, it benefits both the grant and other work of the institution, including other grant-supported projects, or it is necessary to the overall operation of the organization and is deemed to be assignable, at least in part, to the grant. (2 CFR 220, Appx. A; 2 CFR 225, Appx. A; 2 CFR 230, Appx. A).

A cost that can be attributed specifically to a particular cost objective, such as a grant or cooperative agreement, is a **direct cost**. Alternatively, a cost incurred by a recipient organization that is not readily identifiable with a particular cost objective and has been incurred for a common or joint objective is an **indirect cost**. (2 CFR 220, Appx. A; 2 CFR 225, Appx. A; 2 CFR 230, Appx. A).

- **Consistency:** Costs can be charged as either direct costs or indirect costs, depending on if the benefit can be identified with a particular project or program; however, all costs incurred for the same purpose in like circumstances must be treated consistently for all work of the organization under similar circumstances and for similar purposes, regardless

of the source of funding. (2 CFR 220, Appx. A; Attachment A). Reimbursement of direct and indirect costs is treated differently, as described below.

- **Conformance:** An allowable cost is one that meets the criteria authorized for expenditure, as specified in the cost principles. A cost charged to an award must be allocable to the award under the terms of the cost principles, necessary and reasonable for proper and efficient performance and administration of the award, treated consistently as a direct or indirect cost, the net of all applicable credits, not included as a cost or used to meet a cost sharing or matching requirement of another federal award (unless specifically permitted by law or regulation), authorized or not prohibited under state or local laws and regulations, in conformance with the limits or exclusions on types or amounts of costs as established in the applicable cost principles, and consistent with the award recipients policies, regulations, and procedures regarding federal awards and other activities. (2 CFR 220, Appx. A).

The above-mentioned requirements apply to all categories of costs as specified in the cost principles or one governed by other terms and conditions of an award. These tests also apply regardless of treatment as a direct or indirect cost. The fact that a proposed cost is awarded as requested by an applicant does not indicate a determination of allowability.

Sub-recipients and contractors under grants are subject to the requirements of the cost principles applicable to their type of organization and to any additional requirements imposed by the recipient in order to comply with the terms and conditions of the primary award.

If a cost is allowable, it is allocable as either a direct or an indirect cost, depending on the recipient's accounting system. Any cost that can be specifically identified with a particular federally supported project, program, or activity, or that can be directly assigned to such activities relatively easily and with a high degree of accuracy, is a direct cost. As noted above, a cost that is incurred for the same purpose in like circumstances must be treated consistently as a direct or indirect cost. (2 CFR 220, Appx A., Part D). Direct costs include, but are not limited to, salaries, travel, equipment, and supplies directly benefiting the grant-supported project or activity. Most organizations also incur costs for common or joint objectives, in furtherance of the federally-funded award and in support of the other activities they are engaged in, that cannot be readily identified as exclusively associated with an individual federally-supported project, program, or organizational activity. Facilities operation and maintenance costs, depreciation, and administrative expenses are examples of costs that usually are treated as indirect costs. The organization is responsible for presenting costs consistently and must not include costs associated with its indirect cost rate as direct costs.

The term facilities and administrative costs (F&A costs) and the term indirect costs may be used interchangeably to determine applicable policies. NIFA refers to these costs as indirect costs; however, other documents or non-NIFA entities may refer to them as F&A costs.

Project costs consist of the allowable direct costs explicitly related to the performance of the grant plus the allocable portion of the allowable indirect costs of the organization, less applicable credits (as described below and in the cost principles).

The amount NIFA awards for each budget period will reflect the total approved budget for the grant, including direct costs and, if applicable, indirect costs. If a grantee waives reimbursement of full indirect costs, NIFA will either not award indirect costs or will award only partial indirect costs, as appropriate. The NIFA award amount shown in the Award Face Sheet constitutes NIFA's maximum financial obligation to the grantee under that award.

1. Indirect Costs (Facilities and Administrative Costs)

Indirect costs are broad categories of costs sometimes referred to as "facilities and administrative costs." "Facilities" are depreciation and use allowances, interest on debt associated with certain buildings, equipment and capital improvements, operation and maintenance expenses, and library expenses. "Administration" is defined as general administration and general expenses, departmental administration, sponsored projects administration, student administration and services, and all other types of expenditures not listed specifically under one of the subcategories of Facilities (including cross allocations from other pools). (2 CFR 220, Appx. A, Part F). As indicated in Subsection 9.4., indirect costs are not permitted under capacity grant awards.

NIFA considers activities conducted by recipients that result in indirect charges a necessary and appropriate part of NIFA grants. The federal government's share of indirect costs is reimbursed based on the awardee institution's Negotiated Indirect Cost Rate Agreement (NICRA), unless a cap on the indirect cost rate is specified in the statute for a particular program. For certain governmental organizations, amounts claimed are based on documentation retained by the governmental organization. State and local governmental organizations also may be eligible for reimbursement of costs associated with provision of central services as provided in OMB Circular A-87.²⁴ If an applicant is advised by the ADO of the need to establish a rate prior to issuance of an Award Face Sheet, the ADO will indicate the responsible office to be contacted. If legislation limits the reimbursable indirect costs, the applicable RFA will indicate the limitation. Applicants should refer to the RFA for specific indirect cost rate information applicable to the particular award. (http://www.nifa.usda.gov/business/awards/indirect_cost.html).

All grantees must have an indirect cost rate in place before NIFA will reimburse any indirect costs, as applicable. Indirect cost rates are set with NIFA or the cognizant agency; however, legislation and subsequent regulations can limit the indirect cost rate. If indirect costs are allowed, the permitted rate will either be negotiated or noted in the RFA, in the "Funding Restrictions" section (Part IV, D.). Once an award has been made, indirect costs will be noted in

²⁴ OMB Circular A-87 also addresses public assistance cost allocation plans; however, the types of programs eligible for such costs are not covered by this NIFA Policy Guide.

the award. If there is a conflict between the negotiated indirect cost rate and the legislative cap on indirect costs, the lower of the indirect cost rates will be permitted.

1.1. Indirect Cost Rate Computation

To be reimbursed for indirect costs, recipients must have an indirect cost rate covering the applicable activities and period of time unless indirect costs are reimbursed at a fixed rate or the applicant is not required to submit a proposal to the Federal government as specified in OMB Circular A-87.²⁵ If the recipient is an educational institution, the cognizant agency responsible for negotiating the indirect cost rate is typically HHS. A statute, regulation, or policy may restrict the allowable indirect cost rate to an amount less than an entities' negotiated indirect cost rate. The RFA will indicate if indirect costs are not allowable for a particular award. (2 CFR 220, Appx A., Part G).

The Department of Health and Human Services (HHS) has been designated by the Office of Management and Budget (OMB) as the cognizant agency responsible for negotiating indirect cost rate agreements for a significant number of organizations receiving federal financial assistance awards. The cognizant agency is the agency responsible for negotiating and approving indirect cost rates for an institution on behalf of all other federal agencies. Rates are negotiated either through a formal negotiation or other method of negotiation. An organization's office of sponsored research or business office can assist the applicant in applying the correct rate. However, as indicated in OMB Circular A-87, certain governmental organizations other than Indian tribal governments are not required to submit their indirect cost rate proposals to the Federal government; however, they must retain the documentation related to their indirect cost requests for audit purposes. Further, awarding offices will not require a recipient to establish an indirect cost rate if the organization's total operations consist of a single grant-supported project or if the organization appropriately and consistently treats all costs as direct costs to projects and accounts for them as such. In the latter case, the Awards Management Division must be satisfied that the organization's accounting system can adequately identify and support all costs as direct costs to the project or program. This includes being able to identify and segregate costs on the basis of a process that assigns costs commensurate with the benefits provided to individual projects or programs.

If the Awards Management Division (AMD) notifies applicants that an indirect cost rate is needed, the organization will be referred to the appropriate office for negotiation. Indirect cost proposals must be prepared in accordance with the applicable cost principles and guidance provided by HHS, or another cognizant office or agency. Further information concerning the establishment of indirect cost rates and the reimbursement of indirect costs may be obtained from the NIFA Office of Grants Financial Management. NIFA applicants should pay particular attention to any indirect cost limitation identified in the applicable request for applications (RFA) and awardees should pay particular attention to any indirect cost limitation identified in an Award Face Sheet.

²⁵ The indirect cost rate negotiated by the cognizant agency is used unless there is a statutory prohibition or limit on indirect cost rates. (2 CFR 220, Appx. A).

Indirect cost proposals must be prepared in accordance with the applicable cost principles and guidance provided by the cognizant office or agency. Further information concerning the establishment of indirect cost rates and the reimbursement of indirect costs may be obtained from NIFA. The NIFA ADO should be consulted to determine if a Disclosure Statement (DS-2) must be submitted pursuant to the requirements of OMB Circular A-21 for educational institutions. A Disclosure Statement is typically submitted when an educational institution, in aggregate sponsored agreements (grants, cooperative agreements, etc.), has received \$25 million or more during the most recently completed fiscal year. The Disclosure Statement requires disclosure of cost accounting practices and is reproduced at 2 CFR 220, Appx. A, Attachment B. State, local, and Indian tribal governments are required to have in place a cost allocation plan in accordance with 2 CFR 225, Appendices C, D, and E. Indirect cost rates for non-profits will be established based on the function of the organization in accordance with 2 CFR 230, Appx. A.

If the ADO determines that a recipient does not have a currently effective indirect cost rate, the award may not include an amount for indirect costs unless the organization has never established an indirect cost rate (usually a new recipient) and intends to establish one. Applicants must have a negotiated indirect cost rate calculated, or be in the course of negotiations at the time of application. For applicants negotiating their indirect cost rate at the time of application, the application package should so indicate. Awardees will not receive their full award until the indirect cost rate is established. (http://nifa.usda.gov/business/indirect_cost_process.html). If the recipient fails to provide a timely proposal, NIFA will not permit recovery of indirect costs.

For FY13, the congressionally mandated limit on indirect costs for most agricultural research, education, and extension grant programs is limited to an amount not to exceed 30 percent of the total Federal funds provided under the grant award. (Pub. L. 112-55, div. A, section 720, Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2012).²⁶ The 30 percent limitation was extended by the Continuing Appropriations Resolution, 2013 (Pub. L. 112-175). Therefore, the recovery of indirect costs for competitive programs authorized under this legislation cannot exceed the lesser of either the institution's negotiated indirect cost rate or the equivalent of 30 percent of the total Federal funds awarded. (NIFA GPPT 2011-13, 5/16/2011). NIFA's annual appropriations legislation can alter the indirect cost rate. This information will be communicated to all recipients as applicable. For specific information related to indirect cost rates for a particular grant program, please refer to the annual RFA. For additional information on indirect costs related to specific programs, also refer to: http://www.csrees.usda.gov/business/awards/indirect_cost.html.

Indirect cost reimbursement on grants or cooperative agreements to institutions of higher education (subject to OMB Circular A-21) is based on the rates established in the award. During the life of the grant, the indirect cost rate is not subject to adjustment except when a

²⁶ This limitation does not apply to grants awarded under the Small Business Act, 15 U.S.C. 638. (7 U.S.C. 3310).

provisional rate was in place while a permanent rate was pending implementation. Therefore, grantees subject to A-21 may not rebudget from direct costs to accommodate a rate increase if the indirect costs provided for a period were based on negotiated (fixed or predetermined) rates rather than provisional rates (defined as not “negotiated” for the application of the OMB Circular A-21 requirement). State, local, and Indian tribal governments are also not permitted to make adjustments once a final indirect cost rate is established. (2 CFR 225, Appx. E). Indirect costs are subject to a downward adjustment to account for inclusion of unallowable costs. (2 CFR 220, Appx. A, C.9).

Indirect cost rates must be established for all types of recipients with the cognizant Federal agency, that is, the Federal agency with the largest dollar value of awards with the organization.²⁷ When a non-profit organization learns that it will receive an award from NIFA, the organization must submit an indirect cost rate proposal at that time if no prior indirect cost rate was established. (2 CFR 230, Appx. A). For educational institutions, the rate in effect at the time the initial award was made will be the rate applied throughout the life of the federally supported activity. (2 CFR 220, Appx. A, Part G). State, local, and Indian tribal governments must have an indirect cost proposal in place within six months of receiving an award. (2 CFR 225, Appx. E(D)(1)(d)).

The recipient is responsible for establishing indirect cost rates for its sub-recipients if those sub-recipients do not have a current, applicable rate negotiated with the cognizant Federal agency. The same limits applicable to the recipients’ indirect cost recovery also apply to sub-recipients of NIFA funds

2. Applicable Credits

Applicable credits offset or reduce the amount of direct or indirect costs. Applicable credits are typically in the form of receipts or negative credits. Typical examples are purchase discounts, rebates or allowances, recoveries or indemnities on losses, and adjustments for overpayments or erroneous charges. Gifts from vendors are not considered applicable credits. Additional information concerning applicable credits can be found in the applicable cost principles. (2 CFR 220, Appx. A; 2 CFR 225, Appx. A; 2 CFR 230, Appx. A).

3. Disallowed Costs

If a particular cost is disallowed by NIFA, the grantee will be notified of the disallowance in writing. The notice will state the amount of the cost and the factual and legal bases for disallowing it. Within 60 days of receiving NIFA’s intent to disallow the cost, the grantee may respond with written evidence and arguments to show the cost is allowable, or that NIFA, for equitable or other reasons should not recover all or part of the amount, or that the recovery should be made in installments. The 60-day time period may be extended for an additional 30 days upon written request by the awardee; however, requests for extensions of time must be made prior to the expiration of the 60-day time period. Extensions of time will only be granted

²⁷ All indirect cost proposals for Indian tribal governments must be submitted to the Department of the Interior. (2 CFR 225, Appx. E(D)(1)(c)).

under extenuating circumstances. Within 60 days of receiving the grantee's written response to the notice of intent to disallow costs, NIFA will issue a management decision stating whether or not the cost has been disallowed, the reason for the decision, and the method of appeal that has been provided. If, however, the grantee did not respond to the initial notification of intent to disallow, NIFA will issue a management decision based on the information available at that time. Management decisions issued by NIFA will be considered final actions on the disallowance. (7 CFR 3430.59).

If NIFA's disallowance of a cost results in the grantee owing a debt to the Federal government, NIFA must make the required demand and give notice in accordance with the applicable USDA debt management regulations, 7 CFR part 3. (7 CFR 3430.59). Alternatively, within 60 days of receipt of NIFA's management decision, the recipient can submit a written request to NIFA for a review and the NIFA Assistant Director, OGFm will issue a final management decision in regards to the debt. The NIFA Assistant Director's review will be in accordance with the USDA administrative review process for debts. (7 CFR 3430.59).

4. Matching or Cost Sharing

Federal statute, NIFA regulations, or other requirements specific to a particular agreement may require cost sharing or matching. The cost sharing or matching requirement is the part of the award that the grantee, not the Federal government, is responsible for. (2 CFR 215.2). Some matching requirements may restrict the kind of match permitted; however, unless otherwise provided, cash or third party in-kind contributions can be used to fulfill part of the grantee's cost sharing or matching requirement. Cash or in-kind contributions used to meet the matching requirement must be allowable under the applicable cost principles, verifiable in the grantee's record, and included in the approved budget when required. The match contribution cannot be included as a contribution for any other federally assisted project and cannot be federal funds from another award unless otherwise authorized by statute. Matching or cost sharing contributions must conform with all applicable legislation and regulations.

Recipients should note that a number of costs that could potentially be included to meet cost sharing or matching requirements require NIFA prior approval or may be limited by the grant program's authorizing legislation or associated regulations.

Many instances of when prior approval is needed are noted in this Policy Guide; however, the cost principles should be consulted for a complete overview of the prior approval requirements. (7 CFR 3015.196). The required percentage of matching, the sources of the match funds, and whether NIFA has any authority to waive the match will be identified in the program RFA. (7 CFR 3430.52).

4.1. Matching or Cost Sharing Waivers

NIFA may waive the matching or cost sharing requirement when permitted by law. The Matching Chart will identify if all or part of the matching requirement can be waived by NIFA. See subsection 4.3 of this section.

4.2. Capacity Matching

The annual RFA will indicate when a waiver for a matching required may be permitted. If there are no matching or cost sharing requirements, it will be indicated in the Matching Chart as well as the annual RFA. Value of Donated Goods and Services

Unless otherwise provided, the value of donated goods, services and real property can be used to satisfy the cost sharing or matching requirements of a NIFA-funded program. NIFA award recipients should keep in mind that any third-party in-kind contributions or costs that are used to meet the matching or cost sharing requirements of another federal grant cannot be used to meet the same requirements of a NIFA grant. (7 CFR 3015.52). The OMB Federal Assistance Regulations, adopted by USDA, provide grantees guidance on determining the value of donated goods, services and real property. (7 CFR 3015, Subpart G).

4.3. Donated Supplies, Equipment, Space, or Land

Donated supplies may include such items as expendable property, office supplies (unless treated as an indirect cost), laboratory supplies, or workshop and classroom supplies. The value assigned to donated supplies must be reasonable and cannot exceed the fair market value of the supplies at the time of donation or the cost to the supplier, whichever is less. If equipment or real property is donated to the recipient, but the third party retains title, the recipient may value the contribution at the fair rental price of the equipment or space. If any part of the donated property was acquired with Federal funds, only the non-Federal share of the property may be counted as matching or cost sharing. (7 CFR 3015.54).

If a third party donates equipment, buildings, or land and title passes to a recipient or sub-recipient, the treatment of the donated property depends upon the purpose of the grant or subgrant. If the purpose of the grant or subgrant is to assist the recipient in acquiring the property, the market value of that property at the time of donation may be used for cost sharing or matching. If the purpose of the grant or subgrant is not to assist with the acquisition of property, then with NIFA approval, the recipient may use the fair market or fair rental value of the donated equipment or buildings. If the property is being acquired by a subgrantee, the primary recipient and NIFA must approve of the valuation. NIFA approval will only be given if the purchase of equipment or land would otherwise be allowable as a direct cost. Without NIFA approval, only depreciation or use allowances may be counted as costs incurred by the recipient, in the same way as depreciation and use allowances are counted for purchased equipment and land, in accordance with the cost principles. The amount of depreciation or use allowances for donated equipment and buildings is based on the property's market value at the time it was donated. (7 CFR 3015.55).

When a recipient must determine the value of donated land or a building, NIFA requires that the value be determined by an independent appraiser, or, if available, by a representative of the GSA, and certified by the recipient. Subgrantees are also required to comply with this requirement. (7 CFR 3015.54).

4.4. Volunteer Services

The value of services provided by unpaid individuals can be included to meet a recipient's cost sharing or matching requirements. The value of such services should be at a rate consistent with what the recipient organization would typically pay or the regular rate of pay for similar work in the same labor market by an organization that typically pays for such services, if such services are not typically performed by the recipient organization. (7 CFR 3015.53). If an employee of a different employer provides volunteer services, the value will be based on the employee's regular rate of pay. The value should be consistent with the work actually performed, not the skill level possessed by the employee. A reasonable amount of fringe benefits may be included. (7 CFR 3015.53).

4.5. Documentation

The basis for determining the value of personal services, materials, equipment, buildings, and land must be verifiable from the records of the recipient, sub-recipient, or contractor under the grant. Methods used to determine the value should be included in the records. Volunteer services, to the extent feasible, should be supported by the same level of documentation used by the recipient for its own employees, including time and attendance records. (7 CFR 3015.52).

5. Using Program Income to Meet a Matching or Cost Sharing Requirement

Costs financed by program income, the gross income earned by the recipient that is directly generated by a supported activity or earned as a result of the award, may not count toward satisfying a matching or cost sharing requirement unless NIFA expressly permits the recipient to do so. (7 CFR 3015.41(d)).

6. Indirect Costs as In-Kind Matching Contributions

If indirect costs are not claimed under the Federal portion of the award budget, they can be claimed as matching contributions. An RFA for a particular program will indicate any deviation from this general rule (i.e. if indirect costs can be claimed as part of the Federal award *and* as a matching contribution). Awardees are permitted to split the allocation of indirect costs between the Federal and non-Federal portions of the budget only if the total amount of the indirect costs charged to the project does not exceed the maximum allowed indirect costs or the recipient institution's negotiated indirect cost rate, whichever is less. (7 CFR 3430.52(b)).

7. Selected Items of Cost

Selected items of cost and how they should be treated by recipient organizations are provided in the applicable cost principles. The selected items of cost should be applied when establishing the allowability of certain items involved in determining cost. The selected items of cost provided in the cost principles are not intended to imply that the cost is allowable or unallowable. Determinations of allowability should be based on how the cost is treated for similar or related costs. (2 CFR 220, Appx. A; 2 CFR 225, Appx. B; 2 CFR 230, Appx. B).

8. Prior Approval Requirements

NIFA anticipates that competitive grant recipients may need to modify their award budget or other aspects of the approved project throughout the life of the award to accomplish the

award's programmatic objectives.²⁸ When a recipient must make changes, NIFA prior approval must be obtained before any changes are actually instituted. Approval cannot be retroactively obtained. Capacity grant recipients are not required to obtain prior approval for budget modifications. (7 CFR 3015.110).

Prior approval means written approval from the NIFA ADO evidencing prior consent. (2 CFR 215.2(w)). When NIFA prior approval is required, the requirement applies whether the costs/activities are proposed in the application or in a separate request following award. If an application includes general language about a cost or activity that requires NIFA prior approval, approval of the application does not necessarily mean that the prior-approval requirement has been satisfied. The recipient is still required to obtain any applicable NIFA prior approval. Unless otherwise indicated, the following prior approval requirements do not apply to recipients of Capacity grants or other recipients of grants NIFA is required by law to distribute. (7 CFR 3015.110).

This section addresses the post-award, prior-approval requirements related to making certain direct cost budget modifications or undertaking specific activities. Other post-award changes may be subject to different procedures as specified in other parts of the NIFA Policy Guide. Also, prior approval of indirect costs is governed by the procedures of the cognizant agency if NIFA is not the cognizant agency. Grantees should review their Award Face Sheet, as well as sections of this NIFA Policy Guide for additional details on limitations or expanded authorities related to particular awards.

When requesting a prior approval from the appropriate ADO, the grantee must receive the approval in writing and signed by the appropriate NIFA official prior to implementation. (7 CFR 3015.112).

8.1. Audiovisual Activities

Prior approval is required for the following activities, unless they were explicitly included in the project plan prior to approval. (7 CFR 3015.113).

- Producing an audiovisual;
- Buying ownership of any of the rights in the work embodied in the audiovisual;
- Presenting or distributing to the general public an audiovisual produced or acquired with grant support.

8.2. Capital Expenditures

Capital expenditures for land or buildings require NIFA prior approval. In addition, real property acquired with NIFA grant funds may not be conveyed, transferred, assigned, mortgaged, leased, or otherwise encumbered by the grantee without NIFA's written prior approval. (7 CFR 3015.163).

²⁸ For most capacity grants, recipients are not required to obtain prior approval for budget modifications as no budget is submitted in response to the annual RFA.

8.3. Carryover of Unobligated Balances

NIFA approval may be required for educational institutions and State, local, and Indian tribal governments prior to the carryover of any funds from a prior period to the subsequent period. (7 CFR 3106.30; 7 CFR 3019. 25). Statutorily imposed limitations may restrict the automatic carryover of unobligated balances. The award documentation indicates if carryover of unobligated balances is allowed for a specific award. Grantees seeking to carryover unobligated balances to a subsequent period should consult the NIFA ADO.

If the ADO determines that some or all of the unobligated funds are not necessary to complete the project, the ADO may restrict the grantee's authority to automatically carry over unobligated balances of unexpired funds in the future, use the balance to reduce or offset NIFA funding for a subsequent budget period, or use a combination of these actions. The ADO might also indicate whether the balance may be carried forward to a budget period beyond the succeeding one. The terms and conditions included in the Award Face Sheet will reflect the ADO's decision about the disposition of the reported unobligated balance.

8.4. Change of Grantee Organization

If a grantee organization is transferring the actual performance of the substantive programmatic work or providing financial assistance to another party, NIFA prior approval must be obtained. The requirements of this section do not apply to Capacity grant recipients. (7 CFR 3015.113).

A change of grantee organization may be accomplished under most NIFA grants if NIFA determines that the purpose and scope of the approved grant will not change and the transfer is consistent with Federal appropriations law requirements. A change in grantee organization is the transfer of the legal and administrative responsibility for a grant-supported project or activity from one legal entity to another before the expiration of the approved project period. All of the permanent benefits attributable to the original grant must be transferable, including equipment purchased in whole or in part with grant funds. In reviewing a request to transfer a grant, NIFA will consider whether there is a continued need for the grant-supported project or activity and the impact of any proposed changes in the scope of the project. A change may be made without peer review, provided the PD/PI plans no significant change in research objectives and the facilities and resources at the new organization will allow for successful performance of the project. If these conditions or other programmatic or administrative requirements are not met, NIFA may disapprove the request and, if appropriate, terminate the award.

A change of grantee organization request must be made before the anticipated start date at the new organization and preferably several months in advance. Failure to provide timely notification may result in disapproval of the request or significant delays in processing. The request for approval of a change must include an application from the proposed recipient organization. To change the grantee organization, NIFA will issue a revised Award Face Sheet to the original recipient reflecting the revised budget and project period end dates, deletion of any future-year support, and deobligation of remaining funds, if applicable. Concurrently,

the new recipient will receive an Award Face Sheet reflecting the balance reported on the relinquishing statement or, if the change of grantee organization occurs on the anniversary date of the project, the Award Face Sheet to the new recipient will reflect the previously committed direct cost level plus applicable indirect costs. This amount is subject to change as a result of the closeout of the original grant and may be adjusted downward. Final financial (SF-424) and programmatic reports are due to NIFA from the relinquishing organization no later than 90 days after the end of NIFA support of the project. Final reports should not be submitted until the original institution has received a revised Award Face Sheet for the relinquished grant. If a change of grantee involves the transfer of equipment purchased with grant funds, the transfer may be accomplished as part of the original recipient's relinquishment of the grant or NIFA may transfer title to equipment to the new organization using its right to transfer title. NIFA also must receive a written statement from the relinquishing organization's AR relinquishing the award and a summary of the progress to date for all of the award objective or a current Progress Report. The final SF-424 should reflect the total amount of the award funds that have been spent and the remaining funds to be transferred.

The proposed new grantee must provide NIFA with a change of institution application. Revised documents, such as the SF-424 and cover letter, may be required. Additional information including, but not limited to the following, might also be requested:

- Updated biographical sketches for the PD/PI and existing senior/key personnel and biographical sketches for any proposed new senior/key personnel
- Progress reports, including a statement indicating whether the overall research plans/aims have changed from the original submission, and, if so, provide updated information
- Assurances
- Detailed list of any equipment purchased with grant funds to be transferred to the new organization (inclusion of this list in the transfer application from the new organization indicates its acceptance of title to that equipment).

NIFA's acceptance of the relinquishing statement from the original recipient does not guarantee approval of a transfer of the application for the remaining project period. Notably, grants to individuals cannot be transferred. Additionally, neither a successor-in-interest nor an organization name change is considered changes in grantee.

8.5. Change in Grantee Organization Status

Grantees must give NIFA advance notice of the following types of changes in organizational status:

- **Merger:** Legal action resulting in the unification of two or more legal entities. When such an action involves the transfer of NIFA grants, the procedures for recognizing a successor-in-interest will apply. When the action does not involve the transfer of NIFA grants, the procedures for recognizing a name change normally will apply.

- **Successor-in-Interest (SII):** Process whereby the rights to, and obligations under, NIFA grant(s) are acquired incidental to the transfer of all of the assets of the grantee or the transfer of that part of the assets involved in the performance of the grant(s). An SII may result from legislative or other legal action, such as a merger or other corporate change.
- **Name Change:** Action whereby the name of an organization is changed without otherwise affecting the rights and obligations of that organization as a grantee.

Advance notification is required to ensure the grantee remains capable of meeting all legal and administrative requirements and there is no interruption of payments. Grantees should contact the ADO regarding the nature of the change in organizational status and for guidance on how the change should be treated. NIFA reserves the right to review the material provided, seek clarification or additional information, and make an independent determination. Once a grantee submits a formal request for a change in organizational status, NIFA will determine whether the change impacts the organization's ability to meet the grant program's eligibility requirements and take any necessary action to accommodate the change.

For an SII, a letter signed by the grantee's (transferor) AR (transferor) and the successor-in-interest's (transferee) AR must be sent to NIFA after consultation with the ADO. The letter must include the following:

- Stipulate that the transfer will be properly carried out in accordance with applicable law.
- Indicate that the transferor relinquishes all rights and interests in all of the affected grants.
- Request that NIFA modify its records to reflect the transferee as the grantee of record.
- State the effective date of the transfer.
- Provide the transferee's EIN. If EIN is new, include completed Form W-9.
- Include verification of the transferee's compliance with applicable requirements (e.g., research misconduct assurance of compliance).
- Include a list of all affected NIFA grants (active and pending) with the following information for each:
 - Complete grant number.
 - Name(s) of PD/PI(s).
 - Current budget period and project period.
 - The total direct costs (as originally recommended) plus applicable indirect costs for each remaining budget period. If the SII will occur during a budget period rather than on the anniversary date, the transferor also must provide estimated levels of current-year direct and indirect costs remaining as of the SII effective date.
- Include a complete SF-424 for each affected grant showing the transferee as the applicant organization. Each SF-424 must be signed by an AR at the transferee organization. A report of all current and pending support for senior/key personnel must also be submitted to NIFA.
- Include a copy of the current negotiated indirect rate agreement for the transferee.

In order to be recognized as the SII, the “new” (transferee) organization must meet each eligibility requirement of the program. Upon review and acceptance of the necessary information, NIFA will revise the Award Face Sheet(s) to show the transferee as the grantee of record.

For name changes, the grantee’s written notification to NIFA must include the effective date of the change. Revised Face Pages are not required for name changes because name changes are reported and processed with the next award action (e.g., non-competing continuation award).

8.6. Change in Scope

Changes to the scope or objective of an approved project must first be approved by NIFA. The recipient must determine if the change to be instituted is in fact a change in scope and consult with NIFA accordingly. Generally, the PD/PI may make changes in the methodology, approach, or other aspects of the project/program objectives. A change in scope occurs when the recipient proposes to change (or actually changes) the objectives, aims, or purposes identified in the approved application. (7 CFR 3015.113).

8.7. Change in Status (Including absence of Principal Director/Project Investigator and other key personnel)

Grantees, subgrantees, and parties to cooperative agreements must obtain NIFA prior approval when the PD/PI or key personnel specifically named in the Award Face Sheet will withdraw from the project entirely, be absent from the project during any continuous period of 3 months or more, or devote substantially less effort to the project than was anticipated at the time the award was made. Prior approval is also required if a new PD/PI is to be selected by the recipient organization. A change in status also takes place if there is a change from a multiple PD/PI project to a single PD/PI model, a change from a single PD/PI model to a multiple PD/PI model, or a change in the number or makeup of PD/PIs on a multiple PD/PI award. Grantees seeking to make such changes should provide NIFA with strong scientific justification for the change, the proposed changes to the scope, the biographical sketch of any new individuals and other sources of support, and any budget changes resulting from the proposed change. All requests for approval must be in writing and submitted to NIFA prior to making the proposed change. (7 CFR 3015.113).

8.8. Deviation from the Award Terms and Conditions

Any deviations from the award terms and conditions, including the restrictions on the grant imposed in the Award Face Sheet, require NIFA’s prior approval.

8.9. Need for Additional NIFA Funding

The fact that applicants for Continuing, Renewal, and Supplemental awards are engaged in a NIFA-funded project does not guarantee additional financial support and does not obligate NIFA to provide additional financial support. (7 CFR 3430.14).

Continuation: A continuation is an application for additional funding from a currently funded organization that is not considered competitively. Applicants are only eligible for a continuation award for previously approved projects. Continuation awards permit a grantee an additional set amount of time to continue the sponsored project. Additional financial support will be contingent upon satisfactory performance, availability of appropriations, and if continued support would be in the best interest of the Federal government and the public. (7 CFR 3430.14). A noncompeting application for a continuation award must be submitted for the next funding/budget period within the previously approved project period. The projects to be funded by a continuation must be consistent with the contents of the initial application. If there is a significant difference, the continuation application may require a competitive review. Grantees with active awards will be notified by NIFA if a continuation award is available.

Renewal Application: Competitive grant recipients operating under an approved award must submit a separate application when requesting additional funding for a subsequent period beyond that approved in the original or amended award. The renewal application will compete with all other applications for additional funds if the original grant was competitively awarded. Renewal applications must be as fully developed as though the applicant is applying for the first time. Renewal applicants also must have properly filed progress reports with NIFA. The cumulative period of the project, including any approved renewal periods, cannot extend beyond any statutory time limits for the award. (7 CFR 3430.14).

Supplement: Supplement awards provide small amounts of additional funding under a standard, renewal, or continuation award and may involve a short-term (usually six months or less) extension of the project period beyond that approved in an original or amended award, but in no case may the cumulative period of the project, including short term extensions, exceed any statutory time limitation of the award. Supplemental awards are given on a non-competitive basis. (7 CFR 3430.14). Supplement awards are noncompetitively awarded to assure adequate completion of the original scope of the work. Award of supplemental funding requires sufficient justification. Competition may be necessary for the award of a supplemental grant and all applicants will be so notified.

8.10. No-Cost Extensions

If necessary, NIFA can grant a one-time extension of time, for up to 12 months, to complete an award. (7 CFR 3430.58(b)). No-cost extensions are typically granted when additional work remains to be completed, and the recipient organization still has resources remaining to complete the work. However, the mere fact that funds remain at the end of the initial project period is not sufficient support for a No-Cost Extension. If NIFA does not permit an extension of an award the project will end on the original date identified in the Award Face Sheet. Refusing to extend a project period does not terminate an award. A single extension will not usually be for more than 12 months, and only exceptional circumstances will support deviation from this policy. (7 CFR 3430.58(b)). NIFA will not approve any extension request if the primary purpose of the proposed extension is to permit the use of unobligated balances of funds, the terms and conditions of the award prohibit an extension, the extension would require additional Federal funds, or the extension would require changes in the approved objectives or scope. (7 CFR

3430.58(b)). All terms and conditions of the initial award apply during the extended period. (2 CFR 215.25; 7 CFR 3019.25). The recipient initiates the no-cost extension of time by notifying NIFA in writing with support and a revised expiration date at least 10 days before the original expiration date. (7 CFR 3430.58(b)). The prior approval requirement for a one-time no-cost extension is waived for research project grantees. However, prior approval will be required when the award or authorizing legislation provide otherwise. Extensions will not be granted when prohibited by the award terms and conditions, the extension would require additional Federal funds, or the extension would require changes in the approved objectives or scope. (2 CFR 215.25; 7 CFR 3019.25).

When more than one no-cost extension of time or an extension of more than 12 months is required, the extension(s) must be approved in writing by the ADO. (7 CFR 3430.58(c)). The awardee should prepare and submit a written request (which must be received no later than 10 days prior to the expiration date of the award) to the ADO. (7 CFR 3430.58(c)). The request must contain, at a minimum, the following information:

- The length of the additional time required to complete the project objectives and a justification for the extension
- A summary of the progress to date (a copy of the most recent Progress Report and, where applicable, the attachment is acceptable provided the information is current)
- An estimate of the funds expected to remain unobligated on the scheduled expiration date
- A projected timetable to complete the portion(s) of the project for which the extension is being requested and,
- The signature of the AR and the PD/PI. The necessary signatures must be included or the request will be returned by NIFA.

NIFA may consider and approve requests for no-cost extensions of time up to 120 days following the expiration of the award. Requests for extension beyond the standard one-time 12-month extension will only be approved under extenuating circumstances, as determined by NIFA. The awardees' AR must submit the requirements identified above, as well as an "extenuating circumstance" justification and a description of the actions taken by the awardee to minimize these requests in the future. All extensions are subject to any statutory term limitations as well as any expiring appropriation limitations under 7 CFR 3430.63. (7 CFR 3430.58).

By extending the final budget period of the project period through a no-cost extension, the grantee agrees to update all required certifications and assurances, including but not limited to those pertaining to human subjects and animal welfare, in accordance with applicable regulations and policies. All terms and conditions of the initial award apply during the extension period.

8.11. Additional Time to Submit Final Federal Financial Report (SF-425)

Requests for an extension of time to submit the final financial report must be submitted prior to the end of the 90-day period following the award expiration date. The request should include a provisional report (showing unliquidated obligations), justification for not submitting the final report by the initial due date, and the anticipated date for submission of a final report. Note that any extension of time is subject to expiring appropriations or other statutory or agency policy limitations. Funds will remain available for drawdown during an approved extension of time. (NIFA-Specific Terms and Conditions (2012)) (Appendix B).

Requests submitted after the end of the 90-day period following the award expiration date will only be considered in extenuating circumstances up to 30 days after the due date. This request should include a provisional report (showing unliquidated obligations) as well as an anticipated submission date for the final report, a justification for the late submission, and a justification for the extenuating circumstances. Any extension of time is subject to appropriation expiration and all other statutory or agency policy limitations. (NIFA-Specific Terms and Conditions (2012)).

8.12. Subcontracts

No more than 50 percent of an award may be subcontracted to other parties without prior written approval of the ADO except contracts to other Federal agencies. Any subcontract awarded to a Federal agency under an award must have prior written approval of the ADO. To request approval, a justification for the proposed sub-contractual arrangements, a performance statement, and a detailed budget for the subcontract must be submitted to the ADO. (7 CFR 3430.58).

8.13. Requesting NIFA Prior Approval

Required requests for prior approval are to be addressed to the ADO at NIFA. Approvals will not be valid unless they are in writing and signed by the ADO or the NIFA Director. (7 CFR 3015.112). If the approval request is for the carryover of an unobligated balance, the recipient should make the request when the unobligated balance is known. Failure to make a timely request and obtain the prior approval from NIFA may result in the disallowance of costs, termination of the award, or other enforcement action within NIFA's authority.

Recipients are responsible for reviewing requests from sub-recipients to determine if prior approval is needed and for granting or denying the request. A recipient cannot get approval for any action inconsistent with the purpose or terms of the Federal grant or cooperative agreement. If an action by a sub-recipient will result in a change in the overall grant project or budget requiring approval from NIFA, the recipient must obtain that approval before giving its approval to the sub-recipient. NIFA prior approval is also required if more than 50 percent of the award will be subcontracted to other parties. (7 CFR 3430.58(a)). Approvals are not valid unless they are in writing and signed by an authorized official of the recipient organization. (7 CFR 3015.112). NIFA should be contacted to resolve any questions regarding the need for approval.

Requests for approval will be reviewed and a decision will be made within 30 days of NIFA's receipt of a request for approval. If an extension of time is needed to reach a decision beyond

the 30 days, NIFA will inform the recipient in writing as to when to expect its decision. (7 CFR 3015.112).

All requests must be submitted by the AR and include the name of the recipient, the name of the initiating PD/PI, the PD/PI's telephone number, fax number, and email address, and comparable identifying information for the authorized organization official. Requests should be submitted electronically. Email requests must be clearly identified as prior approval requests, must reflect the complete grant number in the subject line, and should be sent by or through the authorized organizational representative to the ADO that signed the Award Face Sheet.

F. AUDIT REQUIREMENTS

High quality audits provide key information to stakeholders and the public to maintain accountability and transparency, help improve program performance, reduce costs, and facilitate decision-making. An audit is a systematic review or appraisal made to determine whether internal accounting and other control systems provide reasonable assurance of the following:

- Financial operations are properly conducted.
- Financial reports are timely, fair, and accurate.
- The entity has complied with applicable laws, regulations, and other grant terms.
- Resources are managed and used economically and efficiently.
- Desired results and objectives are being achieved effectively.

Legal authorities, in the form of statutes, regulations, and Office of Management and Budget (OMB) Circulars, provide a framework for ensuring accountability by recipients of Federal appropriated funds through audits and audit resolution/follow-up. With regard to recipients of Federal awards, these authorities address the following three aspects of grantee operations: administrative requirements, fiscal requirements, and program performance. The audit requirements establish standards for obtaining consistency and uniformity among Federal agencies for the audit of States, local governments, universities, colleges, hospitals, and non-profit organizations expending Federal awards. NIFA grantees (other than Federal institutions) are subject to the audit requirements of the Single Audit Act Amendments of 1996 (31 U.S.C. 7501-7507) and OMB Circular A-133, as implemented by 7 CFR 3052, 7 CFR 3016.26, and 7 CFR 3019.26. When a grantee procures audit services, the procurement must comply with the procurement standards, including obtaining competition and making positive efforts to use small businesses, minority-owned firms, and women's business enterprises.

The objectives of NIFA's A-133 Audit Resolution review are to (1) ensure that audit reports meet applicable reporting standards and OMB Circular A-133 reporting requirements, (2) identify and follow up on corrective action plans as necessary, (3) issue a Management Decision on applicable recipient findings, (4) identify recipients which may require a desk review or site visit to be performed, (5) identify issues that may require management attention, and (6) recover improper payments from disallowed costs.

All non-Federal recipients of Federal funds expending more than \$500,000 of Federal award monies in a year must be audited. Recipients will typically have a single audit conducted unless they elect to have a program-specific audit conducted.²⁹ A single audit is an audit that includes both the entity's financial statements and the Federal awards. Non-Federal entities expending less than \$300,000 a year in Federal awards are exempt from Federal audit requirements for that year. Entities not subject to an audit must still make their records available to NIFA or the GAO, as requested. (7 CFR 3052.200).

The costs of conducting an audit, unless otherwise prohibited, are allowable charges to Federal awards. They can be considered direct costs or allocated as indirect costs, as determined in accordance with the applicable cost principles. Audits not conducted in accordance with the requirements of the Single Audit Act of 1996 are not allowable costs and costs of conducting an audit when an entity is not so required by NIFA to do so will also result in an unallowable cost. (7 CFR 3052.230).

In procuring audit services, auditees are required to follow the procurement standards prescribed by 7 CFR 3016 for State, local, and Indian tribal governments, 7 CFR 3019 for educational institutions and non-profits, or the FAR (48 CFR part 42) for for-profit institutions, as applicable. Whenever possible, auditees must make positive efforts to utilize small businesses, minority-owned firms, and women's business enterprises in procuring audit services. When soliciting audit services, the recipient should consider the following factors: responsiveness to the request for proposal, relevant experience, availability of staff with professional qualifications and technical abilities, the results of external quality control reviews, and price. (7 CFR 3052.305).

1. A-133 Required Documentation

Recipients are required to submit a number of documents with information to demonstrate compliance with the audit requirements. An SF-SAC form, "Data Collection Form for Reporting on Audits of States, Local governments, and Non-profit organizations," must be submitted and signed by a representative of the recipient institution certifying that the recipient complied with the requirements of OMB Circular A-133 and the information included in the form, in its entirety, is accurate and complete. Recipients must also submit financial statements, internal control reports, and compliance reports.

The reporting package must be submitted within the earlier of 30 days after the receipt of the auditor's report or nine months after the end of the audit period, unless a longer period is agreed to in advance by NIFA or the cognizant agency for the audit.

²⁹ Program-specific audits can be conducted when an auditee expends Federal awards under only one Federal program (excluding R&D) and the Federal program's laws, regulations, or grant agreements do not require a financial statement audit of the auditee, the auditee may elect to have a program-specific audit conducted. (7 CFR 3052.200).

NIFA's Policy and Oversight Division in the Office of Grants and Financial Management is responsible for audit resolution and recipient monitoring to ensure the resolution of the recipient's A-133 audit findings that pertain to NIFA's programs. For purposes of A-133, a recipient is defined as any non-Federal entity that expends Federal awards that must be audited. The role and responsibilities for the recipient are as follows:

- Maintain a system of internal controls over all Federal programs in order to demonstrate compliance with pertinent laws and regulation.
- Identify all grant programs by CFDA number and title, awarding agency, year of award, and any pass-through entities if applicable.
- Ensure that audits mandated under OMB Circular A-133 are performed and filed with appropriate Federal entities as required
- Follow up on any audit findings, questioned costs, or compliance issues involving specific responses and when necessary, take corrective action that will resolve current or previous findings
- Complete the official data collection form that is prepared in conjunction with the external auditor. The reporting package is submitted electronically, with the data collection form electronically signed by both the recipient and the auditor. The recipient organization is legally responsible for the accuracy and timely submission of these forms even if the auditor prepares the forms.
- Prepare a summary schedule, by fiscal year, of prior audit findings and corrective action plans for current year audit findings. The summary schedule of prior audit findings reports the status of all audit findings included in the prior audit's schedule of findings and questioned costs relative to Federal awards. The summary schedule also includes audit findings reported in the prior audit's summary schedule of prior audit findings except audit findings listed as corrected, or no longer valid or not warranting further action. Consider the following:
 - When audit findings were fully corrected, the summary schedule only lists the audit findings and states that corrective action was taken;
 - When audit findings were not corrected or were only partially corrected, the summary schedule describes the planned corrective action as well as any partial corrective action taken;
 - When corrective action taken is significantly different from corrective action previously reported in a corrective action plan or in the Federal agency's management decision, the summary schedule provides an explanation;
 - When the recipient believes the audit findings are no longer valid or do not warrant further action, the reasons for this position are described in the summary schedule.
- Prepare a corrective action plan to address each audit finding included in the current year auditor's reports including: the name(s) of the contact person(s) responsible for corrective action, the corrective action planned, and the anticipated completion date. If the recipient does not agree with the audit findings or believes corrective action is not

required, then the corrective action plan shall include an explanation and specific reasons.

All audits of recipient institutions will be conducted in accordance with the Generally Accepted Auditing Standards (GAAS) and the Generally Accepted Government Auditing Standards (GAGAS). NIFA is a cognizant agency, and thus responsible for conducting necessary audits, for a recipient if they distribute the predominate amount of funding over a five year period, or distribute over \$50 million in funding. The determination of the predominate amount of direct funding is based upon Federal awards expended in the recipient's fiscal years ending in 2004, 2009, 2014, and every fifth year thereafter. Notwithstanding the manner in which audit cognizance is determined, a Federal awarding agency with cognizance for a recipient may reassign cognizance to another Federal awarding agency which provides substantial direct funding and agrees to be the cognizant agency for the audit. Within 30 days after any reassignment, both the old and new cognizant agency for the audit shall notify the recipient and, if known, the auditor of the assignment.

2. Audit Resolution

If OGFM determines that there is a basis for disallowing a cost, OGFM will provide the recipient written notice of its *intent* to disallow the questioned cost in the audit through the Initial Data Request Letter. The written notice will request additional information if needed, and also state the amount of the cost and the factual and legal basis for the intent to disallow.

Within 60 days of receiving the written notice of OGFM's intent to disallow the cost, the recipient may respond with written evidence and arguments to show the cost is allowable; or that for equitable, practical, or other reasons, OGFM will not recover all or part of the amount, or that the recovery should be made in installments. The 60 day time period may be extended for an additional 30 days upon written request by the awardee; however, such a request must be made before the expiration of the 60 day time period. An extension of time will be granted **only** in extenuating circumstances.

Within 60 days of receiving the recipient's written response to the notice of intent to disallow the cost, OGFM will issue a Management Decision Letter stating whether or not the cost has been disallowed, the reasons for the decision, and the method of appeal. If the recipient does not respond to the notice of intent to disallow the cost within the 60-day time period, OGFM will issue a Management Decision Letter on the basis of the information available to it. The Management Decision Letter will constitute the final decision on the allowability of the cost. In the case of a questioned cost identified in the context of an audit subject to 7 CFR part 3052, the Management Decision Letter will constitute the management decision under 7 CFR 3052.405(a).

If the Management Decision Letter indicates that the cost is disallowed and, therefore, that a debt is owed to the Government, OGFM will provide the required demand and notice pursuant to 7 CFR 3.11. Within 60 days of receiving the demand and notice, the recipient may submit a written request to the NIFA Assistant Director, OGFM for a review of the final management

decision on the existence and the amount of the debt. Within 90 days of receiving the written request for a review, the NIFA OIGM Assistant Director will issue a final decision regarding the debt. The recipient's failure to submit timely responses may result in cost disallowance or other actions by NIFA. Further, audit costs will not be allowed either as indirect costs or direct costs to Federal awards if the required audits have not been completed or have not been conducted in accordance with the provisions of OMB Circular A-133.

Failure to comply with the audit requirements can result in NIFA sanctioning the non-compliant entity. Sanctions may include: (1) Withholding a percentage of Federal awards until the audit is completed satisfactorily; (2) Withholding or disallowing overhead costs; (c) Suspending Federal awards until the audit is conducted; or (d) Terminating the Federal award. (7 CFR 3052.225).

For purposes of audit resolution, the following dates are of importance.

Date of audit report	This is the date from which the other dates are calculated
60 days from the audit report date	Recipient must respond showing what corrective action is being taken or planned based on the audit recommendations.
120 days from audit report date	The audit file is referred to OIGM for follow-up assistance when management decisions have not been reached.
180 days from audit report date	A management decision must be reached by this date and the audit report must be fully resolved.

3. Site Visit

In compliance with the Improper Payments Information Act (IPIA), each year staff members of the Oversight Branch of the NIFA Office of Grants and Financial Management, Policy and Oversight Division, review the administrative and financial systems in place at six institutions. Only a few grants received by the institution are chosen for review. During the visit, the staff members review the following issues:

- Is the institution conducting research, education or extension activities in accordance with the grant agreement and the plan of work or program or research it filed with NIFA?
- Is the institution charging only costs that are allowable under the grant agreement, laws and regulations to the grant?
- Is the institution meeting its matching requirements, both as to the amount required and the types of matching permitted?
- Is the institution charging only costs incurred during the grant performance period to the grant?
- Is the institution properly carrying unobligated Federal funds received forward and expending them within the required carryover period?

- Is the institution properly and timely filing all of its required reports, such as its OMB Circular A-133 audit reports, and SF-425s?

In addition to determining whether the institution is meeting the requirements listed above, the reviewer may perform special tests, such as determining if the institution is meeting any program-specific requirements, if salary charges reconcile to time and effort reports, and if time and effort reports are properly and timely completed.

In addition to reviewing source documents and accounting records, the reviewer may interview the college’s staff, request that the institution’s personnel “walk them through” transaction recording and reporting steps, and tour the institution’s facilities.

NIFA will notify grantees of upcoming IPIA review via an engagement letter, conduct an entrance and exit conference with the grantee during the site visit, and will issue a brief report of findings and recommendations within 60 days of the exit conference. While these procedures are employed in a “typical” site visit, NIFA reserves the right to perform a more comprehensive site visit if circumstances dictate a need for it.

G. FRAUD, WASTE, AND ABUSE OF NIFA GRANT FUNDS

Any individual who becomes aware of the existence (or apparent existence) of fraud, waste, or abuse related to NIFA grants or grant funds should consider contacting:

- The recipient institution’s Office of Sponsored Research, Compliance Office, or other responsible office;
- The NIFA NPL listed on the RFA that funded the grant;
- The OGFM Policy and Oversight Division.

Allegations of criminal offenses should be reported to the Department Agriculture, Office of Inspector General (OIG) Hotline. The OIG has authority within USDA to conduct criminal investigations. The USDA OIG maintains a post office box and a toll-free hotline for receiving information from individuals concerning fraud, waste, or abuse under USDA grants and cooperative agreements. The identity of the caller is kept confidential, and callers are not required to give their names.

USDA Office of Inspector General Hotline	
United States Department of Agriculture Office of Inspector General P.O. Box 23300 Washington, DC 20026-3399	Phone: (202) 690-1622 (800) 424-9121 (202) 690-1202 (TDD) Email: usda_hotline@oig.usda.gov

Further allegations of **non-criminal misuse of grant funds**, and grantee conflicts of interest should be reported to OGFM. OGFM provides a centralized management survey and review

capability to promote program integrity, conduct appraisals of alleged incidents of waste, fraud, and abuse and has lead responsibility for cases received through the OIG Hotline that are referred to NIFA for action. OGF M has no authority to undertake criminal investigations. OGF M refers all allegations of criminal offenses to the OIG for investigation.

Examples of fraud, waste, and abuse that should be reported include, but are not limited to, embezzlement, misuse, or misappropriation of grant funds or property, and false statements, whether by organizations or individuals. Other examples include theft of grant funds for personal use; using funds for non-grant-related purposes; theft of federally owned property or property acquired or leased under a grant; charging the Federal government for the services of “ghost” individuals; charging inflated building rental fees for a building owned by the grantee; submitting false financial reports; and submitting false financial data in bids submitted to the grantee (for eventual payment under the grant).

The Federal government may pursue administrative, civil, or criminal action under a variety of statutes relating to fraud and making false statement or claims. Even if a grant is not awarded, the applicant may be subject to penalties if the information contained in or submitted as part of an application, including its certifications and assurances, is found to be false, fictitious, or fraudulent. The Program Fraud Civil Remedies Act of 1986, 31 U.S.C. 3801 *et seq.*, provides for the administrative imposition by USDA of civil penalties and assessments against any person who knowingly makes false, fictitious, or fraudulent claims to the Federal government for money, including money representing grants, loans, or benefits. If a grant is awarded and payment is made on a false or fraudulent claim, an assessment of not more than twice the amount of the claim, up to \$150,000, may be made in lieu of damages. Regulations established by USDA at 7 CFR 1.301-346 specify the review process for imposing civil penalties and assessments, including hearing and appeal rights. The Criminal False Claims Act, 18 U.S.C. 287, and 18 U.S.C. 1001, provides for criminal prosecution of a person who knowingly makes or presents any false, fictitious, or fraudulent statements or representations or claims against the United States. Violations of these statutes carry a maximum sentence of 5 and 8 years imprisonment, respectively.

Penalties and damages will be imposed by the United States, through civil litigation, against any person who knowingly makes a false or fraudulent claim for payment, makes or uses a false record or false statement to get a false claim paid or approved, or conspires to defraud the Federal government to get a false claim paid. (Civil False Claims Act, 31 U.S.C. 3729-3733). A “claim” includes any request or demand for money or property made to the United States or to a contractor, grantee, or other recipient, if the Federal government provides or will reimburse any portion of the funds claimed. (Civil False Claims Act, 31 U.S.C. 3729-3733). Civil penalties of not less than \$5000 and not more than \$10,000 may be imposed for each false claim, plus damages of up to three times the amount of the damages the government sustains because of the violation, and the costs of any civil action brought to recover such penalties and damages. (Civil False Claims Act, 31 U.S.C. 3729(a)). NIFA also may administratively recover misspent grant funds pursuant to the authorities contained in 7 CFR 3015.121, 122.

H. RECORD RETENTION AND ACCESS

After NIFA terminates an award or the award expires, and the grantee submitted the final technical and financial reports, grantees must retain financial and programmatic records related to their NIFA award. Grantees must maintain financial records, supporting documents, statistical records, and all other records pertinent to an award for three years from the date of submission of the final expenditure report, unless otherwise provided. For awards renewed + or annually, records must be maintained for three years from the date of submission of the quarterly or annual financial report unless NIFA provides otherwise. (7 CFR 3016.42; 7 CFR 3019.53). Grantees from educational institutions, hospitals, and nonprofits must obtain NIFA approval from the NIFA ADO before a grantee retains copies of the grant-related documents in place of the originals. (7 CFR 3019.53).

Records may need to be retained longer than the three-year period in certain circumstances. If any litigation, claim, or audit is started before the three-year standard retention period expires, the records must be maintained until all litigation, claim and audit findings involving the records are resolved and final action is taken. (7 CFR 3016.42; 7 CFR 3019.53). All records for real property and equipment purchased with Federal funds by educational institutions and non-profits must be retained for three years from the final disposition of the property. (7 CFR 3019.53). Copies of records may be maintained in place of the original by State, local governments, and Indian tribal governments without NIFA's prior approval. (7 CFR 3016.42). The retention period for all real property and equipment records held by State, local, and Indian tribal governments starts from the date of the disposition, replacement, or transfer at the direction of the awarding agency. (7 CFR 3016.42).

If an educational institution, hospital, or nonprofit grantee transfers records to NIFA, the three-year retention period no longer applies to the grantee. (7 CFR 3019.53). For indirect cost rate computations or proposals, cost allocation plans, and any similar accounting computations of the rate at which a particular group of costs is chargeable, records must be retained for three years from the date of submission if they are submitted for negotiation. If there was no negotiation, the three-year retention period starts at the end of the fiscal year covered by the proposal, plan, or other computation. (7 CFR 3016.42; 7 CFR 3019.53).

If NIFA determines records need to be retained beyond the standard three-year retention time, those records will be transferred to NIFA's custody. However, to avoid duplicate recordkeeping, NIFA may make arrangements with grantees when records are continuously needed for joint use. NIFA, the Inspector General, and the Comptroller General, or any of their duly authorized representatives have the right to access any books, documents, papers, or other records that pertain to a NIFA award when conducting audits, examinations, excerpts, transcripts, and copies. The right of these parties to access documents also includes the right to interview personnel and discuss the relevant documents.³⁰ Parties with rights to access grantee documents retain that right so long as the documents exist, even if that is beyond the three-year retention period. (7 CFR 3016.42; 7 CFR 3019.53).

³⁰ Access to personnel will be permitted when it is timely and reasonable.

Both paper and electronic records are subject to the retention requirements. Records to be retained include electronic storage of faxes, copies of paper document, images, and other electronic media. Institutions that rely on an electronic storage system must be able to assure such a system is stable, reliable, and maintains the integrity of the information. When storing electronic images of paper documents, the system must also assure a full, complete, and accurate representation of the original, including all official approvals.

I. MANAGEMENT SYSTEMS AND PROCEDURES

Grantee organizations are expected to have systems, policies, and procedures in place by which they manage funds and activities. Grantees may use their existing systems to manage NIFA grant funds and activities so long as they are consistently applied regardless of the source of funds and meet the standards and requirements set forth in 7 CFR 3015.60 and 3019.20 and this manual. NIFA may review the adequacy of those systems and may take appropriate action to protect the Federal government's interests, including, but not limited to, the use of special terms and conditions. NIFA also will oversee the grantee's systems as part of its routine post-award monitoring. The grantee's systems also are subject to audit.

NIFA seeks to foster within grantee organizations an organizational culture committed to compliance, leading to both exemplary research and exemplary supporting systems and use of resources underpinning that research. Actions to achieve this result should include a clear delineation of the roles and responsibilities of the organization's staff, both programmatic and administrative, written policies and procedures, training, management controls and other internal controls, performance assessment, administrative simplifications, and information sharing.

1. Financial Management System

Grantees are required to meet the standards and requirements for financial management systems set forth or referenced in 7 CFR 3015.61, 7 CFR 3016.20, and 3019.21, as applicable. The standards and requirements for a financial management system are essential to the grant relationship. NIFA cannot support the research unless it has assurance that funds will be used appropriately, adequate documentation of transactions will be maintained, and assets will be safeguarded.

Grantees must have in place accounting, written procedures, and internal control systems that can appropriately monitor grant accounts to ensure that obligations and expenditures are reasonable, allocable, and allowable. Systems must be able to identify the source of funds, particularly when a project is not entirely federally funded. Grantees must have written procedures in place that provide for minimal time to elapse between the transfer of funds to the recipient from the US Treasury and the issuance or redemption of checks, warrants or payments for program purposes. Accounting records for a grantee should be supported by source documentation. Grantees must notify NIFA when problems are identified.

Failure to establish adequate control systems constitutes a material violation of the terms of the award. Under these circumstances, NIFA may include special conditions on awards or take any of the range of permitted enforcement actions specified in, as necessary and appropriate. Grantees should refer to their Award Face Sheet to determine if additional financial management system requirements apply to the award.

2. Program Income

Program income is gross income earned by a recipient from activities supported by a grant or cooperative agreement. Program income includes, but is not limited to, income from fees for services performed, charges for the use or rental of real property, usage or rental fees, license fees and royalties on patents and copyrights, proceeds from the sale of personal or real property, and interest on loans made with award funds. There are five kinds of program income: (1) general program income; (2) proceeds from the sale of real property and from sale of equipment and supplies acquired for use; (3) royalties and other income earned from copyrighted work; (4) royalties or equivalent income earned from patents and inventions; (5) income after the period of grant or subgrant support not otherwise treated. (7 CFR 3015.40). Unless otherwise provided in legislation or the terms and conditions of a particular award, grantees have no obligation to the Federal government with respect to program income earned from license fees and royalties for copyrighted material, patents, patent applications, trademarks, and inventions produced under an award. (7 CFR 3015.43-44).

NIFA follows the addition method for treatment of program income. As such, program income earned by grantees during the project period is retained by the grantee and added to funds already committed to the project by NIFA and should be used to further the funded project or program objectives. (7 CFR 3430.53). Program income earned during a NIFA grant project period will be treated in this way unless otherwise required under the applicable legislation or the terms and conditions of the particular award. If there is program income earned in excess of any stipulated limits, the excess should be deducted from the total project or program allowable cost to determine the net allowable costs on which the Federal share of costs is based. Regardless of the treatment of program income, program income may only be used for allowable costs in accordance with the applicable cost principles and the terms and conditions of the award. Each Award Face Sheet will indicate the allowable treatment of program income. Unless a deviation from the general rule is mentioned in the terms and conditions of the specific award, there is no obligation to the Federal government regarding program income after the project period expires. (7 CFR 3016.25; 7 CFR 3019.24).

When income is earned because of the federally supported project, but it is not earned until after the program period ends, the provisions of the Award Face Sheet will guide disposition of the income. If the Award Face Sheet is silent on the treatment of this income, there are no restrictions on its use. Unless otherwise specified in the terms and conditions of the award, NIFA grantees are not accountable for program income accrued after the period of grant support. (7 CFR 3015.45).

Summary of Accountability Requirements for Program Income		
When Program Income Earned	Time of Use by Recipient	Treatment of Income
During the project period	Received and expended during the project period	Required to use program income as provided in the Award Face Sheet
During the project period	Received and expended after the project period	Required to adjust the final financial report to reflect receipt and use of the income as directed by NIFA
During the project period	Received during the project period but expended after the project period because income earned during the final budget period of the project period or with NIFA approval	Required to use income as provided in the Award Face Sheet and adjust final financial report accordingly (if earned during the final budget period of the project period) or use the income under addition alternative and report as specified by NIFA
After the project period	Received and expended after the project period	Not accountable for that program income unless specifically provided in the Award Face Sheet

Consortium agreements and subcontracts under grants are subject to the terms of the agreement with the primary recipient with regard to the income generated by the activities, but the terms specified by the grantee must be consistent with the requirements of the grant award from NIFA. Program income must be reported by the grantee as discussed in this subsection.

3. Reporting Program Income

Financial reporting for NIFA grants is done using the SF-425, which replaced the SF-269, SF-269A, SF-272, and SF-272A. The SF-425 is also called the Federal Financial Report (or FFR). All new NIFA grants use the ASAP payment system. Some grants remain in the HHS Payment Management System (PMS). Financial reporting on a given grant will depend on the payment system in place when the grant was initiated.

Financial Reporting Awards in PMS	Financial Reporting Awards in ASAP
Grantees must submit quarterly financial reports using the PMS system. Final financial reports must be made by completing and submitting the SF-425. Completed forms should be submitted to awards@nifa.usda.gov .	NIFA requires only annual and final submission of the SF-425. Completed forms should be submitted as a PDF to awards@nifa.usda.gov . All inquiries can be sent to ASAPCustomerService@nifa.usda.gov .

The amount of program income earned and the amount expended must be reported on the appropriate annual financial report. Any costs associated with the generation of the gross amount of program income that are not charged to the grant should be deducted from the gross program income earned, and the net program income should be the amount reported.

Income resulting from royalties or licensing fees is generally exempt from reporting as program income. When applicable, income earned from the sale of equipment must be reported for the period in which the proceeds are received in accordance with the reporting requirements for the program income alternative specified. Amounts due to NIFA for unused supplies must be reflected as a credit to the grant.

A “Federal Financial Report,” Form SF-425, is due on an annual basis and a final “Federal Financial Report,” Form SF-425, is due 90 days after the expiration date of the award. For capacity grants, refer to the chart in Part IV, E.1. for reporting requirements and due dates. The report must be submitted to the Awards Management Division (AMD). All documents must be submitted as a PDF. Grantees should refer to the NIFA award Terms and Conditions for additional information on completing the SF-425. If a grantee is applying for a continuation grant for additional funding, the SF-425 must be submitted with the application for additional funding in accordance with the applicable instructions.

4. Grantee Internal Controls

Institutions are responsible for ensuring that effective controls are in place to ensure control and accountability for all federally awarded funds and property obtained with federal monies. (7 CFR 3015.61(c)). Institutions must ensure that all property is used only for the authorized purpose(s). (7 CFR 3015.61(c)). Each state legislature sets an internal control standard for government agencies under its jurisdiction. Institutions should consult with the applicable state entity to determine if there are State-specific requirements for internal controls that must be in place. State internal control requirements vary from state to state; however, the Federal government provides an overview of standards for internal controls for the Federal government that are described below. (<http://www.gao.gov/assets/80/76455.pdf>).

Internal controls are an essential part of an organization’s accountability. Effective internal controls help institutions better achieve their programmatic goals and help to ensure “effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations.” (<http://www.gao.gov/assets/80/76455.pdf>). The five standards for a minimum level of effective internal control include: (1) Control Environment; (2) Risk Assessment; (3) Control Activities; (4) Information and Communications; (5) Monitoring.

Control Environment: Management and employees should establish and maintain an environment throughout the organization that sets a positive and supportive attitude toward internal control and conscientious management. Generally, this means that upper management should set an ethical and constructive tone for the organization. This is considered the foundation of any effective internal control system.

Risk Assessment: Risk assessment is the identification and analysis of relevant risks associated with achieving the objectives ... and forming a basis for determining how risks should be managed.” At this stage, objectives are identified, risks to achieving those objectives are determined and assessed, and ways to control those risks are identified.

Control Activities: Internal control activities help ensure that management's directives are carried out. The control activities should be effective and efficient in accomplishing the agency's control objectives.

Information and Communications: Information should be recorded and communicated to management and others within the entity who need it and in a form and within a time frame that enables them to carry out their internal control and other responsibilities.

Monitoring: Internal control monitoring should assess the quality of performance over time and ensure that the findings of audits and other reviews are promptly resolved. The purposes of internal controls are to ensure that operations are performed effectively and efficiently, that financial reporting is reliable, and that the recipient complies with applicable laws and regulations. Monitoring is the process of determining how well these objectives are being met. Further, institutions are responsible for promptly resolving audit and review findings relating to its operations. The monitoring process should facilitate the resolution process. (<http://www.gao.gov/assets/80/76455.pdf>).

- **Budgetary Controls.** At a minimum, the awardee must compare its actual revenues and expenditures to its budgeted amounts for each grant. (7 CFR 3015.61(d)). Generally, NIFA requires this comparison as a component of the budget forms submitted by recipients.
- **Advance Payments.** Recipients are required to minimize the amount of time elapsing between the transfer of federal funds to them and their issuance or redemption of checks, warrants, or payments by other means for program purposes when advance payments are made. (7 CFR 3016.21; 7 CFR 3019.21(b)(5); see 7 CFR 3019.22).
- **Allowable Costs.** Recipients must use established procedures for determining the reasonableness, allowability, and allocability of costs to a grant. Generally, these sources should be consulted, in this order, in order to make that determination: the legislation authorizing the grant, 7 CFR 3016 or 7 CFR 3019, and the applicable cost principles in title 2 of the CFR

5. Property Management

If a NIFA grant recipient procures property with grant funds, the Terms and Conditions of the award will indicate if the recipient is required to comply with property management standards established by the USDA or the institution's property management standards and procedures. Generally, grantees may use their own property management policies and procedures for property purchased, constructed, or fabricated as a direct cost using NIFA grant funds, provided they observe legislative and regulatory requirements and no legislative or

regulatory provisions require otherwise. State governments will use, manage, and dispose of equipment acquired under a grant in accordance with State laws and procedures as specified in 7 CFR 3016.

Grantees are required to be prudent in the acquisition of property under a grant-supported project. It is the grantee's responsibility to conduct a prior review of each proposed property acquisition to ensure that the property is needed and that the need cannot be met with property already in the possession of the organization. If prior approval is required for the acquisition, the grantee must ensure that appropriate approval is obtained in advance of the acquisition. The grantee also must follow appropriate procurement procedures in acquiring property. For educational institutions, debt instruments are considered property, unless otherwise stated. (7 CFR 3019.2(aa)).

Capacity grant recipients are bound only by the requirements of 7 CFR 3019.

5.1. Real Property

All real property acquired with NIFA grant funds is subject to the USDA property management regulations, as well as regulatory or legislative requirements, or requirements identified in the Award Face Sheet. Title to real property, equipment, and supplies acquired under a grant or subgrant vests in either the recipient or subrecipient when the property is acquired. In certain cases, money owed to the Federal government upon disposition of real property may be authorized to be used for allowable costs rather than paid to USDA. (See 7 CFR 3015.173.)

Recipients permitted to acquire real property and equipment must obtain insurance coverage; however, Federally owned property need not be insured unless required by the Terms and Conditions of the award. (7 CFR 3019.31).

5.2. Acquisition, Use, and Management

Real property may be acquired only when authorized by statute and specifically provided for in the Award Face Sheet. Property that is acquired with funds from a NIFA award must be used for the originally authorized purpose. When the property is no longer needed for its original purpose, NIFA approval is required to use the property for other purposes. Permissible other purposes include: (1) projects or programs supported by other Federal grants or assistance agreements or (2) activities not supported by other Federal grants or assistance agreements but with a purpose consistent with the original grant. (7 CFR 3015.163). A NIFA award recipient can also transfer title in the property to an eligible third party with NIFA approval. (7 CFR 3015.163).

Real property constructed or acquired under a NIFA grant is subject to the terms and conditions of the award and the requirements of 7 CFR 3015, 3016, and 3019, as applicable, regarding use, transfer of title, and disposition, unless alternate requirements are specified in the governing statute. To the extent statutory provisions differ from the regulatory requirements, the statutory provisions, as reflected in the Award Face Sheet, apply. In

addition, statutory provisions or implementing program regulations may specify the duration of the recipient's accountability obligations (e.g., 20 years) or allow for waivers. Title vests at the time of acquisition (7 CFR 3015.162). Acquired property must be used for the originally authorized purpose . (7 CFR 3015.163). When the property is no longer needed for the purpose for which it was acquired, requests for alternative uses must be submitted to NIFA in writing. (7 CFR 3015.163). Use of the property in other projects is limited to other Federally sponsored projects (*i.e.*, awards) or programs that have purposes consistent with those authorized for support by the Federal awarding agency. (7 CFR 3015.163).

The recipient is accountable to NIFA for use of grant-supported real property as long as it owns the property or until it requests disposition instructions from NIFA. However the recipient may be permitted to retain title without further obligation to the Federal Government after it compensates the Federal Government for that percentage of the current fair market value of the property attributable to the Federal participation in the project. (7 CFR 3015.163).

5.3. Property Disposition

When real property is no longer used by a grantee who is either a state or an institution of higher education, hospital, or other nonprofit for the purpose the real property was acquired for and the title to the property is not transferred, the NIFA awardee will dispose of the property in accordance with NIFA's disposition requirements. (7 CFR 3016.31(c); 7 CFR 3019.30(c)). NIFA will provide for one of the following disposition options:

- NIFA can direct the recipient to sell the property and the Federal government will have a right to an amount computed by multiplying the Federal share of the property by the fair market value (after deducting actual and reasonable selling and fix-up expenses, if any, from the sales proceeds). State grantees selling real property will compute what is owed to NIFA by multiplying the Federal share by the proceeds of the sale after deducting actual and reasonable selling and fix-up expenses. Proper sales procedures, which provide for competition to the extent practicable and result in the highest possible return, must be followed.
- The recipient can retain title after compensating NIFA. If title is retained, the Federal government will have a right to an amount computed by multiplying the market value of the property by the Federal share of the property.
- The recipient can also transfer the title to either the Federal government or an eligible non-Federal third-party named by NIFA. A State recipient (or sub-recipient) will be entitled to an amount computed by multiplying the fair market value of the property by the non-Federal share of the property. (7 CFR 3016.31(c)). An institution of higher education, hospital, or other nonprofit instructed to transfer title to either the Federal government or an eligible non-Federal third-party will be entitled to compensation attributable to its percentage of the current fair market value of the property. (7 CFR 3019.32 (c)).

5.4. Notice of Federal Interest

To protect the Federal interest in real property that has been constructed or has undergone major renovation with NIFA grant funds, recipients must record a Notice of Federal Interest (NFI) in the appropriate official records of the jurisdiction in which the property is located. Recordation must occur when construction or renovation begins. Fees charged for recording or modifying the NFI may be charged to the grant. A copy of the NFI must be provided to NIFA.

6. Equipment and Supplies

In certain circumstances, when equipment or supplies are purchased with money from a Federal grant, the title to the equipment or supplies will vest in the recipient without any further obligation to the Federal government. If the title vests in the recipient, it will not be subject to the grant terms and conditions. However, when title to equipment and supplies vests in the recipient, it does so subject to the regulations of 7 CFR 3016.23 when the recipient or subrecipient is a State or local government and 7 CFR 3019.34 when the recipient or subrecipient is a hospital, nonprofit, and institution of higher education recipients. States are required to use, manage, and dispose of equipment in accordance with State law. (7 CFR 3016.23(b)). All equipment acquired with Federal grant funds should be used for the purpose it was purchased, even if the program or activity is no longer Federally funded. (7 CFR 3016.32(c); 7 CFR 3019.34(c)).

For State and local government recipients, equipment means “tangible, non- expendable, personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. A grantee may use its own definition of equipment provided that such definition would at least include all equipment defined above.” (7 CFR 3016.3). For institutions of higher education, nonprofits, and hospitals, equipment means “tangible non-expendable personal property including exempt property charged directly to the award having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. However, consistent with recipient policy, lower limits may be established.” (7 CFR 3015.2(l)).

All institutions of higher education, hospitals, and nonprofits should note that they are not permitted to use equipment purchased with money from a Federal grant to provide services to non-Federal organizations for a fee less than what a private company would charge for equivalent services until the Federal government no longer has an interest in the property, unless a Federal statute provides otherwise. (7 CFR 3019.34(b)). State and local government recipients should note that NIFA may reserve the right to transfer title to the equipment to the Federal government or an eligible third party identified by NIFA. (7 CFR 3016.32(g)).

When it is necessary to replace equipment purchased with Federal grant funds, recipients can trade-in the equipment or sell the old equipment and use the proceeds to buy the new equipment. (7 C.F.R 3016.32(b)(4); 7 CFR 3019.34(e)).

6.1. Management and Use of Equipment and Supplies

When grantees purchase equipment with their grant funds, their property management standards will apply to the management of the equipment, so long as their existing standards include the following elements.

- Property records must be well maintained. The records must include: a description of the equipment including manufacturer's serial numbers; identification of the grant under which the recipient acquired the equipment; whether title vests in the recipient or the Federal government; acquisition date and unit acquisition cost; information sufficient to calculate the Federal share of the equipment; location, use and condition of the equipment and the date of reporting; ultimate disposition date, including date of disposal and sales price or the method used to determine the Federal share from the sale. (7 CFR 3016.32(d); 7 CFR 3019.34(f)):
- States and local government recipients must indicate that it is federally owned, if that is in fact the case. (7 CFR 3016.32(d)).
- At a minimum, every two years a physical inventory must be conducted and the results reconciled with the property records to verify the existence, current use, and continued need for the equipment. (7 CFR 3016.34(d)(2); 7 CFR 3019.34(f)(2)).
- A control system should be in place with safeguards to prevent loss, damage or theft of equipment. Any loss, damage or theft should be investigated and fully documented and NIFA should be informed of the issue. (7 CFR 3016.34(d)(3); 7 CFR 3019.34(f)(3)-(4)).
- Maintenance procedures should ensure that the equipment remains in good working condition. (7 CFR 3016.34(d)(4); 7 CFR 3019.34(f)(5)).
- Proper sale procedures should be in place in advance of any required or necessary equipment disposition. (7 CFR 3016.34(d)(5); 7 CFR 3019.34(f)(6)).

6.2. Sale and Disposition of Equipment

When equipment is acquired pursuant to a NIFA grant, and the equipment is no longer needed for the purposes for which it was acquired, if the equipment has a unit fair market value of \$5,000 or more, the recipient can keep the equipment after compensating the Federal government for its share. (7 CFR 3016.32(e)(2); 7 CFR 3019.34(g)). If the recipient is an institution of higher education, nonprofit, or hospital and has no further need for the equipment, NIFA should be contacted for disposition instructions. (7 CFR 3019.34(g)). See 7 CFR 3016.32 and 7 CFR 3019.34(g) for additional direction on disposition of equipment.

6.3. Supplies and Other Expendable Property

When the real property is acquired, title to supplies and other expendable property vests in the recipient, or subrecipient. If when the project ends a residual inventory of supplies remains and the total value exceeds \$5,000, the recipient can keep the supplies but must compensate NIFA for its share. The retained supplies can be used for non-Federal activities. Institutions of higher education, nonprofits and hospitals cannot use the remaining supplies to provide services to non-Federal parties for a fee less than private companies charge for the same services unless otherwise provided by statute. (7 CFR 3016.33; 7 CFR 3019.35).

6.4. Exempt Property

Under the Federal Grant and Cooperative Agreement Act, 31 U.S.C. 6306, NIFA may permit nonprofit institutions of higher education and nonprofit organizations with the primary purpose of conducting scientific research to obtain title to equipment and supplies acquired under grants for support of basic or applied scientific research without further obligation to the Federal government. Title will be transferred when to do so would support the objectives of the Federal government. (31 U.S.C. 6306). Unless stated otherwise in the award terms and conditions, title to exempt property shall vest in the recipient without further obligation to the Federal Government.

7. Procurement System Standards and Requirements

Recipients may use Federal award money to procure property, real property, equipment, and other services. When entering into a procurement transaction, certain standards must be followed. (7 CFR 3016.36(b); 7 CFR 3019.40). State and local government recipients should follow the same policies and procedures used when entering for procurement with non-Federal money. (7 CFR 3016.36(a)). Institutions of higher education, nonprofits, and hospitals must comply with the requirements of 7 CFR 3019.40. NIFA will not settle any issues related to procurement by institutions of higher education, nonprofits, and hospitals. (7 CFR 3019.41).

All recipients of NIFA grants must have written codes of conduct in place. No employees, officers, or agents are allowed to participate in the selection, award, or administration of a contract supported by Federal funds if a real or apparent conflict of interest would be involved. A conflict of interest exists when the employee, officer, or agent, any member of their immediate family, partner, or an organization that employs or is about to employ any of the parties indicated above has a financial or other interest in the firm awarded a contract. Federal award recipient officers, employees, and agents cannot solicit or accept gratuities, favors, or anything of monetary value from contractors, or parties to subagreements. The grantee's code of conduct must have procedures for penalties, sanctions, and other disciplinary action to be applied for violations of such standards by officers, employees, or agents. (7 C.F.R 3016.36(b)(3); 7 CFR 3019.42).

Grantees should only enter into procurement contracts with responsible contractors who have the potential ability to perform successfully under the terms and conditions of the proposed procurement. Grantees should consider contractor integrity, record of past performance, financial and technical resources or accessibility to other necessary resources. Grantees should consult with NIFA to ensure that contracts are not entered into with suspended or debarred parties. (7 CFR 3016.36(b)(8); 7 CFR 3019.44).

7.1. Competition

Once it is determined that procurement is necessary to carry out the purpose of the Federal award, recipients must allow open and free competition for the contract, to the maximum extent practical. Organizational conflicts of interest as well as noncompetitive practices among contractors that could restrict or eliminate competition or otherwise restrain trade should be considered. Procurement contracts must be awarded to the bidder or offeror with a bid or offer

responsive to the solicitation and most advantageous to the grantee, taking into account price, quality and other factors. The solicitation for bids must clearly identify all requirements that the bidder or offeror must fulfill in order for the bid or offer to be evaluated and considered. Any and all bids or offers may be rejected when it is in the recipient's interest to do so. When States, local governments, and Indian tribal governments are entering into procurements contracts pursuant to a NIFA grant, they cannot follow any State or local requirements that impose State or local geographical preferences in the evaluation of bids or proposals, unless expressly authorized. (7 CFR 3016.36(c); 7 CFR 3019.43).

7.2. Grantee Procurement Procedures

All grantee organizations must have established written procurement procedures. The procedures must prohibit grantees from purchasing unnecessary items, provide for an analysis of lease and purchase alternatives to determine the most economical and practical procurement for the Federal government, and require solicitations for goods and services to provide a clear and accurate description of the technical requirements to be procured. (7 CFR 3016.36; 7 CFR 3019.44).

When a procurement contract entered into by an educational institution or non-profit will be in excess of the simplified acquisition threshold (\$150,000), the procurement records must, at a minimum, include a basis for the contractor selection, a justification for the lack of competition bids or offers, and a basis for the award cost or price. (7 CFR 3019.44(c)).³¹

7.3. Supporting Procurement from Small Businesses, Minority-Owned Businesses, and Women-Owned Businesses

Grantees must make positive efforts to use small businesses, minority-owned businesses, and women-owned business enterprises as sources of goods and services whenever possible. In order to make positive efforts to do so, grantees should make the procurement information on forthcoming opportunities available, arrange time frames for purchases and contracts to encourage and facilitate participation, and consider if firms that are competing for larger contracts intend to subcontract with small businesses, minority-owned businesses, and women-owned business enterprises. Grantees should encourage contracting with consortiums of small businesses, minority-owned businesses, and women-owned business enterprises when a particular solicitation or bid is too large for any one firm to handle. Grantees also should use the services and assistance of such organizations as the Small Business Administration and the Department of Commerce's Minority Business Development Agency when appropriate. (7 CFR 3016.36(e); 7 CFR 3019.44(b)).

7.4. NIFA Approval Requirements

When required by NIFA, grantees entering into procurement contracts must make pre-award review and procurement documents available, such as requests for proposals or invitations for bids, independent cost estimates, etc. NIFA will typically make a request when any of the following conditions apply (7 CFR 3016.36(g) and 3019.44(e)):

³¹ (48 CFR 1 (FAR 2.101))

- A grantee's procurement procedures or operations do not comply with the NIFA procurement standards.
- The procurement is expected to exceed the simplified acquisition threshold (\$150,000 as of April 2012)³² and be awarded without competition or only one bid or offer was received in response to the grantee's solicitation.
- The procurement is expected to exceed the simplified acquisition threshold and specifies a "brand name" product.
- The proposed award exceeds the simplified acquisition threshold and is to be awarded to a party other than the apparent lowest bidder under a sealed bid procurement.
- A proposed contract modification changes the scope of a contract or increases the contract amount by more than the simplified acquisition threshold.

When NIFA prior approval is required, the grantee must make sufficient information available to enable review. This may include, at NIFA's discretion, pre-solicitation technical specifications or documents, such as requests for proposals or invitations for bids, or independent cost estimates. Approval may be deferred pending submission of additional information by the applicant or grantee or may be conditioned on the receipt of additional information. Any resulting NIFA approval does not constitute a legal endorsement of the business arrangement by the Federal government nor does such approval establish NIFA as a party to the contract or any of its provisions. (7 CFR 3016.36(g) and 3019.44(e)).

7.5. Cost and Price Analysis

All grantees entering into procurement contracts are required to conduct and document a cost or price analysis. The price analysis can be done in a variety of ways, including the comparison of price quotations submitted, market prices and similar indicia, together with discounts. For state and local governments, the cost plus a percentage of cost and percentage of construction cost methods of contracting cannot be used. For educational institutions and non-profits, cost analysis is the review and evaluation of each element of cost to determine reasonableness, allocability, and allowability. (7 CFR 3016.36(f) and 7 CFR 3019.45).

7.6. Contract Administration and Provisions

Educational institutions and non-profits must have a system in place for contract administration to ensure contractors abide by the terms, conditions, and specifications of the contract and to ensure that procedures are in place for timely and adequate follow up on all purchases. Educational institutions and non-profits should evaluate contractor performance and document

³² Simplified acquisition threshold means \$150,000, unless supplies or services are to be used to support a contingency operation or to facilitate defense against or recovery from nuclear, biological, chemical, or radiological attack (41 U.S.C. 428a), in which case the term means (1) \$300,000 for any contract to be awarded and performed, or purchase to be made, inside the United States; and (2) \$1 million for any contract to be awarded and performed, or purchase to be made, outside the United States. (48 CFR 1 (FAR 2.101)).

whether contractors have in fact complied with the terms, conditions, and specifications of the contract. (7 CFR 3016.36(i); 7 CFR 3019.47).

All procurement contracts and sub-contracts that grantees enter into must contain terms that define a sound and complete agreement and the following provisions (7 CFR 3016.36(i) and 7 CFR 3019.48):

- Contracts in excess of the simplified acquisition threshold (\$150,000) must include provisions or conditions for administrative, contractual, or legal remedies for when a contractor violates or breaches the contract terms, and provide for appropriate remedial action.
- Contracts in excess of the simplified acquisition threshold (\$150,000) must include provisions for contract termination by the grantee. The contract must also include conditions under which the contract may be terminated for default as well as conditions where the contract may be terminated because of circumstances beyond the control of the contractor. (7 CFR 3016.36(i) and 7 CFR 3019.48).

When a grantee enters into a contract or subcontract for construction or facility improvement, the contract must include terms relating to bid guarantees, performance bonds, and payment bonds. If the contract or subcontract is in excess of \$100,000, NIFA must review the terms of the contract. NIFA may accept the bonding policy and requirements provided by the grantee so long as such terms are determined to adequately protect the interests of the Federal government. If the grantee's bonding policy and requirements have not been approved by NIFA, the following minimum requirements must be included for contracts in excess of \$100,000 (7 CFR 3016.36(h) and 7 CFR 3019.48):

- A bid guarantee from each bidder equivalent to 5 percent of the bid price. The "bid guarantee" must consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder, upon acceptance of his bid, will execute any required contractual documents within the time specified.
- A performance bond on the part of the contractor for 100 percent of the contract price. A "performance bond" is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.
- A payment bond on the part of the contractor for 100 percent of the contract price. A "payment bond" is one executed in connection with a contract to assure payment as required by statute of all persons supplying labor and material in the execution of the work provided for in the contract.

If a contract over the simplified acquisition threshold is entered into, the grantee must include a provision in the contract requiring that the grantee, NIFA, and the Comptroller General of the United States, or any of their duly authorized representatives, have access to the books, documents, papers, and records of the contractor that are directly pertinent to a specific program for the purpose of making audits, examinations, excerpts, and transcriptions. All

contracts entered into by educational institutions and non-profits, regardless of the amount, must also include the procurement provisions of 7 CFR 3019 Appendix A.

For additional information please see: 7 CFR 3016.36(h) and 7 CFR 3019.48.

8. Subawards

Unless a particular regulatory or legislative requirement specifically excludes subawards, the provisions of 7 CFR 3019, identified throughout this Policy Guide, apply to subrecipients performing work under NIFA awards when such subrecipients are institutions of higher education, hospitals, or other non-profit organizations. (7 CFR 3019.5). Local and tribal government subrecipients are subject to the regulations of 7 CFR 3016. The requirements that apply to primary grant recipients also apply to subrecipients, except for 7 CFR 3016.10, 3016.11, the letter-of-credit procedures of 3016.2, and section 3016.50. (7 CFR 3016.37). States must follow State law and procedures when awarding and administering subgrants to local and Indian tribal governments. (7 CFR 3016.37(a)). States must also ensure that all subgrantees are in compliance with the applicable requirements. (7 CFR 3016.37(a)).

The recipient is accountable to NIFA for the performance of the project, the appropriate expenditure of grant funds by all parties, and all other obligations of the recipient, as specified in this document. In general, the requirements that apply to the recipient, including the intellectual property and program income requirements of the award, also apply to subrecipients, unless otherwise provided. The recipient remains responsible for including the applicable statutory, regulatory, and administrative requirements in its subaward agreements.

Recipients should enter into a formal written agreement with each subrecipient that addresses the arrangements for meeting the programmatic, administrative, financial, and reporting requirements of the grant, including those necessary to ensure compliance with all applicable Federal regulations and policies.

9. Institutional Merit Review – Capacity

All institutions receiving capacity funds must have established systems for conducting a merit review of all proposed projects. Projects must be reviewed in accordance with that process before they can be funded under federal capacity grants. For multistate research projects, a peer review is considered to be an acceptable substitute for merit review.

J. PUBLIC POLICY REQUIREMENTS AND OBJECTIVES

Restrictions imposed on recipients ensure that recipient organizations and institutions use federal funds responsibly. Grantees must adopt and enforce policies that minimize the opportunity for improper financial gain on the part of the organization, its employees, and organizations and individuals with whom they may collaborate and limit the potential for research results to be tainted by possible financial or other gain. In addition, NIFA grantees are expected to provide safe and healthful working conditions for their employees and foster work environments conducive to high-quality research.

The term “public policy” indicates that the requirement is based on social, economic, or other objectives or considerations that may be attached to the expenditure of federal funds by grantees, consortium participants, and contractors, in general, or may relate to the expenditure of Federal funds for research or other specified activities.

In addition to cross-cutting requirements that some or all Federal agencies must apply to their grant programs, NIFA grantees are subject to requirements contained in the USDA annual appropriations act that apply to the use of NIFA grant funds, applicable provisions in other federal agencies’ appropriations acts, including Treasury, and other federal statutes. Annual appropriations legislation may change or impose additional requirements in the future.

NIFA intends to uphold high ethical, health, and safety standards in both the conduct of the research it funds and the expenditure of public funds by its grantees. The signature of the AR on the application certifies that the organization complies, or intends to comply, with all applicable policies, certifications, and assurances referenced (and, in some cases, included) in the application instructions. The policies, certifications and assurances listed in this Section may or may not be applicable to the project, program, or type of applicant organization. Requirements/objectives are listed in alphabetical order. All applicable requirements will be included in the Award Face Sheet.

As noted in this Section, some requirements may necessitate the submission of a separate document in addition to the signature, or electronic equivalent, required on the application. (e.g., human subjects assurance, IRB certification, and civil rights assurance). Applicants and grantees should take particular note of these requirements, given that their absence or inadequacy may delay an award or render an applicant ineligible for award.

The grantee is responsible for: (1) establishing and maintaining the necessary processes to monitor its compliance and that of its employees, consortium participants, and contractors with these requirements; (2) taking appropriate action to meet the stated objectives; and, (3) informing NIFA of any problems or concerns. If a grant is awarded on the basis of false or misrepresented information, or if a grantee does not comply with these public policy requirements, NIFA may take any necessary and appropriate action.

NIFA award recipients must assure and certify compliance with the requirement that, as needed, NIFA or the Comptroller General, through an authorized representative will have access to, and the right to examine all records, books, papers or documents related to the award. (7 CFR 3015.205(b)(8)).

Public Policy Requirements

	Requirement	Required by:	Applies to:	Additional Resources
Animal Stem Cell Research	Guidance			The Blueprint for USDA Efforts in Agricultural Animal Genomics, 2008-2017, (2007) http://www.nifa.usda.gov/nea/animals/pdfs/animal_genomics_blueprint.pdf .
Animal Welfare	An Institutional Animal Care and Use Committee (IACUC) appointed by the Chief Executive Officer or designee, is Federally mandated to oversee the institution's animal program, facilities, and procedures. (9 CFR 2.31). Grantees must have an approved Animal Welfare Assurance on file with the Office of Laboratory Animal Welfare (OLAW) at NIH at the time of award for all grantee organizations receiving Federal support for research or related activities using live vertebrate animals. At USDA, APHIS will oversee the organization and operation of IACUCs. (9 CFR 321). Additional requirements applicable to lab animals must also be followed.	7 U.S.C. 2131, et. seq.; 9 CFR parts 1-4; 7 CFR 3015.205(2)	The animal welfare requirements that apply to grantees also apply to consortium participants and subrecipients.	PHS Policy on Humane Care and Use of Laboratory Animals (PHS Policy) and the Guide for the Care and Use of Agricultural Animals in Research and Teaching, Third Ed. (January 2010), available online at http://www.fass.org/page.asp?pageID=216&autotry=true&ULno_tkn=true ; Guide for the Care and Use of Agricultural Animals in Agricultural Research and Teaching, 3rd Edition, 2010 http://www.fass.org/docs/agguide3rd/Ag_Guide_3rd_ed.pdf .
Verification of IACUC Approval	Verification of IACUC approval is needed for all research involving live vertebrate animals	7 CFR 3015.205(2)	Grantees conducting research with live vertebrate animals	

Foreign Grantees and Foreign Performance Sites		Unless otherwise provided, foreign applicants are generally not eligible to apply for NIFA grants funds directly, although they may apply to the primary recipient as a subrecipient.		
Certification of Filing and Payment of Taxes	NIFA cannot enter into contracts, memoranda of understanding, or cooperative agreements with, make a grant to, or provide a loan or loan guarantees using appropriated funds to any corporation that either was convicted of a felony criminal violation under any Federal or State law within the preceding 24 months or has any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or lapsed, and that has not been paid in a timely manner pursuant to an agreement with the responsible collecting entity.	Sections 738 and 739 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2012.,	This applies to officers or agents convicted when acting on behalf of the corporation.	
Acknowledgement of Federal Funding	NIFA grantees must acknowledge federal support when issuing statements, press releases, requests for proposals, bid invitations, and other documents describing projects or programs funded in whole or in part with Federal money. Grantees must include the statement required		Grant recipients.	

	by NIFA, as applicable.			
Civil Rights Protections	All funded activities must be conducted in compliance with the Civil Rights Act of 1964, Title VI, and the associated regulations. Exclusion on the basis of race, color, or national origin, is not permitted.	Title VI of the Civil Rights Act of 1964; 7 CFR part 15.	Grantees, subgrantees (including consortium participants and contractors under grants).	Form 665 is the Assurance Statement that must be completed by the AR.
Discrimination Based on Citizenship	NIFA grantees cannot exclude any person in the United States from participation in, or receipt of the benefits of, any educational program or activity receiving NIFA funds.	20 U.S.C. 1681 et seq.; 7 CFR 15a	NIFA award recipients are required to assure and certify compliance with Title IX of the Education Amendments of 1972. (7 CFR 3015.205(b)(13)).	
Discrimination Based on Handicap	Grantees cannot discriminate against an otherwise qualified handicapped individual under any program or activity receiving Federal financial assistance. NIFA award recipients are required to assure and certify compliance with Section 504 of the Rehabilitation Act of 1973.	Section 504 of the Rehabilitation Act of 1973; 7 CFR 15b; 7 CFR 3015.205(b)(14))		
Discrimination on the Basis of Age	Grantees cannot unreasonably discriminate on the basis of age in any program or activity receiving Federal financial assistance.	Age Discrimination Act of 1975; 7 CFR 3015.205(b)(15); 7 CFR 15d	NIFA award recipients are required to assure and certify compliance with the Age Discrimination Act of 1975.	

Discrimination on the Basis of National Origin	The USDA prohibits discrimination in all of its programs and activities on the basis of race, color, or national origin. Discrimination on the basis of one's ability to read, speak, understand, or write in English is considered discrimination on the basis of national origin.	Civil Rights Act of 1964, Title VI; Executive Order 13166 ;		The Department of Justice's Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons is available online at: http://www.gpo.gov/fdsys/pkg/FR-2002-06-18/pdf/02-15207.pdf .
Clean Air Act and Clean Water	As applicable, NIFA award recipients are required to assure and certify compliance with the Clean Air Act of 1970 and the relevant State Implementation Plan (SIP).	42 U.S.C. 7401 et seq.; 33 U.S.C. 1251 et seq.; Executive Order 11738		
Conflict of Interest	Participants in NIFA-funded research should avoid any action which might give the appearance of using one's position for private gain, using public funds to lobby for or against legislation or appropriations, giving preferential treatment to any individual or group, impeding governmental efficiency or economy, making a decision outside of official channels, effecting adversely the confidences of the public and the integrity of NIFA research.	18 U.S.C. 1913	As part of all applications, a complete Conflict of Interest list must be provided. Applicants and grantees must review the RFA and Award Face Sheet to ensure all reporting or disclosure requirements related to conflicts of interest are met.	
Confidentiality	Research institutions should conduct a fair and thorough investigation, as appropriate to maintain the integrity of the	7 CFR 3022.2(e)		

	research being conducted.			
Flood Insurance (Construction only requirement)	No Federal financial assistance to acquire, modernize, or construct property may be provided in identified flood-prone communities in the United States, unless the community participates in the National Flood Insurance Program and flood insurance is purchased within 1 year of the identification	National Flood Insurance Act of 1968, as amended, and the Flood Disaster Protection Act of 1973, as amended, 42 U.S.C. 4001 et seq.; 7 CFR 3105.205(b)(11))		
Architectural Barriers (Construction only requirement)	Facilities must be accessible to, and usable by, the physically handicapped and include minimum design standards. All new facilities designed or constructed with NIFA grant support must comply with these requirements.	The Architectural Barriers Act of 1968, 42 U.S.C. 4151 et seq., as amended, the Federal Property Management Regulations (see 41 CFR 102-76), and the Uniform Federal Accessibility Standards issued by GSA (see 36 CFR 1191, Appendices C and D)		
Safe Drinking Water Act	Underground sources of drinking water that have an aquifer, which is the sole source of drinking water, are protected under 42 U.S.C. 300f et seq. (Chapter 6a of the Public Health Service Act). NIFA will not enter into a grant to support a project that will contaminate such an aquifer, as determined by the EPA Administrator.			

<p>Environmental Justice</p>	<p>In working towards achieving environmental justice, all Federal agencies are required to identify and address, as appropriate, disproportionately high and adverse human health and environmental effects of programs, policies and activities on minority populations and low-income populations (hereinafter “environmental justice communities”). At USDA and NIFA, environmental justice means that, to the greatest extent practicable and permitted by law, all populations are provided the opportunity to participate in decision-making, share in the benefits of, are not excluded from, and are not affected in a disproportionately high and adverse manner by, government programs and activities affecting human health or the environment. (USDA Departmental Regulation, 5600-002 (December 15, 1997). In seeking to achieve environmental justice, NIFA will work to meet the needs of underserved communities by reducing the disparate environmental burdens, removing barriers to participation in decision-making, and increasing access to environmental benefits that help</p>	<p>USDA Departmental Regulation, 5600-002 (December 15, 1997); USDA Environmental Justice Strategic Plan: 2012-2014, February 7, 2012, available at: http://www.dm.usda.gov/hmmd/FinalUSDAEJSTRAT_Scan_1.pdf and Executive Order 12898 (February 11, 1994).</p>	<p>Recipients of NIFA funds are required to certify compliance with NIFA’s policy of non-discrimination against environmental justice communities and inclusion of minority and low-income participants in all NIFA-funded programs. NIFA will provide technical assistance and training on environmental justice to recipients of Federal financial assistance. NIFA will continue its outreach to environmental justice communities.</p>	
------------------------------	--	---	--	--

	to make all communities safe, vibrant and healthy places to live and work. All agencies must work toward environmental justice, as required by Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations (February 11, 1994), as amended by Executive Order 12948 – Amendment to Executive Order 12898 (January 30, 1995).			
Suspension and Debarment	NIFA will not enter into grants or agreements with suspended or debarred parties	2 CFR 180 and 417	Grantees must ensure subrecipients are not suspended or debarred, unless NIFA provides an exception under the disqualifying statute, Executive Order, or regulation. Subrecipients of NIFA funds are required to submit a Form AD-1048. Lower tier recipients are required to disclose to the primary grantees if they are excluded or suspended.	

Prohibition against grants to individuals with Federal tax liability	NIFA cannot enter into a contract, memorandum of understanding, or cooperative agreement with, make a grant to, or provide a loan or loan guarantee to any corporation with unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting tax liability.	Sections 738 and 739 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2012 (Pub. L. 112-55)		
Dissemination of False or Deliberately Misleading Scientific Information	NIFA funds cannot be used to disseminate scientific information that is deliberately false or misleading.			
Drug-Free Workplace	Organizations receiving NIFA grants must make a good faith effort to maintain a drug-free workplace	Drug-Free Workplace Act of 1988 (41 U.S.C. 8102 et seq.); 2 CFR 182; 2 CFR Part 421		
Facilities	Facilities owned by, leased by, or under the supervision of NIFA award recipients cannot be listed on the EPA's list of violating facilities. NIFA award recipients are required to notify NIFA if during the course of the award the EPA notifies the recipient that the property is under consideration for listing by the	7 CFR 3015.205(b)(10)		

	EPA.			
FFATA Reporting	The Federal Funding Accountability and Transparency Act of 2006 (FFATA) is intended to increase the transparency of, and accountability for, the over \$1 trillion that Federal agencies award each year in contracts, loans, grants, and other awards.	“Memorandum for the Heads of Departments and Agencies: Guidance on Data Submission under the Federal Funding Accountability and Transparency Act (FFATA)” (June 1, 2009), http://www.whitehouse.gov/sites/default/files/omb/assets/memoranda_fy2009/m09-19.pdf	All NIFA funding opportunity announcements include the requirement that recipients have in place proper procedures and policies to comply with the FFATA reporting requirements. Compliance with this law is primarily the responsibility of the Federal agency. However, recipients are required to collect and report: 1) information on executive compensation when not already reported through SAM; and 2) similar information on all subawards/subcontracts/consortium agreements over \$25,000.	
Federal Information Security Management Act	The Federal Information Security Management Act codified the Federal government’s responsibility to protect against threats to information and information systems.	44 U.S.C. 3541 et seq.	The FISMA applies to NIFA grantees only when grantees collect, store, process, transmit or use information on behalf of NIFA.	
Fly America	Federally funded foreign air travel may only be conducted on U.S. flag air carriers. A “U.S. flag air carrier” is an air carrier that holds a certificate under 49 U.S.C. 41102 but does not include foreign air carriers operating under a permit.	49 U.S.C. 40118		

Health and Safety Regulations & Guidelines	Grantees are responsible for meeting applicable Federal, State, and local health and safety standards and for establishing and implementing necessary measures to minimize their employees' risk of injury or illness in activities related to NIFA grants.		Grantee organizations are not required to submit documented assurance of their compliance. However, if requested by NIFA, grantees should be able to provide evidence that applicable Federal, State, and local health and safety standards have been considered and have been put into practice.	
Historic Preservation	NIFA award recipients must consult with the relevant State Historic Preservation Officer to identify properties listed in or eligible for inclusion in the National Register of Historic Places that would potentially be subject to adverse effects based on the proposed activities. If any such properties are involved in NIFA-funded activities, recipients must notify NIFA.	7 CFR 3015.205(b)(12)	Recipients must assure and certify compliance with the National Historic Preservation Act, Section 106 and avoid or mitigate adverse effects.	
Human Research Protections	Grantees must protect the rights and welfare of any human subject involved in NIFA sponsored research and related activities. An Institutional Review Board (IRB) must review all research proposals involving human subjects.	7 CFR 1c	<p>Grantees must provide certification to NIFA that the research application has been approved by an appropriate IRB, consistent with 7 CFR 1c. Each institution "engaged" in research involving human subjects must obtain an FWA from OHRP. (See http://www.hhs.gov/ohrp/assurances/assurances/index.html).</p> <p>Applicants must also submit documentation that all senior/key personnel involved in human</p>	<p>All applicable research must be conducted in accordance with the NIH Policy and Guidelines on the Inclusion of Children as Participants in Research Involving Human Subjects.</p> <p>All applicable research must be conducted in accordance with the NIH Policy and Guidelines on the Inclusion of Women and Minorities as Subjects in Clinical Research (http://grants.nih.gov/grants/fu</p>

			subject research are trained in the protection of human subjects.	nding/women_min/guidelines_a mended_10_2001.htm).
Laboratory Security	NIFA encourages all awardees to adopt appropriate laboratory security policies and procedures for facilities that work with any level of biological or chemical materials.	USDA Departmental Manual 9610-1, "USDA Security Policies and Procedures for Biosafety Level-3 Facilities" (available at http://www.usda.gov/directives); - USDA Departmental Manual 9610-2, "USDA Security Policies and Procedures for Laboratories and Technical Facilities (Excluding Biosafety Level (BSL)-3 Facilities)" (available at http://www.usda.gov/directives).		

Lobbying Prohibition	Federal funds cannot be used for lobbying or paying any person to influence or attempt to influence any officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress with respect to an award, continuation, renewal, amendment, or modification of a grant, cooperative agreement, contract, or loan.	7 CFR 3018	All recipients of NIFA funds must certify that members of their organization have not made, and will not make, payments with appropriated funds with the purpose of influencing or attempting to influence officers or employees 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 grant, contract, loan, or cooperative agreement, or extension, continuation, renewal, amendment or modification of any Federal grant, contract, loan, or cooperative agreement. Recipients are also required to submit disclosures of payments that have been made, or agreed to be made, using non-appropriated funds (including profits from any covered Federal action). Lobbying restrictions apply to all applicants for NIFA grants, cooperative agreements, or contracts for total awards exceeding \$100,000. Subgrantees receiving awards exceeding \$100,000 must submit disclosures and certifications to the primary award recipient.	
Metric System	Measurement values in applications and grantee-prepared reports, publications,	7 CFR 3019.15		

	and other grant-related documents should be in metrics			
Military Recruiting and Reserve Officer Training Corps Program Access to Institutions of Higher Education	Institutions receiving federal funds cannot maintain an anti-Reserve Officer Training Corps (ROTC) policy or practice.	32 CFR 216.3(a)		
National Environmental Protection Act	NIFA must determine if grantees, as a result of their proposed activities, will be required to submit an Environmental Assessment or Environmental Impact Statement or whether the proposed activity will be exempt from environmental review under NEPA.	7 CFR 1b; 7 CFR 3407.1; 7 CFR 3407.5(a)-(c)	Projects that will likely have a significant impact on the quality of the human environment or will be performed under extraordinary circumstances will typically require preparation of an EIS. NIFA follows the categorical exclusions established by the USDA set forth in 7 CFR 1b.3.	Typically, NIFA-funded programs will not require the preparation of an Environmental Assessment (EA) or an Environmental Impact Statement (EIS) if there is no anticipated individual or cumulative effect on the quality of the environment.
Non-Delinquency on a Federal Debt	An organization or individual indebted to the United States with a judgment lien filed against them, is not eligible to receive a Federal grant	28 U.S.C. 3201(e)	The AR must certify that the recipient is not delinquent in repaying any federal debt.	
Public Health Security and Bioterrorism Preparedness and Response Act	Domestic grantees conducting research involving select agents or toxins must maintain a registration with CDC or USDA, depending on the agent, before using NIFA funds.	42 CFR part 73, 9 CFR part 121 and 7 CFR part 331	USDA can grant exemptions upon a showing of good cause or a showing that permitting an exemption would be in line with protecting plant health or plant products.	IS THIS THE CORRECT INFO FOR THIS SECTION?
Genetically Engineered Plants	NIFA grant recipients involved in the use of genetically engineered plant pests must comply with the APHIS regulations and obtain all necessary permits.	7 CFR 340 et seq.; 7 U.S.C. 8301 et seq.; 7 U.S.C. 7701 et seq.		

Resource Conservation and Recovery Act	State and local institutions of higher education, hospitals, and non-profit organizations that receive direct Federal awards or other Federal funds must give preference in their Federally-funded procurement programs to the purchase of recycled products pursuant to the EPA guidelines.	42 U.S.C. 6901; 40 CFR 247.2		
Responsible and Ethical Conduct of Research	Institutions conducting extramural research funded by USDA must foster an atmosphere conducive to research integrity, bear primary responsibility for prevention and detection of research misconduct and maintain and effectively communicate and train their staff regarding policies and procedures.	Sections 2, 3, and 8 of 7 CFR Part 3022		
Research Misconduct	All institutions receiving funding from NIFA must have policies and procedures in place to respond to any allegations of research misconduct.	7 CFR 3022	<p>Grantees must have an assurance on file with NIFA to be eligible to receive NIFA funds. An assurance can be completed by signing the Award Face Sheet or by filing an independent assurance statement with NIFA.</p> <p>Grantees are responsible for the actions of its employees and other research collaborators, including third parties, involved in the project.</p>	

Standards of Conduct	NIFA requires grantees to establish policies and procedures that prohibit employees from using their positions for a purpose that is, or gives the appearance of being, motivated by a desire for private gain for themselves or others, particularly those with whom they have family, business or other ties.	7 CFR 3015.205(b)(7)	Grantees are responsible for enforcing their standards of conduct, taking appropriate action on individual infractions, and, in the case of financial conflict of interest, informing NIFA if the infraction is related to a NIFA award.	
Text Messaging while Driving	Federal agencies are required to encourage contractors, subcontractors, and grant and cooperative agreement recipients and sub-recipients to adopt and enforce policies that ban text messaging while driving company-owned or rented vehicles or Government owned vehicles, or while driving personally owned vehicles when on official government business or when performing any work for or on behalf of the Government.	Executive Order 13513		
Trafficking in Persons	Federal agencies must include a condition in all grants and cooperative agreements authorizing termination of the award if the recipient or subrecipient engages in certain activities related to human trafficking.	22 U.S.C. 7104; 2 CFR 175		

USA PATRIOT Act	The Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA PATRIOT Act) amends 18 U.S.C. 175-175c and provides criminal penalties for possession of any biological agent, toxin, or delivery system of a type or in a quantity that is not reasonably justified by a prophylactic, protective, bona fide research, or other peaceful purpose.	18 U.S.C. 175-175c		
-----------------	---	--------------------	--	--

K. SPECIAL AWARD CONDITIONS AND ENFORCEMENT ACTIONS

A grantee's failure to comply with the terms and conditions of an award may result in NIFA taking corrective actions, depending on the severity and duration of the non-compliance, to remedy the problem. The range of enforcement actions NIFA can take are outlined in the applicable statutes, regulations, and policies. NIFA generally will afford the grantee an opportunity to correct the deficiencies before taking corrective action unless public health or welfare concerns require immediate action. However, even if a grantee is taking corrective action, NIFA may proactively protect the Federal government's interests, including placing special conditions on awards or precluding the grantee from obtaining future awards for a specified period, or may take action designed to prevent future non-compliance, such as closer monitoring. None of the enforcement actions taken by NIFA prevent debarment and suspension as well. (7 CFR 3430.62).

1. Modification of the Terms and Conditions of Award and Special Award Conditions

If a grantee has a history of poor performance, is financially unstable, has a management system that does not meet the NIFA requirements, has previously failed to comply with the terms and conditions of a NIFA award, or is otherwise irresponsible, NIFA may impose additional requirements on the grantee. When special award conditions are imposed, NIFA will notify the grantee in writing of the nature of the additional requirements, the reason(s) for imposing additional requirements, the nature of the corrective action the grantee needs to take, the time permitted for corrective action to be taken in, and the method by which the grantee can request reconsideration of the award terms and conditions. When the grantee corrects the condition(s) that necessitated imposing special award conditions, the special conditions will be removed. Generally, the decision to modify the terms of an award (e.g., by imposing special award conditions) is discretionary on the part of NIFA and is not appealable. (7 CFR 3019.14).

NIFA also may withdraw approval of the PD/PI or other senior/key personnel specifically referenced in the Award Face Sheet if there is a reasonable basis to conclude that the PD/PI and other such named senior/key personnel are no longer qualified or competent to perform. In that case, NIFA may request that the grantee designate a new PD/PI or other named senior/key personnel.

2. Suspension or Termination and Withholding of Support

Grantees are required to abide by the terms and conditions of their award, as well as the applicable legislation, regulations, policy directives, and the requirements established in this Policy Guide. When grantees fail to materially comply with the terms and conditions of the award, NIFA may take certain enforcement actions, including, but not limited to, suspending the award pending corrective action, terminating the award for cause, and withholding support. Material compliance means that the grantee, in good faith, substantially abided by the terms of the grant. (7 CFR 3430.60).

2.1. Suspension

Generally, NIFA will suspend a grant when the grantee has not complied with the terms and conditions of the award rather than immediately terminate the award. A suspension allows the grantee to take corrective action and remedy their non-compliance. If during the period of suspension the grantee fails to take appropriate corrective action, NIFA may choose to terminate the award. Suspension is not required before termination and immediate termination is a possible first response by NIFA.

2.2. Termination

NIFA has the authority to terminate an award, partially or wholly, with the consent of the grantee. Grantees are also permitted to terminate the award if circumstances necessitate doing so. If a grantee decides to terminate a portion of the award, NIFA may determine that it is not possible to use the remaining portion for the purposes for which it was intended. In that case, NIFA will advise the grantee that it is possible to terminate the award in its entirety or to withdraw the termination request. NIFA may terminate the entire award if the original purpose cannot be fulfilled and the grantee chooses not to terminate wholly or withdraw its termination request. Grantees should contact NIFA to determine if termination costs are allowable costs.

If a grantee seeks to terminate their award, they must send NIFA written notification setting forth the reasons for termination, and if partial termination is requested, the portion of the award to be terminated. (7 CFR 3019.61).

3. Withholding Support

NIFA may determine that the most appropriate course of action is to withhold support from a grantee. This means that NIFA will not make a non-competing continuation award within the current competitive segment. Support may be withheld by NIFA for a number of reasons. For example, there may not be sufficient Federal funds available to support the project, the grantee might have failed to demonstrate satisfactory progress towards achieving the objectives of the project, a grantee might have failed to meet the terms and conditions of an award, or continued funding might not be in the best interest of the Federal government. A grantee denied continued support under a non-competing continuation award for failure to comply with the award terms and conditions may appeal NIFA's decision through the appeals procedures detailed in this document and located at 7 CFR 3430.62. (7 CFR 3430.60(d)).

4. Other Enforcement Actions

In addition to imposing special award terms and conditions, NIFA may take a number of other enforcement actions if a grantee is not complying with the award terms and conditions. NIFA may temporarily withhold cash payments pending the grantee's correction of the deficiency (or NIFA may take more severe action), wholly or partly suspending or terminating the current award, withholding further awards for the same project or program, and taking other legally available remedies. Suspension of an award is NOT the same as suspension related to suspension and debarment. (7 CFR 3019.62).

5. Recovery of Funds

At any time during the life of a grant, NIFA may identify and administratively recover funds paid to a grantee in excess of what the grantee was entitled to. (7 CFR 3019.73). If NIFA determines that there is a basis for disallowing a cost for a non-capacity grant, NIFA will provide the awardee notice of their intent to disallow the cost. (7 CFR 3430.59).

NIFA's recovery of funds may result in a debt owed by the grantee. Debts may result from cost disallowances, recovery of funds, unobligated balances, an unpaid share of any required matching or cost sharing, funds in the recipient's account that exceed the final amount determined to be allowable, or other circumstances. NIFA may identify and initiate debt collection activities at any time during the life cycle of a grant. NIFA follows the USDA debt collection procedures. (7 CFR 3019.73 and 3430.61). If amounts due to NIFA are not paid within a reasonable time after demand for payment, NIFA may reduce the debt owed by making an administrative offset against other requests for reimbursement, withhold advance payments otherwise due to the recipient, or take other action permitted by statute. (7 CFR 3019.73). Unless otherwise provided by law, NIFA will charge interest on an overdue debt in accordance with the Federal Claims Collection Standards, 4 CFR Chapter II. (7 CFR 3019.73).

6. Appeals Procedures

When any enforcement action is taken, grantees are permitted an opportunity for a hearing, appeal, or other administrative proceeding as permitted by law. (7 CFR 3430.62). Grantees may appeal post-award adverse administrative decisions made by NIFA including: termination, in whole or in part, for a grantee's failure to carry out the approved project in accordance with the applicable law and the terms and conditions of the award or otherwise fail to comply with the award requirements, denial of a non-competing continuation award for failure to comply with the requirements of a previous award, or a determination that an award is void or invalid. Grantees may also appeal determinations on allowability of costs. (7 CFR 3430.62).

Formal notification of an adverse determination will include a statement of the grantee's rights to appeal. The grantee is then required to submit to NIFA a request for review detailing the adverse determination and providing supporting documents in accordance with the procedures identified in the notification. NIFA must receive the request for review within 60 days of the grantee's receipt of the formal notification. Extensions may be in extenuating circumstances. (7 CFR 3430.62).

If NIFA's ultimate decision is adverse to the grantee or the request for review is rejected, the grantee may submit a request to NIFA's Assistant Director, Office of Grants and Financial Management for further review. The NIFA Assistant Director, Office of Grants and Financial Management's decision is final. (7 CFR 3430.62).

VI. OTHER NIFA ASSISTANCE PROGRAMS

A. 4-H YOUTH DEVELOPMENT PROGRAM

The 4-H Youth Development program (4-H) is a federally funded and protected-status youth development program. NIFA is home of the National Headquarters and is responsible for the organization, supervision, and administration of the 4-H Youth Development Program. NIFA provides national leadership, along with the independent National 4-H Council. 4-H programs at land grant institutions are run by the institutions through the Cooperative Extension Directors and Administrators. The National Headquarters and National 4-H Council work cooperatively pursuant to an Memorandum of Understanding (MOU) between 4-H National Headquarters and the National 4-H Council. When funds are available, NIFA is authorized to make grants to youth organizations, including the National 4-H Council. The National 4-H Council is permitted to redistribute the funds that it receives from NIFA without additional approval. (7 U.S.C. 7630). NIFA also works collaboratively with the non-profit National Association of Extension 4-H Agents (NAE4-HA) to increase the professional development opportunities and information for 4-H professionals. The NAE4-HA is authorized to use the 4-H emblem in accordance with the applicable legislative and regulatory limitations.

The National 4-H Council is an independent non-profit, charitable organization that is governed by an elected Board of Trustees. NIFA, as the 4-H National Headquarters, works collaboratively with the National 4-H Council, but does not control the actions of the Council. The purpose of the 4-H Council is to build and manage financial resources, national reputation, and brand awareness for 4-H. The 4-H Council seeks, receives, holds, and distributes funds or property to augment, enhance, and support the mission of 4-H. The 4-H Council, in close collaboration with the 4-H Headquarters at NIFA, enables resources to be acquired and distributed in support of the 4-H Program throughout the land grant institutions. Recipients of NIFA funds, including all 4-H related entities, are subject to the Education Amendments of 1972 (20 U.S.C. 1681), which prohibit discrimination on the basis of sex.

1. 4-H Emblem

The 4-H name and emblem is a Federal mark protected against fraudulent use by 18 U.S.C. 707.³³ NIFA oversees authorization of use of the 4-H emblem. Congress entrusted the name and emblem to the Secretary of Agriculture (18 U.S.C. 707) and the Secretary of Agriculture delegated its responsibilities to the Under Secretary for Research, Education, and Economics, who further delegated the authority to NIFA. (7 CFR 2.21(a)(1)(cxiii); 7 CFR 2.66(92); 7 CFR 8.2). The USDA holds the 4-H emblem in trust for the educational and character-building purposes of the 4-H program. For additional information on the use of the 4-H emblem, please see 7 CFR 8.4 – 8.9. Applications for authorization to use the 4-H emblem are available through the NIFA website at http://192.73.224.55/4H/Vendor_Application.aspx.

³³ The protection provided by 707 is broader than that provided for ordinary marks. Section 707 prohibits unauthorized use of the 4-H name and emblem. (18 U.S.C. 707).

B. 1994 INSTITUTION ENDOWMENT INTEREST DISTRIBUTION (TRIBAL)

The 1994 Tribal Endowment provides funding to increase extension program capacity and to promote and strengthen higher education instruction in the food and agricultural sciences at tribal colleges and universities, also known as 1994 institutions, and to address special needs, take advantage of important opportunities, and/or demonstrate long-term sustained benefits of extension projects at 1994 institutions. 1994 institutions are considered LGUs established for the benefit of agriculture and the mechanic arts. (7 U.S.C. 301 *et seq.*). Endowment funds should support integration of agricultural research, extension, and education functions at 1994 institutions to better link research to technology transfer and information dissemination activities, should encourage regional and multi-state programs to address relevant issues of common concern and to better leverage scarce resources, and should achieve agricultural research, extension and education objectives through multi-institutional and multifunctional approaches and by conducting research at facilities and institutions best equipped to achieve those objectives. (7 U.S.C. 7612). Projects should be responsive to any NIFA identified goals. The Equity in Educational Land-Grant Status Act of 1994 confers various rights and obligations of land-grant universities to eligible tribal colleges and universities.

1994 endowment funds are endowment interest funds distributed annually, as required by section 533(c) of the Equity in Educational Land-Grant Status Act of 1994. Institutions receive interest distributions from the federally established endowment fund, the “Native American Institutions Endowment Fund” or the “1994 Institutions Endowment Fund.” (7 U.S.C. 301, note). The Secretary holds and invests the corpus of the endowment in an interest-bearing account). (7 U.S.C. 301, note). Eligible 1994 institutions will receive payments based on the established formula from the interest earned on the endowment corpus. (7 U.S.C. 301, note). No withdraws will be made from the corpus of the endowment. (7 U.S.C. 301, note). The interest income is distributed according to a formula: 60 percent of the interest income earned on the endowment is distributed among the 1994 institutions based on the “Indian student count” for each 1994 Institution for the fiscal year and 40 percent of the income is distributed in equal shares to the 1994 Institutions. (7 U.S.C. 301, note). NIFA is responsible for computing and distributing the interest income. The “Indian student count” is a number equal to the total number of Native American students enrolled in each tribally controlled college or university determined in a manner consistent with 25 U.S.C. 1801(b) on the basis of the quotient of the sum of the credit hours of all Native American students so enrolled, divided by twelve (25 U.S.C. 1801(a)(8)).³⁴ (http://www.nifa.usda.gov/business/awards/formula/11_tribal_endowment.pdf).

³⁴ Subsection (b) of Section 1801 provides: The following conditions shall apply for the purpose of determining the Indian student count pursuant to subsection (a)(8) of this section: (1) Such number shall be calculated on the basis of the registrations of Indian students as in effect at the conclusion of the third week of each academic term. (2) Credits earned in classes offered during a summer term shall be counted toward the computation of the Indian student count in the succeeding fall term. (3) Credits earned by any student who has not obtained a high school degree or its equivalent shall be counted toward the computation of the Indian student count if the institution at which the student is in attendance has established criteria for the admission of such student on the basis of the student’s ability to benefit from the education or training offered. The institution shall be presumed to have established such criteria if the admission procedures for such studies include counseling or testing that measures

Annual availability of the 1994 Endowment funds will be announced in writing, directly to Presidents of 1994 Land Grant Institutions. Fund availability is also announced on the NIFA website, available on-line at: <http://www.nifa.usda.gov/business/awards/formula/tribal.html>. Eligible institutions must be in compliance with 7 CFR 3418 regarding stakeholder input and have a Plan of Work on file with NIFA. (7 U.S.C. 7612).

1. Eligibility

Any Tribal college or university that is accredited or making progress towards accreditation that is designated as a 1994 Land-Grant Institution under the Educational Land-Grant Status Act of 1994 is eligible for funding.³⁵ (7 U.S.C. 301 note). Award recipients may subcontract with organizations not eligible to apply provided such organizations are necessary for the conduct of project goals and objectives. An applicant's failure to meet an eligibility criterion by the time of an application deadline will result in NIFA returning the application without review or, even though an application may be reviewed, will preclude NIFA from making an award. A specific list of eligible institutions can be found in 7 U.S.C. 301 note.

2. Cost Considerations

All funds distributed to 1994 institutions are to be used in accordance with the requirements of the Second Morrill Act, 7 U.S.C. 321 *et seq.* Indirect costs are not allowable costs. Appropriated funds will be withheld and redistributed if the institution declines to accept funds or the institution is not accredited.

There is no matching requirement associated with the 1994 Tribal Endowment Fund. For additional information on the applicable cost principles please see 7 CFR 3019.

3. Reporting Requirements

1994 Institutions must submit their 1994 Institution Endowment Annual Report, 1994 Institution Endowment Report Contact Form, and SF-425 Federal Financial Report. Forms are available on the NIFA website at <http://www.nifa.usda.gov/business/reporting/tribal.html>.

the student's aptitude to successfully complete the course in which the student has enrolled. No credits earned by such student for purposes of obtaining a high school degree or its equivalent shall be counted toward the computation of the Indian student count. (4) Indian students earning credits in any continuing education program of a tribally controlled college or university shall be included in determining the sum of all credit hours. (5) Eligible credits earned in a continuing education program (A) shall be determined as one credit for every ten contact hours in the case of an institution on a quarter system, or 15 contact hours in the case of an institution on a semester system, of participation in an organized continuing education experience under responsible sponsorship, capable direction, and qualified instruction, as described in the criteria established by the International Association for Continuing Education and Training; and (B) shall be limited to ten percent of the Indian student count of a tribally controlled college or university. (25 U.S.C. 1801(b)).

³⁵ Accreditation means accredited by a nationally recognized accrediting agency or association determined by the Secretary of Education to be a reliable authority with regard to the quality of training offered. (25 U.S.C. 1804).

C. HISPANIC-SERVING AGRICULTURAL COLLEGES AND UNIVERSITIES (HSACU)

Hispanic-Serving Agricultural Colleges and Universities (HSACUs) are supported through a number of competitive grants administered by NIFA and the HSACU Fund. The HSACU Fund is an endowment fund administered in a manner similar to the 1994 Institution Endowment Fund. (7 U.S.C. 3243). There are multiple programs that target HSACUs. This section specifically discusses the HSACU Endowment.

1. Eligibility

A Hispanic-Serving Agricultural College or University is a college or university that qualifies as a Hispanic-Serving Institution (HSI) and offers an associate, bachelors, or other accredited degree program in agriculture-related fields. (7 U.S.C. 3103(10)). An 1862 institution that meets the definition of a HSACU will not be certified as a HSACU. HSACU institutions are not specifically identified in the legislation establishing the endowment. NIFA published its Final Rule, effective April 27, 2012, “Hispanic-Serving Agricultural Colleges and Universities Certification Process” to identify the process through which eligible institutions receive HSACU certification. (77 Fed. Reg. 25036-01). The Final Rule is codified at 7 CFR Part 3434. For additional information on defining HSIs eligibility please see 20 U.S.C. 1101a(a).

A HSACU must be an HSI and offer an associate, bachelors, or other accredited degree program in an agriculture-related field. Institutions are not eligible to be considered HSACUs if they are 1862 land-grant institutions, are included on the Excluded Parties List System (now SAM), not accredited, or an institution with Hispanic students receiving less than 15 percent of the degrees awarded in agriculture-related programs over the two most recently completed academic years. The Department of Education’s Classification of Instructional Programs (CIP) coding system is used as the source of information for the purpose of classifying the program as agriculture-related. The list of agriculture-related programs will be included in Appendix B to 7 CFR Part 3434 and will be updated every five years. Institutions that meet the eligibility requirements and offer agriculture-related programs will be certified as HSACUs and certification will remain valid for one year. An institution not certified as a HSACU may appeal its denial through NIFA’s established process, as described in 7 CFR 3434.8. The certification process does not involve any reporting requirements. (7 CFR 3434.10(a)). All recipients must be registered with SAM and maintain an active registration until they are no longer receiving NIFA funds, unless otherwise provided. (2 CFR 25.110).

2. Allocation

Funds appropriated annually will be deposited into the account in which the corpus of the endowment is held. All interest earned on the endowment fund will also be held by the Secretary of the Treasury until funds are distributed annually to eligible institutions. The corpus and the interest will be invested in an interest-bearing account. Annual payments will be made to eligible institutions from the income earned on the endowment, not from the corpus. The income will be distributed as follows:

- 60 percent will be distributed among the HSACUs on a pro rate basis based on the Hispanic enrollment count of each institution.

- 40 percent will be distributed in equal shares to the HSACUs.

An annual payment of \$80,000 divided by the number of HSACUs will be made to each HSACU. (7 U.S.C. 3243). For additional information please see 7 U.S.C. 3243.

3. Allowable Costs

All funds must be used in accordance with the requirements of the Second Morrill Act, 7 U.S.C. 321 *et seq.* and the applicable cost principles for educational institutions found in 7 CFR 3019.

D. VETERINARY MEDICINE LOAN REPAYMENT PROGRAM (VMLRP)

The Veterinary Medicine Loan Repayment Program (VMLRP), authorized by the National Veterinary Medical Services Act (NVMSA), helps qualified veterinarians offset a significant portion of the debt incurred in pursuit of their veterinary medicine degrees in return for their service in identified high-priority veterinary shortage situations. NIFA carries out NVMSA by entering into educational loan repayment agreements with veterinarians who agree to provide veterinary services in veterinarian shortage situations for a determined period of time. (7 U.S.C. 3151a).

In exchange for a commitment to provide veterinary services in a designated veterinary shortage area for at least three years, NIFA may repay up to \$25,000 of a student loan debt per year. Loan repayment benefits are limited to payments of the principal and interest on government and commercial loans veterinarians received to attend an accredited college of veterinary medicine and actually earn a degree of Doctor of Veterinary Medicine or the equivalent. Repayment of loans is available if the loans were used for tuition expenses, reasonable educational expenses, including fees, books, and laboratory expenses incurred, and reasonable living expenses.³⁶ (7 U.S.C. 3151a). Under this program, additional payments can be made to reimburse participants for individual tax liability incurred because of this repayment program. (7 U.S.C. 3151a).

1. Veterinary Shortage Situations

When determining if an area qualifies as a “veterinary shortage situation,” NIFA considers (1) geographical areas determined to have a shortage of veterinarians; and (2) areas of veterinary practice that NIFA determines have a shortage of veterinarians, such as food animal medicine, public health, epidemiology, and food safety. (7 U.S.C. 3151a). In determining

³⁶ “Reasonable living expenses” are ordinary living costs incurred by the program participant while attending the college of veterinary medicine, exclusive of tuition and educational expenses. Reasonable living expenses must be incurred during the period of attendance and may include food and lodging expenses, insurance, commuting and transportation costs. Reasonable living expenses must be equal to or less than the sum of the school’s estimated standard student budgets for living expenses for the degree of veterinary medicine for the year(s) during which the program participant was enrolled in the school. However, if the school attended by the program participant did not have a standard student budget or if a program participant requests repayment for living expenses which are in excess of the standard student budgets described in the preceding sentence, the program participant must submit documentation, as required by the Secretary, to substantiate the reasonableness of living expenses incurred. (7 CFR 3431.3).

veterinary shortage situations, NIFA will consider stakeholder input on the impact of the designation on meeting critical veterinary needs.

NIFA solicits nominations for veterinary shortage situations annually through publication in the Federal Register, NIFA's website and/or other appropriate forums. If necessary, nominations will be solicited only every two to three years. Each state's animal health official is the person responsible for submitting and certifying veterinary shortage situations in their state. Nominations should be responsive to the criteria set forth in the nomination solicitation and should incorporate the input of the leading health animal experts of the state.

Submitted nominations are reviewed by a NIFA peer panel composed of experts in the field of animal health. The panel evaluates nominations according to the criteria identified in the solicitation. The panel considers the objectives and activities of the veterinarian position in the veterinary service shortage situation and the risks associated with not securing or retaining the position and make a recommendation regarding each nomination. NIFA reviews the recommendations of the peer panel and designate the veterinary shortage situations.

For additional information on veterinary shortage situations please see 7 CFR 3431.

2. Program Administration

The purpose of the VMLRP is to ensure that there is an adequate supply of trained food animal veterinarians in shortage situations and to provide USDA with a pool of veterinary specialists to assist in and control eradication of animal disease outbreaks. (7 CFR 3431.8). Priority should be given to agreements with veterinarians practicing in food animal medicine in veterinary shortage situations. (7 U.S.C. 3151a). Food animals are animals of following species: bovine, porcine, ovine/camelid, cervid, poultry, caprine, and any other designated species. (7 CFR 3431.3). Applicants for loan repayment must respond to the annual RFA posted in the Federal Register and available on the NIFA website.

Veterinarians are eligible to competitively apply for loan repayment through VMLRP if they meet the following criteria:

- Have a degree of DVM, or the equivalent, from a college of veterinary medicine accredited by the AVMA Council on Education.
- Have qualifying educational loan debt.
- Secure an offer of employment or establish and/or maintain a practice in a veterinary shortage situation, as determined by the USDA within the time period specified in the VMLRP service agreement offer.
- Provide certifications and verifications in accordance with 7 CFR 3431.16. This includes a personal statement on how the applicant would meet all the requirements of the program and sufficient documentation to support eligibility, including state and local licensure, and national accreditation through the National Veterinary Accreditation Program (NVAP).

Veterinarians owing a service obligation to another entity (i.e. State government, Federal government, other institution) are not eligible to apply for the VMLRP until their prior service obligation is completed. (7 CFR 3431.9).

3. Application Process

An annual RFA will be released when the application packages is available. The annual RFA should be consulted for specific information on how to prepare and submit an application for the VMLRP. Applications for the VMLRP are not submitted through Grants.gov. All application forms are available for download at. Applications can also be requested via email at vmlrp@nifa.usda.gov. When emailing the VMLRP office, include your name, mailing address, email address, and phone number in the body of the email. State that you are requesting a copy of the RFA and the associated application forms. This VMLRP application package includes the following forms: (NIFA-01-10) Application Information Form; Curriculum Vitae; Transcript; (NIFA-02-10) Personal Statement; (NIFA-03-10) List of Recommenders; (NIFA-04-10) Loan Information Form; (NIFA-06-10) Certifications for Application; (NIFA-07-10) Intent of Employment

Guidance on how to complete the required forms is provided in the annual RFA for the VMLRP.

Applications are reviewed through a peer review process using a peer panel. Panelists are selected based on their training and experiences in relevant veterinary clinical medicine, veterinary science, or veterinary specialty area fields from the public or private sector. Applicants are assessed on the criteria identified in the RFA, the likelihood that the applicant will meet the terms and conditions of the VMLRP agreement, and if they will continue to serve in a veterinary shortage situation after the end of the agreement or if they will pursue a career in food supply veterinary medicine. The following components are also assessed: (1) Major or emphasis area(s) during formal post-secondary training (e.g., bachelor's degree major, minor); (2) Major or emphasis area(s) during formal training for DVM/VMD degree; (3) Specialty training area/discipline (e.g., board certification or graduate degree); (4) Non-degree/non-board certification training or certifications (e.g., animal agrosecurity coursework and certifications); (5) Applicant's personal statement; (6) Awards; (7) Letters or recommendation, if applicable; and (8) Other documentation. Applicants are ranked by the peer panel based on the evaluation criteria. (7 CFR 3431.12). Selected applicants must comply with all State and local regulations and licensure requirements in the jurisdiction where serving, be a citizen, national, or permanent resident of the United States, sign a service agreement to provide veterinary services in one of the veterinary shortage situations, and comply with the terms and conditions of the service agreement. (7 CFR 3431.10).

Successful applicants agree to serve in a veterinary shortage situation for a minimum of three years (7 CFR 3431.13). The signed service agreement will provide the terms and conditions selected veterinarians must abide by including what will constitute a breach of the agreement and the remedies for such action. The service agreement includes the amount of funds to be distributed annually, as well as the treatment of income tax liability as a result of the loan repayment. The service agreement will also indicate if the participant is eligible to apply for a

renewal of their existing agreement. Renewal applications are subject to peer review and approval, acceptance is not guaranteed, and the applicant must continue to serve the veterinary shortage situation at the time of application for renewal. Additional information may be requested from the applicant in a renewal application. The service agreement will notify recipients of all required reporting. (7 CFR 3431.17).

To ensure compliance with the terms and conditions of the service agreement, all participants must submit a quarterly service obligation verification form to NIFA. NIFA is also authorized to conduct site visits and audits to ensure compliance with the service agreement.

Additional information on how to complete an application for loan repayment and the current RFA can be found on the NIFA website at

http://www.nifa.usda.gov/nea/animals/in_focus/an_health_if_vmlrp.html.

4. Waiver of Requirements

A program participant can ask for a waiver or suspension of the service obligations incurred by making a written request to NIFA setting forth the bases, circumstances, and causes which support the requested action. NIFA may waive any service or payment obligation incurred by a program participant whenever compliance by the program participant is impossible or would involve extreme hardship to the program participant and if enforcement of the service or payment obligation would be against equity and good conscience. (7 CFR 3431.22).

5. Breach of VMLRP Service Agreement

If a program participant fails to complete the period of obligated service, including failing to comply with the applicable terms and conditions of a waiver granted by the Secretary, the program participant must pay to the United States an amount as determined in the service agreement. The amount due must be paid within 90 days of the date the participant failed to complete the period of obligated service. (7 CFR 3431.21). Early termination of a service agreement will subject a participant to monetary damages and/or other penalties.

6. Emergency Service to the Federal Government

NIFA may enter into agreements of 1-year duration with veterinarians with loan repayment service agreements for service to the Federal Government in emergency situations, as determined by the Secretary, under terms and conditions specified in the agreement. For this service, an amount, in addition to the loan repayment amount, will be paid for principal and interest of qualifying educational loans. (7 CFR 3431.23). This authority will be used on an as needed basis in the event of an emergency situation.

VII. CLOSEOUT AND POST-AWARD MANAGEMENT

NIFA's closeout procedures ensure that grantees have met all financial and technical requirements, submitted their final financial and technical reports, and returned any unspent or unobligated balances. All closeout documents must be submitted in accordance with the project period's end date on the Award Face Sheet, unless otherwise provided.

Grantees are responsible for timely award closeout. Within 90 calendar days after the date the award expires or is terminated, the grantee must submit all financial, performance, and other required reports. NIFA may approve extensions of time when requested by a grantee. All required closeout reports will be identified in the award terms and conditions. If grantees are not able to comply with the established timeline, they should contact NIFA. (7 CFR 3016.50 and 7 CFR 3019.71).

For educational institutions and non-profits, all financial obligations must be liquidated no later than 90 calendar days after the end of the funding period, the date of completion of the award, or as otherwise provided in the award terms and conditions. If a final audit has not been performed prior to the award closeout, NIFA retains the right to recover an appropriate amount after fully considering the recommended disallowed costs from the final audit. Closeout includes ensuring timely and accurate submission of all required reports and adjustments for amounts due to the grantee or NIFA. (7 CFR 3019.71-72).

For awards to all types of recipients, closeout also does not affect NIFA's right to disallow costs and recover funds based on later audits and financial reviews or the grantee's obligation to report and return any funds later acquired through refunds, corrections or other transactions. Closeout of a grant does not automatically cancel any requirements for property accountability, record retention, or financial accountability. After closeout, grantees remain obligated to return funds determined to be due as a result of an audit. Grantees are not permitted to continue to draw down funds once the project period ends. NIFA will deobligate any remaining balances. (7 CFR 3016.51 and 7 CFR 3019.72; GAO 12-360).

Failing to submit timely and accurate closeout documents may affect future funding to the organization. NIFA may impose sanctions on institutions that fail to correct recurring reporting problems. Such sanctions may include, but are not limited to, corrective actions, removal of authorities, and/or delay or withholding of further awards to the project or program. NIFA will close out a grant as soon as possible after expiration.

Grantees must submit a final financial report, final technical report, and final invention statement and certification within 90 calendar days of award completion. Also within this 90-day period, grantees must liquidate all obligations incurred under the award. (GAO 12-360, 7). Grantees should refer to their Award Face Sheet to determine if alternative deadlines apply. The Final Technical Report must be submitted through the REEport system. All other closeout documents should be submitted to OGFIM as PDFs.

A. FINAL FEDERAL FINANCIAL REPORT

Final financial reports (SF-425) are required for all terminated, expired, or transferred grants. Final financial reports must be submitted within 90 days after the expiration of the award. An additional 30-day extension will be given in extenuating circumstances. Any requests for an extension of time should include a provisional report, an anticipated submission date, a justification for late submission, and a justification for the extenuating circumstances. All final financial reports are submitted to NIFA AMD. Submission of final financial reports depends on the payment system the grantee is receiving grant funds through (i.e., ASAP or PMS). Reporting requirements will be identified in the award terms and conditions. (7 CFR 3430.56).

Grantees with overdue final financial reports needing to draw funds from their account must contact AMD. If no extension was previously granted, the grantee must provide justification and documentation to NIFA to continue to withdraw funds. NIFA will approve withdrawals only under extenuating circumstances. (7 CFR 3430.56).

If a grantee is required to submit a revised final financial report, NIFA requires, at a minimum, the following information:

- Description of why the revision was necessary and an explanation of internal controls implemented to preclude similar occurrences in the future.
- All charges must be otherwise allowable costs.
- If there is a sufficient unobligated balance to cover any charges to the award.
- Availability of funds for use.

If after the award is closed out NIFA owes the grantee for allowable, reimbursable costs such payments will be made promptly. Similarly, the grantee is required to promptly refund any balances of unobligated cash it is not permitted to retain. OMB Circular A-129 governs delinquent debts. After all financial reports are received by NIFA, NIFA will settle with the grantee any adjustments to the Federal share of cost. (7 CFR 3019.71).

B. FINAL TECHNICAL REPORT

A final technical report is required for any grant that is terminated or ends. A final technical report is submitted through the REEport system and should be prepared in accordance with the requirements set forth in the terms and conditions of the award. At a minimum, the final report should include a summary of progress made toward the achievement of the originally stated aims, a list of significant results (positive or negative), a list of publications, and additional information required by NIFA. The final report also should address the following, when applicable:

- The inclusion of gender and minority study subjects in research.
- The inclusion of children in the study and/or how the study was relevant for conditions affecting children.

- Description of any data, research materials (such as cell lines, DNA probes, animal models), protocols, software, or other information resulting from the research that is available to be shared with other investigators and how it may be accessed.
- Publications that were authored or co-authored by the PD/PI and arose from the award.
- Any other specific requirements set forth in the terms and conditions of the award or the Award Face Sheet must also be addressed in the final progress report.

Grantees must account for any real and personal property acquired with Federal funds during the award period. (7 CFR 3019.71). Final progress reports are submitted through REEport.

C. FINAL INVENTION STATEMENT AND CERTIFICATION

The grantee must submit a Final Invention Statement and Certification to NIFA, whether or not the funded project results in any subject inventions, and whether or not inventions were previously reported. Invention reports, signed by the AR, must list all inventions that were conceived or first actually reduced to practice during the course of work under the project. The completed form should cover the period from the original effective date of support through the date of expiration or termination or the award. If there were no inventions, the form must indicate "None." Grantees must ensure that all inventions are promptly and fully reported directly to NIFA. All reporting on inventions, copyrights, patents, and plant variety protection is done through the iEdison website at <http://iEdison.gov>.

All investigators funded by NIFA must submit animal or plant genome and protein sequence data and distribute animal or plant genomic resources generated by NIFA funding as described in the grant terms and conditions.

D. SUBMITTING CLOSEOUT DOCUMENTS

Grantees are required to submit final technical reports electronically to NIFA through the REEport system.

E. UNOBLIGATED BALANCES AND ACTUAL EXPENDITURES

Disposition of unobligated balances is determined in accordance with the terms and conditions of the award. Using the principle of "first in-first out," unobligated funds carried over are expected to be used before newly awarded funds.

Upon receipt of the annual financial report for awards not authorized for automatic carryover of unobligated balances, NIFA will compare the total of any unobligated balance shown and the funds awarded for the current budget period with the NIFA share of the approved budget for the current budget period. If the funds available exceed the NIFA share of the approved budget for the current budget period, NIFA may revise the current Award Face Sheet to authorize the grantee to spend the excess funds for an additional approved purpose or offset the current award or a subsequent award by an amount representing some or all of the excess.

F. EXPIRED APPROPRIATIONS ACCOUNTS

Grantee access to accounts will expire at the end of the award term. Expired appropriations accounts remain open for five years to allow for necessary adjustments to be made by NIFA. At the time of expiration, funds are no longer available for use by the grantee. NIFA's future use of unobligated funds is determined by law. Annual budget authority lasts for up to one fiscal year. Multi-year authority lasts for longer periods, and no-year authority lasts until the funds are expended for their designated purpose.

For funds that are in the ASAP system, ASAP will provide NIFA with dormant account reports to help NIFA identify and address undisbursed balances in accounts for which there has been no activity for two years. Dormant account reports have generally been provided twice each year. The first report lists all dormant accounts as of a specific date, and the second report shows agencies' progress toward addressing dormant accounts. (GAO 12-360).

DEFINITIONS

The following definitions apply to this NIFA Federal Assistance Policy Guide. If there is a conflict between this Definitions section and a definition of a term in legislation or regulations, the definition used in the legislation or regulations should be followed. All definitions citing 7 CFR 3019 apply only to recipients who are educational institutions, hospitals, or non-profits.

1862 Land-Grant Institution. 1862 Land-Grant Institution means a college or university eligible to receive funds under the First Morrill Act of July 2, 1862. Unless otherwise stated for a specific program, this term includes a research foundation that is maintained by such an institution. (7 U.S.C. 301 *et seq.*; 7 CFR 3430).

1890 Administrator. 1890 Administrator means the Extension Administrator at the 1890 Land-Grant Institutions, including Tuskegee University and West Virginia State University. (7 U.S.C. 3221).

1890 Land-Grant Institution. 1890 Land-Grant Institution means a college or university eligible to receive funds under the Second Morrill Act of August 30, 1890 (7 U.S.C. 322 *et seq.*), including Tuskegee University and West Virginia State University. Unless otherwise stated for a specific program, this term includes a research foundation that is maintained by such an institution. (7 U.S.C. 7601(2) and 7 CFR 3430).³⁷

1994 Land-Grant Institution. 1994 Land-Grant Institution means one of those institutions as defined in section 532 of the Equity in Educational Land-Grant Status Act of 1994, as amended (7 U.S.C. 301 note). These institutions are commonly referred to as Tribal Colleges or Universities. (7 U.S.C. 301 note). A 1994 institution will be considered a land-grant college established for the benefit of agriculture and the mechanic arts in accordance with the First Morrill Act. (7 U.S.C. 301 note). 1994 institutions receive funding in lieu of donations of public land or scrip. (7 U.S.C. 301 note).

Accrued Expenditures. Accrued expenditures means the charges incurred by the recipient during a given period requiring the provision of funds for: (1) goods and other tangible property received; (2) services performed by employees, contractors, subrecipients, and other payees; and (3) other amounts becoming owed under programs for which no current services or performance is required. (7 CFR 3019.2).

Accrued Income. Accrued income means the sum of: (1) earnings during a given period from: (i) services performed by the recipient, and (ii) goods and other tangible property delivered to purchasers, and (2) amounts becoming owed to the recipient for which no current services or performance is required by the recipient. (7 CFR 3019.2).

³⁷ Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act (2002) Section 753 of Public Law 107-76, 115 Stat. 740, provides that any provision of any Act of Congress relating to colleges and institutions eligible to receive funds under the Second Morrill Act will apply to West Virginia State University as well.

Acquisition. Acquisition or property includes purchase, construction, or fabrication of property. It does not include the rental of property or alterations and renovations of real property. (7 CFR 3015, Appx. A).

Advance. An advance is a payment made by Treasury check or other appropriate payment mechanism to a recipient upon request either before outlays are made by the recipient or through the use of predetermined payment schedules. (7 CFR 3019.2).

Advisory Board. Advisory Board means the means the National Agricultural Research, Extension, Education, and Economics Advisory Board (NAREEEEB) established under section 1408 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123). (7 U.S.C. 6971(f)(1)(A)).

Agricultural Research. Agricultural research means research in the food and agricultural sciences. (7 CFR 3430.2).

Agricultural Research, Extension and Education Reform Act of 1998 (AREERA). Agricultural Research, Extension and Education Reform Act of 1998 (AREERA) means Public Law 105-185, which amended the Smith-Lever Act, the Hatch Act, and the National Agricultural Research, Extension, and Teaching Policy Act of 1977, revising and reauthorizing Federally supported agricultural research, education, and extension programs. Key provisions of the law included requiring approved plans of work for extension and research work in order to receive Federal funding. AREERA mandates that certain levels of funding be used for multi-state and integrated research and extension work. It also encourages multi-disciplinary, multi-institutional, and multi-state collaborations.

Applied Research. Applied research means research that includes expansion of the findings of fundamental research to uncover practical ways in which new knowledge can be advanced to benefit individuals and society. (7 U.S.C. 6971(f)(1)(B)).

Approved Budget. Approved budget means a budget (including any revised budget) that has been approved in writing by NIFA. (7 CFR 3015, App. A). The budget is the recipient's financial expenditure plan approved by NIFA to carry out the purposes of the federally supported project. The budget is comprised of both the Federal share and any non-Federal share of such plan and any subsequent authorized rebudgeting of funds. For those programs that do not involve Federal approval of the non-Federal share of costs, such as research grants, the term "budget" means the financial expenditure plan approved by the awarding agency including any subsequent authorized rebudgeting of funds, for the use of Federal funds only. Any expenditure charged to an approved budget consisting of Federal and non-Federal shares are deemed to be supported by the grant in the same proportion as the percentage of Federal/non-Federal participation in the overall budget. (7 CFR 3015, App. A).

Assurance. An assurance is a certification by an applicant, normally included with the application or State plan of work, indicating that the entity is in compliance with, or that it will abide by, a particular requirement if awarded a Federal grant. Oftentimes a signature on the submitted application is sufficient certification. If a particular form is required, it will be so indicated on the funding opportunity announcement.

Audit finding. An audit finding means deficiencies, which the auditor is required to report in the schedule of findings, and questioned costs. (OMB Circular A-133).

Authorized Departmental Officer (ADO). The Authorized Departmental Officer (ADO) is the individual responsible for executing, modifying, and administering awards on behalf of the U.S. Department of Agriculture. (7 CFR 3430.2).

Authorized Representative (AR). The Authorized Representative (AR) is the President or Chief Executive Officer of the applicant organization or the official, designated by the President or Chief Executive Officer of the applicant organization, who has the authority to commit the resources of the organization to the project. (7 CFR 3430.2). For capacity programs, the AR is the Director. *See:* Director.

Automated Standard Application for Payment (ASAP). The Automated Standard Application for Payment (ASAP) is a web-based electronic payment and information system developed by the Department of Treasury, Financial Management Service (FMS) and the Federal Reserve Bank of Richmond. ASAP allows recipient organizations receiving federal funds to draw from accounts preauthorized by federal agencies.

Award. An award is the federal financial assistance that provides support or stimulation to accomplish a public purpose. Awards include grants, cooperative agreements, and other agreements in the form of money or property in lieu of money, by the Federal Government to an eligible recipient. The term does not include: technical assistance, which provides services instead of money; other assistance in the form of loans, loan guarantees, interest subsidies, or insurance; direct payments of any kind to individuals; contracts which are required to be entered into and administered under procurement laws and regulations; and those agreements that are entered into under the authorities provided by sections 1472(b) and 1473A of the National Agricultural Research Extension, and Teaching Policy Act of 1977 (as amended by the Food Security Act (7 U.S.C. 3318(b) and 3319a)). (7 CFR 3019.2(e)).

Award Face Sheet. A notice of grant award is a legally binding document that notifies the grantee and others that a grant has been made and documents the obligation of federal funds. This is also referred to as the NIFA 2009 Face Sheet.

Awarding Agency. An awarding agency means (1) for grants and cooperative agreements, the USDA agency making the award, and (2) for subgrants, the recipient. (7 CFR 3015, Appx. A).

Budget. A budget means the recipient’s financial expenditure plan approved by the awarding agency to carry out the purposes of the Federally supported project. The budget is comprised of both the Federal share and any non-Federal share of such plan and any subsequent authorized rebudgeting of funds. For those programs that do not involve Federal approval of the non-Federal share of costs, such as research grants, the term “budget” means the financial expenditure plan approved by the awarding agency including any subsequent authorized rebudgeting of funds, for the use of Federal funds only. Any expenditures charged to an approved budget consisting of Federal and non-Federal shares are deemed to be supported by the grant in the same proportion as the percentage of Federal/non-Federal participation in the overall budget. (7 CFR 3015, Appx. A).

Budget Period. The budget period is the period specified in the grant or cooperative agreement during which Federal funds awarded are authorized to be expended, obligated, or firmly committed by the recipient for the purposes specified in the agreement. (7 CFR 3015, Appx. A).

Capacity Funds. Capacity funds are funds distributed to land-colleges and universities and experiment stations under the Hatch Act of 1887 (7 U.S.C. 361a, et seq.); extension funds provided to 1862 institutions under sections 3(b) and 3(c) of the Smith-Lever Act (7 U.S.C. 343(b) and (c)) and section 208(c) of the District of Columbia Public Postsecondary Education Reorganization Act, Pub. L. 93–471; agricultural extension and research funds provided to 1890 institutions under sections 1444 and 1445 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (NARETPA) (7 U.S.C. 3221 and 3222); education capacity funds provided to 1994 institutions under section 534(a) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note); research funds provided to forestry schools under the McIntire-Stennis Act of 1962 (16 U.S.C. 582a, et seq.); and animal health and disease research funds provided to veterinary schools and agricultural experiment stations under Section 1433 of NARETPA (7 U.S.C. 3195). (7 CFR 3418).

Carry-over Funds. Carry-over funds are Federal funds remaining unobligated by the institution as of September 30 of the fiscal year in which they were allocated and which are available for expenditure in a subsequent fiscal year.

Cash Contributions. Cash contributions are the grantee’s cash outlay, including the outlay of money contributed to the grantee by non-Federal third parties. (7 CFR 3430.2).

Citizen or national of the United States. For grants carried out pursuant to 7 U.S.C. 3152(b)(6), citizen or national of the United States means (1) a citizen or native resident of a State; or, (2) a person defined in the Immigration and Nationality Act, 8 U.S.C. 1101(a)(22), who, though not a citizen of the United States, owes permanent allegiance to the United States. (7 CFR 3402.2).

Closeout. Closeout is the process by which a Federal awarding agency determines that all applicable administrative actions and all required work of the award has been completed by the recipient and Federal awarding agency. (7 CFR 3015, Appx. A).

College or university. College or university means, unless defined in a separate subpart, an educational institution in any State which: (1) Admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such a certificate; (2) Is legally authorized within such State to provide a program of education beyond secondary education; (3) Provides an educational program for which a bachelor's degree or any other higher degree is awarded; (4) Is a public or other non-profit institution; and (5) Is accredited by a nationally recognized accrediting agency or association. Unless otherwise stated for a specific program, this term includes a research foundation maintained by such an institution. (7 CFR 3430.2).

Contract. A contract is a procurement contract under an award or subaward. A subcontract means a procurement subcontract entered into under a contract. Procurement contracts and subcontracts place the parties to the contracts in a buyer-seller relationship, regardless of the label used by the parties to describe the relationship. The terms "contract" and "subcontract" do not include any agreements between organizational components of the same legal entity, even if one of the components provides property or services to or for the other. (7 CFR 3015, Appx. A).

Cooperative Agreement. A cooperative agreement is used as the legal instrument to establish a relationship between the United States Government and a State, a local government, or other recipient when "the principal purpose of the relationship is to transfer a thing of value to the State, local government, or other recipient to carry out a public purpose of support or stimulation authorized by a law of the United States instead of acquiring (by purchase, lease, or barter) property or services for the direct benefit or use of the United States Government substantial involvement is expected between the executive agency and the State, local government, or other recipient when carrying out the activity contemplated in the agreement." (7 U.S.C. 6305).

Cooperative Extension Funds. Cooperative extension funds are funds available from all sources (federal and matching funds) and expended by the states, Puerto Rico, the District of Columbia, Guam, Virgin Islands, American Samoa, the Federated States of Micronesia, Republic of the Marshall Islands, Republic of Palau, and the Northern Mariana Islands for Extension programs.

Cooperative Extension Service. The Cooperative Extension Service (CES) means the organizations established at the land-grant colleges and universities under the Smith-Lever Act of May 8, 1914 (38 Stat. 372–374, as amended; 7 U.S.C. 341–349), and section 209(b) of the Act of October 26, 1974 (88 Stat. 1428, as amended; D.C. Code, sec. 31–1719(b)). (7 U.S.C. 3103(6)). The CES is a Federal-State-local cooperative education system that provides continuing adult education based on the academic programs of the land grant colleges of agriculture and their affiliated state agricultural experiment stations (on the campuses of major state universities). The system employs approximately 32,000 people located both on campuses and in offices located in virtually every county in the nation. About half of Extension's education programs focus on agriculture and natural resources, one-quarter on youth development (including the

vocational 4-H program), and the balance on home economics and community resource development work.

Cost Sharing or Matching. Cost sharing or matching means that portion of project or program costs not borne by the Federal Government. Cost sharing and matching are used synonymously throughout the uniform administrative requirements. Cost sharing and matching mean the value of third-party in-kind contributions plus that portion of the allowable costs not supported by the Federal government. (7 CFR 3015, Appx. A). See also: Matching.

Date of Completion. The date of completion is the date on which all work under an award is completed or the date on the award document, or any supplement or amendment thereto, on which Federal sponsorship ends. (7 CFR 3019.2).

Debarment and Suspension. Debarment and suspension refers to Executive Orders 12549 and 12689 which prohibit federal awarding agencies and grant recipients from subcontracting or doing business with entities which are debarred, suspended, or listed in SAM as excluded from participation in federal assistance programs or activities. See 2 CFR Parts 180 and 417. The GSA SAM system lists a party's exclusions in its profile information.

Department. Department means the United States Department of Agriculture. (7 CFR 3430.2).

Director. The Director refers to the Agricultural Experiment Station (AES) Director or the Cooperative Extension Service (CES) Director. The AES Director is the chief administrative office or the official, designated by AES Director, who has the control and authority of AES funds at the 1862 Land Grant Institution. The CES Director is the chief administrative office or the official, designated by CES Director, who has the control and authority of CES funds at the 1862 Land Grant Institution. In some states, the AES Director and the CES Director hold a single, consolidated position (AES/CES Director).

Disallowed Costs. Disallowed costs means those charges to an award that the Federal awarding agency determines to be unallowable, in accordance with the applicable Federal cost principles or other terms and conditions contained in the award. (7 CFR 3019.2).

Discretionary. Discretionary grants and cooperative agreements are grants and cooperative agreements which a Federal statute authorizes but does not require the USDA to award. (7 CFR 3015, Appx. A).

Education Activity or Teaching Activity. Education and teaching activity means formal classroom instruction, laboratory instruction, and practicum experience in the food and agriculture sciences and other related matters such as faculty development, student recruitment and services, curriculum development, instructional materials and equipment, and innovative teaching methodologies conducted by colleges and institutions offering baccalaureate and higher degrees. (7 U.S.C. 3103(20)).

Environmental Impact Statement (EIS). An Environmental Impact Statement (EIS) is a document required of Federal agencies by the National Environmental Policy Act for legislation and other major Federal actions significantly affecting the quality of the human environment, a detailed statement by the responsible official on (i) the environmental impact of the proposed action, (ii) any adverse environmental effects which cannot be avoided should the proposal be implemented, (iii) alternatives to the proposed action, (iv) the relationship between local short-term uses of man's environment and the maintenance and enhancement of long-term productivity, and (v) any irreversible and irretrievable commitments of resources which would be involved in the proposed action should it be implemented. (42 U.S.C. 4332).

Eligible Institution. An eligible institution is an institution that has met all requirements to apply for and be awarded a NIFA award under the applicable legislation, regulations, and guidance.

Environmental Justice. Environmental justice means to the greatest extent practicable and permitted by law, all populations are provided the opportunity to comment before decisions are rendered on, are allowed to share in the benefits of, are not excluded from, and are not affected in a disproportionately high and adverse manner by government programs and activities affecting the environment and its impacts on human health. Consideration of environmental justice supports the policy that no population should be forced to shoulder a disproportionate share of adverse impacts of pollution. (USDA, Departmental Regulation 5600-2, December 15, 1997).

Environmental Justice Communities. Environmental justice communities are minority and/or low-income populations, including American Indian or Alaskan Native populations. (USDA, Departmental Regulation 5600-2, December 15, 1997).

Equipment. Equipment is tangible nonexpendable personal property charged directly to the award having a useful life of more than one year and an acquisition cost of \$5,000 or more. However, consistent with recipient policy, lower limits may be established. (7 CFR 3019.2).

Excess Property. Excess property means property under the control of any Federal awarding agency that, as determined by the head thereof, is no longer required for its needs or the discharge of its responsibilities. (7 CFR 3019.2).

Exempt Property. Exempt property is tangible personal property acquired in whole or in part with Federal funds, where the Federal awarding agency has statutory authority to vest title in the recipient without further obligation to the Federal Government. An example of exempt property authority is contained in the Federal Grant and Cooperative Agreement Act (31 U.S.C. 6306), for property acquired under an award to conduct basic or applied research by a non-profit institution of higher education or non-profit organization whose principal purpose is conducting scientific research. (7 CFR 3019.2).

Extension. Extension means informal education programs conducted in the States in cooperation with the Department. (7 CFR 3430.2).

Extension Activity. An extension activity is any act or process that delivers science-based knowledge and informal educational programs to people, enabling them to make practical decisions. (7 CFR 3430.2).

Federal Awarding Agency. Federal awarding agency means the U.S. Department of Agriculture (USDA) or any subagency of the U.S. Department of Agriculture that provides an award to the recipient, such as the National Institute of Food and Agriculture. (7 CFR 3019.2).

Federal Funds Authorized. Federal funds authorized means the total amount of Federal funds obligated by the Federal Government for use by the recipient. This amount is a limit on the total amount of money that the recipient is entitled to receive from the Federal government as a result of the award. This limit may include any authorized carryover of unobligated funds from prior funding periods when agency regulations or agency implementing instructions so allow. (7 CFR 3015, Appx. A).

Federal Share of Real Property, Equipment, Or Supplies. Federal share of real property, equipment, or supplies means that percentage of the property's acquisition costs and any improvement expenditures paid with Federal funds. (7 CFR 3019.2).

Federally Recognized Indian Tribal Government. Federally recognized Indian Tribal Government means the governing body or a governmental agency of any Indian tribe, band, nation, or other organized group or community (including any Native village as defined by the Alaska Native Claims Settlement Act) certified by the Secretary of the Interior as eligible for the special programs and services provided by him or her through the Bureau of Indian Affairs. (7 CFR 3015, Appx. A).

Funding Period. Funding period means the period of time when Federal funding is available for obligation by the recipient. (7 CFR 3019.2).

Fiscal Year. The fiscal year is a period of 12 months from October 1 through September 30 of the following year. (31 U.S.C. 1102)

Food and Agricultural Sciences. Food and agricultural sciences means basic, applied, and developmental research, extension, and teaching activities in food and fiber, agricultural, renewable energy and natural resources, forestry, and physical and social sciences, including activities relating to the following: (1) Animal health, production, and well-being. (2) Plant health and production. (3) Animal and plant germ plasm collection and reservation. (4) Aquaculture. (5) Food safety. (6) Soil, water, and related resource conservation and improvement. (7) Forestry, horticulture, and range management. (8) Nutritional sciences and promotion. (9) Farm enhancement, including financial management, input efficiency, and profitability. (10) Home economics. (11) Rural human ecology. (12) Youth development and

agricultural education, including 4–H clubs. (13) Expansion of domestic and international markets for agricultural commodities and products, including agricultural trade barrier identification and analysis. (14) Information management and technology transfer related to agriculture. (15) Biotechnology related to agriculture. (16) The processing, distributing, marketing, and utilization of food and agricultural products. (7 CFR 3430.2).

Formula Funds. *See:* Capacity Funds.

Fundamental Research. Fundamental research is research that increases knowledge or understanding of the fundamental aspects of phenomena and has the potential for broad application, and has an effect on agriculture, food, nutrition, or the environment. (7 U.S.C. 6971(f)(1)(F)).

General Program Income. General program income is all program income except for the special categories of income (Royalties and other Income Earned from Copyrighted Work (7 CFR 3015.43); Royalties or Equivalent Income Earned from Patents or from Inventions (7 CFR 3015.44); Other Program Income (7 CFR 3015.45). General program income is limited to amounts that accrue to a recipient of a grant or cooperative agreement during the period of Federally assisted support, or to a sub-recipient during the period of subaward support. (7 CFR 3015, Appx. A).

Graduate Degree. A graduate degree means a Master’s or doctoral degree. (7 CFR 3430).

Grant. A grant agreement is the legal instrument used to establish the relationship between the United States Government and a State, a local government, or other recipient “when the principal purpose of the relationship is to transfer a thing of value to the State or local government or other recipient to carry out a public purpose of support or stimulation authorized by a law of the United States instead of acquiring (by purchase, lease, or barter) property or services for the direct benefit or use of the United States Government; and substantial involvement is not expected between the executive agency and the State, local government, or other recipient when carrying out the activity contemplated in the agreement.” (31 U.S.C. 6304).

Grantee. The grantee is the organization designated in the grant award document as the responsible legal entity to which a grant is awarded. (7 CFR 3430.2).

In-kind Contributions. In-kind contributions are the fair market value of non-cash goods or services provided by non-federal third parties. Real property, equipment, supplies, volunteer services, and other expendable property, or valuable goods or services identifiable to a project may be classified as in-kind contributions.

Insular Areas. Insular areas are defined by the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (Public Law 95-113), as amended. They include the Commonwealth of Puerto Rico, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands,

the Federated States of Micronesia, the Republic of the Marshall Islands, the Republic of Palau, and the Virgin Islands of the United States. (7 CFR 3430).

Intangible Property and Debt Instruments. Intangible property and debt instruments are trademarks, copyrights, patents and patent applications and such property as loans, notes and other debt instruments, lease agreements, stock and other instruments of property ownership. (7 CFR 3019.2).

Integrated Project. An integrated project is one that incorporates two of the three components of the agricultural knowledge system (research, education, and extension) around a problem area or activity. (7 CFR 3430.2).

Intellectual Property. Intellectual property means the separate and distinct types of intangible property that are referred to collectively as “intellectual property,” including but not limited to: patents, trademarks, copyrights, trade secrets, SBIR technical data (as defined in 7 CFR 3403.2), ideas, designs, know-how, business, technical and research methods, other types of intangible business assets, and all types of intangible assets either proposed or generated by a recipient. Intellectual property is a property right that can be protected under federal and state law, including copyrightable works, ideas, discoveries, inventions, patents, and plant variety protection. Recipients are subject to regulations issued by the Department of Commerce at 37 CFR Part 401, “Rights to Inventions Made by Non-profit Organizations and Small Business Firms Under Government Grants, Contracts, and Cooperative Agreements.”

Land-Grant Institution. Land-grant institution means the 1862 Land-Grant Institutions, 1890 Land-Grant Institutions, and 1994 Land-Grant Institutions. (7 CFR 3430.2).

Local Government. Local government means a local unit of government including specifically, a county, municipality, city, town, township, local public authority, school district, special district, intra-state district, council of governments (whether or not incorporated as a non-profit corporation under State law), sponsor or sponsoring local organization of a watershed project (as defined in 7 CFR 620.2, 40 FR 12472, March 19, 1974), any other regional or interstate government entity, or any agency or instrumentality of a local government. (7 CFR 3015, Appx. A).

Low-Income Population. Low-income population means any readily identifiable group of low-income persons who live in geographic proximity, and, if circumstances warrant, migrant farm workers and other geographically dispersed/transient persons who will be similarly affected by USDA programs or activities. Low-income populations may be identified using data collected, maintained and analyzed by an agency or from analytical tools such as the annual statistical poverty thresholds from the US Census Bureau’s Current Population Reports, Series P60, and Consumer Income Poverty.

Mandatory Grant. A mandatory grant is also called a capacity grant. These are grants and cooperative agreements which a Federal statute requires USDA to award if the applicant meets specified conditions. See: Capacity Grant. (7 CFR 3015, Appx. A).

Matching Funds. Matching funds are the portion of the costs of a federally assisted project or program not borne by the Federal government. (7 CFR 3430).

Matching Funds Waiver. A matching funds waiver is authorization by NIFA to a grantee to not meet a grant's statutorily required matching requirement. Waivers are granted only after formal review and for reasons of financial duress, natural disasters, extenuating circumstances, or other unforeseen circumstances as deemed acceptable by the NIFA Director and allowed by federal statute. This authority is only provided under certain legislation.

Material Compliance. Material compliance means fully, and in good faith, substantially complying with the terms and conditions of a NIFA award, as well as the legislative, regulatory, and administrative requirements of the award.

Memorandum of Understanding (MOU). A memorandum of understanding is an agreement between NIFA and another party(ies) that sets out in very broad, general terms, a plan for the parties to coordinate their efforts on activities and/or projects of mutual interest. No specific duties and responsibilities are defined in the MOU. The MOU will describe general terms that identify how the parties intend to cooperate. An MOU will not establish a commitment of resources by NIFA or direct transfer of resources. MOUs do not set forth an implied commitment of funding from one party to the other.

Merit Review. Merit review means an evaluation of a proposed activity or elements of a proposed program by professionally knowledgeable individuals whereby the technical quality and relevance to regional and national goals are assessed. (7 CFR 3430.2).

Merit Reviewers. Merit reviewers are peer reviewers and other individuals with expertise appropriate to conduct merit review of a proposed project. (7 CFR 3430.2).

Methodology. Methodology means the project approach to be followed and the resources needed to carry out the project. (7 CFR 3430.2).

Multidisciplinary Research. Multidisciplinary research means more than one scientific discipline is represented in a project, program or activity. (Multistate Research Guidelines).

Multistate Research Fund. The Multistate Research Fund was established by the Agricultural Research, Extension, and Education Reform Act (AREERA) of 1998, and formerly the Regional Research Fund. The AREERA requires that not less than 25 percent of all Hatch allocations are used for multistate research activities also requires a match with non-Federal funds.

National Agricultural Education and Teaching Policy Act of 1977 (NARETPA). National Agricultural Education and Teaching Policy Act of 1977 (NARETPA) is Public Law 107-293, as amended, and enacted to include the 1890 Land-Grant Institutions as capacity grant recipients for agricultural research and extension grants. The NARETPA made USDA the leading Federal agency for agricultural research, extension, and teaching programs and consolidated the funding for these programs. This Act and other statutes relating to the research mission area are reauthorized every 4 to 7 years as part of omnibus legislation that provides funding authority and policy guidance for nearly all of USDA's agencies.

National Agricultural Research, Extension, Education, and Economics Advisory Board . The National Agricultural Research, Extension, Education, and Economics Advisory Board (NAREEEB), as established under section 1408 of NARETPA (7 U.S.C. 3123), is a 30-member board established to replace three existing advisory committees. The Board, which has been continuously reauthorized, advises USDA on national priorities and policies related to agricultural research, extension, and education. (7 CFR 3430.2).

National Information Management and Support System (NIMSS). National Information Management and Support System (NIMSS) is an electronic database of all multistate research projects and activities that serves as the official repository for all projects. The Northeast Regional Association, with financial support from the SAEs, maintains the system. (<http://nimss.umd.edu/>).

National Laboratories. National laboratories include Federal laboratories that are government-owned contractor-operated or government-owned government-operated. (7 CFR 3430.2).

No-Cost Extension. A no-cost extension is a formal extension of the grant period to allow the grantee additional time to complete grant-funded activities at no additional cost to the grantor (grantor does not provide additional money).

Non-Federal Grant. A non-Federal grant is an award of financial assistance in the form of money that includes no Federal funds, and for which the recipient must account to the donor on an actual cost basis. (7 CFR 3015, Appx. A).

Obligations. Obligations are amounts of orders placed, contracts and grants awarded and services received, and similar transactions during a given period that will require payments to a recipient during the same or a future period. (7 CFR 3015, Appx. A).

Outlays. Outlays or expenditures are charges made to the project or program. They may be reported on a cash or accrual basis. (7 CFR 3015, Appx. A).

Peer Reviewers. Peer reviewers are experts or consultants qualified by training and experience to give expert advice on the scientific and technical merit of applications or the relevance of those applications to one or more of the application evaluation criteria. Peer reviewers may be *ad hoc* or convened as a panel (7 CFR 3430.2).

Personal Property. Personal property means property of any kind except real property. It may be tangible, having physical existence, or intangible, having no physical existence, such as copyrights, patents, or securities. (7 CFR 3015, Appx. A).

Prior approval. Prior approval means written approval by an Authorized Departmental Officer evidencing prior consent. (7 CFR 3430.2).

Private Sector. The private sector means all non-public entities, including for-profit and non-profit commercial and non-commercial entities, and including private or independent educational associations. (7 CFR 3430.2).

Program Announcement (PA). The program announcement is a detailed description of the RFA without the associated application package(s). NIFA will not solicit or accept applications in response to a PA. (7 CFR 3430.2).

Program Income. Program income is gross income earned by the recipient that is directly earned by a recipient from activities supported by a grant or cooperative agreement. Program income includes, but is not limited to, income from fees for services performed, the use or rental of real or personal property acquired under federally-funded projects, the sale of commodities or items fabricated under an award, license fees and royalties on patents and copyrights, and interest on loans made with award funds. If income meets this definition, it shall be considered program income regardless of the method used to calculate the amount paid to the recipient. Income that meets the definition of program income will not be affected by the fact that the recipient earns it from a procurement contract awarded to the recipient (1) by the Federal government or (2) by another recipient acting under another Federal grant, cooperative agreement, or subgrant. (7 CFR 3015, Appx. A). Revenue, tuition and related fees, income earned by contractors or subcontractors, internal reimbursements or transfers of funds between organizational components of the same legal entity, third-party in-kind contributions, gifts or financial assistance from another source, and interest or other investment income earned from advances of Federal cash are not considered program income. (7 CFR 3015, Appx. A). See: General Program Income.

Program Officer. A program officer is a NIFA employee (often referred to as a National Program Leader) who is responsible for the technical oversight of the award on behalf of the Department. (7 CFR 3430.2).

Project. A project is the particular activity within the scope of the program supported by an award. (7 CFR 3430).

Project Costs. Project costs are all allowable costs, as set forth in the applicable Federal cost principles, incurred by a recipient and the value of the contributions made by third parties in accomplishing the objectives of the award during the project period. (7 CFR 3019).

Project Director (PD). The Project Director (PD) is the single individual designated by the awardee in the application and approved by the Authorized Departmental Officer who is responsible for the direction and management of the project, also known as a Principal Investigator (PI) for research activities. (7 CFR 3430.2).

Project Period. The project period is the total time for which the recipient's project or program is approved for support including any extensions. The project period may consist of one or more budget periods. (7 CFR 3015, Appx. A).

Property. Property, unless otherwise stated, means real property, equipment, intangible property and debt instruments. (7 CFR 3019.2).

Real Property. Real property is land, including land improvements, structures and other things attached to them so as to become a part of them. Moveable machinery and other kinds of equipment are not real property. If there is a question as to whether certain property should be classified as real property, the law of the State or foreign country in which the property is located will govern the determination. (7 CFR 3015, Appx. A).

Recipient. Recipient refers equally to recipients of grants and recipients of cooperative agreements. (7 CFR 3015.2). A recipient is a State or local government, Federally recognized Indian Tribe, university, non-profit, for profit, or other organization that is a recipient of grants or cooperative agreements from a USDA agency. (7 CFR 3015, Appx. A).

REReport (Research Education, and Extension project online reporting tool). REReport is NIFA's singular non-capacity grant (including competitive) and capacity grant project reporting system, building on and replacing the existing Current Research Information System (CRIS) web forms.

Replacement Equipment. Replacement equipment is property acquired to take the place of other equipment. To qualify as replacement equipment, it must serve the same function as the equipment replaced and must be of the same nature or character, although not necessarily the same model, grade or quality. (7 CFR 3015, Appx. A).

Research and Development. Research and development include all research activities, both basic and applied, and all development activities that are supported at universities, colleges, and other non-profit institutions. "Research" is defined as a systematic study directed toward fuller scientific knowledge or understanding of the subject studied. "Development" is the systematic use of knowledge and understanding gained from research directed toward the production of useful materials, devices, systems, or methods, including design and development of prototypes and processes. The term research also includes activities involving the training of individuals in research techniques where such activities utilize the same facilities as other research and development activities and where such activities are not included in the instruction function. (7 CFR 3019.2).

Resource Conservation and Recovery Act (RCRA). Resource Conservation and Recovery Act (RCRA), P.L. 94-580, 42 U.S.C. 6901 et seq. authorizes the EPA to regulate solid and hazardous wastes. RCRA defines solid and hazardous waste, authorizes EPA to set standards for facilities that generate or manage hazardous waste, and establishes a permit program for hazardous waste treatment, storage, and disposal facilities. RCRA, enacted in 1976, made such comprehensive amendments to the Solid Waste Disposal Act (P.L. 89-272) that it became the name of reference. To date, production agriculture has not fallen under RCRA regulations or is explicitly exempted (i.e., solid or dissolved materials in irrigation water return flows). RCRA requires that any state agency or agency of a political subdivision of a state which is using appropriated Federal funds must comply with section 6002. RCRA section 6002, 42 U.S.C. 6962, requires that preference be given in procurement programs to the purchase of specific products containing recycled materials identified in guidelines developed by the Environmental Protection Agency (EPA) (40 CFR Parts 247-254). Accordingly, state and local colleges of higher education, hospitals, and non-profit organizations that receive direct federal awards or other federal funds shall give preference in their procurement programs funded with federal funds to the purchase of recycled products pursuant to the EPA guidelines. (7 CFR 3019.16).

Rural. According to the U.S. Bureau of the Census, rural areas comprise open country and settlements with fewer than 2,500 residents. Territory outside of urbanized areas is designated rural and can have population densities as high as 999 per square mile or as low as 1 person per square mile. Rural areas consist of all territory outside of Census Bureau defined *urbanized areas* and *urban clusters*. Urbanized areas have an urban nucleus of 50,000 or more people. They may or may not contain individual cities with 50,000 or more. In general, they must have a core with a population density generally exceeding 1,000 persons per square mile and may contain adjoining territory with at least 500 persons per square mile. The same computerized procedures and population density criteria are used to identify urban clusters of at least 2,500 but less than 50,000 persons. This delineation of built-up territory and small towns and cities was new for the 2000 census. *Metro and non-metro* areas are defined by OMB's Metropolitan Statistical Areas and Micropolitan Statistical Areas and are collectively referred to as Core Based Statistical Areas (CBSAs). Metro areas consist of (1) central counties with one or more urbanized areas and (2) outlying counties that are economically tied to the core counties as measured by worker commuting data. Outlying counties are included if 25% of workers living there commute to the core counties, or if 25% of the employment in the county consists of workers coming from the central counties. Non-metro counties are outside the boundaries of metro areas and are further subdivided into *micropolitan areas* centered on urban clusters of 10,000-50,000 residents, and all remaining non-core counties. Various programs administered by USDA's Office of Rural Development may define rural by various population thresholds. Section 343(a)(13)(A) of the Consolidated Farm and Rural Development Act, 7 U.S.C. 1991(a)(13)(A), defines rural and rural area as any area other than (1) a city or town that has a population of greater than 50,000 inhabitants, and (2) the urbanized areas contiguous and adjacent to such a city or town. The *rural-urban continuum codes*, *urban influence codes*, and *rural county typology codes* developed by USDA's Economic Research Service (ERS) allow researchers to break out the standard metropolitan and non-metropolitan areas into smaller residential groups.

Rural Development Act .The Rural Development Act is also known as the Consolidated Farm and Rural Development Act (Con Act) of 1972, Public Law 92-419. This legislation authorized a major expansion of USDA lending activities, which at the time were administered by Farmers Home Administration (FmHA). The legislation was originally enacted as the Consolidated Farmers Home Administration Act of 1961 (P.L. 87-128). In 1972, this title was changed to the Consolidated Farm and Rural Development Act, and is often referred to as the Con Act. The Con Act, as amended, currently serves as the authorizing statute for USDA’s agricultural and rural development lending programs. The Act includes current authority for the following three major Farm Service Agency (FSA) farm loan programs: farm ownership, farm operating and emergency disaster loans. Also the Act authorizes rural development loans and grants. (7 U.S.C. 1921 *et seq.*).

Scientific Peer Review. Scientific peer review is an evaluation of the technical quality of a proposed project and its relevance to regional or national goals performed by experts with the scientific knowledge and technical skills to conduct the proposed research work. (7 CFR 3430.2).

Secretary. Secretary, as referred to herein, means the Secretary of Agriculture and any other officer or employee of the Department to whom the authority involved is delegated. (7 CFR 3430.2).

Site Visit. A site visit is an administrative review of policies, procedures, internal controls, accounting records and general grant administration by NIFA staff at the grantee operation site as part of NIFA’s obligation to ensure that Federal funding is being spent according to its legislative intent.

Smith-Lever Act. The Smith-Lever Act authorized and provided initial funding for states to establish an educational outreach arm (i.e., extension program) to extend the results of research programs at the land-grant colleges of agriculture and their affiliated state agricultural experiment stations to all citizens who might benefit from them (7 U.S.C. 341 *et. seq.*). In 1962, Congress amended the act to establish a formula for distributing federal funds to states for agricultural extension programs.

Stakeholder. A stakeholder is an individual, group of individuals, or organization/institution with a direct interest in or use for the outcome of public investments in agricultural research, extension, and education. Stakeholders can also be individuals who conduct agricultural research, extension, or education activities. This could include producers of agricultural products, consumers of agricultural products, or sponsors of research activities from federal and state governments. (See 7 CFR Part 3418).

Stakeholder Input. Stakeholder input is an open, fair, and accessible process by which individuals, groups, and organizations may have a voice, and one that treats all with dignity and respect. (7 CFR 3418.1).

State. A state refers to any of the 50 states of the United States, the District of Columbia, the Commonwealth of Puerto Rico, any territory, possession, or trust territory of the United States, or any agency or instrumentality of a State. The term does not include local governments. (7 CFR 3015, Appx. A).

This definition varies by grant, so the reader must use extreme care in determining whether a political jurisdiction qualifies as a state under a particular grant.

State Agricultural Experiment Station (SAES). The Hatch Act of 1887 authorized the establishment of state agricultural experiment stations (SAES), to be affiliated with the land grant college of agriculture, in each state (7 U.S.C. 361a *et seq.*). Research done at these stations underpins the curriculum of the colleges, as well as the programs of the Cooperative Extension System.

State Extension Director. The state extension director means the director at the 1862 Land-Grant Institutions in the 50 states, American Samoa, the District of Columbia, Guam, Micronesia, Northern Marianas, Puerto Rico, and the Virgin Islands.

State Cooperative Extension Service. State extension services refer to both the State Cooperative Extension Service and the 1890 State Extension Service.

State Funds. State funds are funds appropriated by State legislatures to NIFA-funded institutions or recipients in further support of the funded project.

Subgrant. A subgrant is an award of money, or property instead of money, which is made under a grant or cooperative agreement by the recipient of the grant or cooperative agreement and is made principally to accomplish a purpose of support or stimulation rather than to establish a buyer-seller relationship between the two parties. Any award that meets the definition of a subaward is a subaward regardless of the label used by the parties. A subgrant does not include any type of assistance that is excluded from the definition of “grant” and “cooperative agreement.” (7 CFR 3015, Appx. A).

Sub-Contract. A sub-contract means a procurement contract under an award or subaward between a Land-Grant Institution and a third party to provide goods or services to satisfy a component of the grant recipient’s Plan of Work. Subcontractors are accountable to the same fiscal and program standards as the direct grant recipient. A contract must be used whenever the principal purpose is the acquisition of goods and services for the public good. The provisions of the *Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and other Non-profit Organizations* (7 CFR part 3019) must be applied to sub-recipients performing work under awards, if such sub-recipients are colleges of higher education, hospitals or other non-profit organizations. State and local government sub-recipients are subject to the provisions of regulations implementing the grants management common rule, “*Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*,” (7 CFR part 3016).

Subject Invention. A subject invention is an invention of the contractor or grant recipient conceived or first actually reduced to practice in the performance of work under a funding agreement. (35 U.S.C. 201).

Subrecipient. A subrecipient is the legal entity to which a subaward is made and which is accountable to the recipient for the use of the funds provided. The term may include foreign or international organizations (such as agencies of the United Nations) at NIFA's discretion. (7 CFR 3019.2).

Supplies. Supplies are all tangible property other than equipment. (7 CFR 3015, Appx. A).

Suspension. Suspension of an award means temporary withdrawal of the recipient's authority to obligate the funds awarded pending corrective action by the recipient or a decision to terminate the award. (7 CFR 3015, Appx. A).

Sustainable Agriculture. Sustainable agriculture is an integrated system of plant and animal production practices having a site-specific application that will, over the long-term (1) satisfy human food and fiber needs; (2) enhance environmental quality and the natural resource base upon which the agriculture economy depends; (3) make the most efficient use of nonrenewable resources and on-farm resources and integrate, where appropriate, natural biological cycles and controls; (4) sustain the economic viability of farm operations; and (5) enhance the quality of life for farmers and society as a whole. (7 U.S.C. 3103).

Termination. Termination of an award means permanent withdrawal of the recipient's authority to obligate previously awarded funds before that authority would otherwise expire. It also means the voluntary relinquishment of that authority by the recipient. (7 CFR 3015, Appx. A).

Third Party In-Kind Contributions. Third-party in-kind contributions are property or services benefiting the federally assisted project or program that are contributed by third parties without charge. Note that the term does not include any costs incurred by the recipient or subrecipient. (7 CFR 3015, Appx. A).

Under Secretary. The title Under Secretary refers to the Under Secretary for Research, Education, and Economics. (7 CFR 3430.2).

United States. The United States includes the several States, the District of Columbia, and the insular areas. (7 CFR 3430.2).

Unliquidated Obligations. Unliquidated obligations are, for financial reports prepared on a cash basis, the amount of obligations incurred by the recipient that have not been paid. For reports prepared on an accrued expenditure basis, they represent the amount of obligations incurred by the recipient for which an outlay has not been recorded. (7 CFR 3015, Appx. A).

Unobligated Balance. An unobligated balance is the portion of the funds authorized by the Federal awarding agency that has not been obligated by the recipient and is determined by deducting the cumulative obligations from the cumulative funds authorized. (7 CFR 3015, Appx. A).

Unrecovered Indirect Cost. Unrecovered indirect costs are the difference between the amount awarded and the amount, which could have been awarded under the recipient's approved negotiated indirect cost rate. (7 CFR 3019.2).