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# Cooperative Agreements and Grants Training for Recipients

October 2021



APHIS protects the health of U.S. agriculture and natural resources against invasive pests and diseases, regulates genetically engineered crops, administers the Animal Welfare Act, and helps people and wildlife coexist. We also certify the health of U.S. agricultural exports and resolves phytosanitary and sanitary issues to open, expand, and maintain markets for U.S plant and animal products.

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# Purpose



To provide an overview of APHIS cooperative agreements and grants.

# Contents


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# Award Requirements

A solid orange horizontal bar is positioned below the title 'Award Requirements'.

Pre-award Letter, if applicable

SF-424, Application for Federal Assistance

- Assistance Listings CFDA 10.025 and 10.028
- E.O. 12372 Clearance (SPOC) Letter, if applicable
- Congressional District

SF-424A, Budget Information

Work and Financial Plan

Indirect Costs & Negotiated

Indirect Cost Rate or De Minimis

Lobbying Certification Form (for those awards > \$100,000)

SF-LLL Disclosure of Lobbying Activities (if there is lobbying to disclose \$100,000)

System for Award Management (SAM)

## Pre-award costs

Costs incurred prior to the date the agreement is made. Examples of situations that may require approval of pre-award costs include:

- Seasonality of work (i.e., insect emergence or hunting season),
- Emergency outbreak and need for immediate detection and containment,
- Congressionally mandated timelines.

The Recipient must submit a letter on their letterhead to the Signatory Official through the APHIS Program Manager to obtain approval. The letter must include, at a minimum:

- the required start date for incurring the costs;
- the length of time up to 90 days for which these costs are being requested;
- a justification explaining the programmatic need;
- an estimate of the costs to be incurred during the pre-award period; and
- an assumption of risk on the part of the recipient, should federal funding not be available.



## SF-424, Application for Federal Assistance

- The applicant, not APHIS, completes the SF-424 series of application forms. It is important that the applicant accurately completes all requested information on the SF-424 as APHIS considers this information in determining applicant eligibility. Information listed on the form is used for reporting purposes.
- **The SF-424 is only an Application for Federal assistance.** The amount requested by the applicant on the SF-424 may differ with the amount of the award as approved by APHIS. If the amount requested by the applicant varies from the amount ultimately awarded, APHIS should request that the applicant revise the form to reflect the correct amount. If there is a difference in the figures, the approved award amount is the amount indicated on the award (not the SF-424). The award document is the official APHIS Federal financial assistance obligating document, so the amount reflected on the award document is obligated into the accounting system and recorded in other reporting systems, as well.



## SF-424 Application for Federal Assistance

- An application is new, revised, or continued. Continuations are renewals of projects for a new funding period. They are not classified as revisions, which reflect changes to an existing funding period.
- The SF-424 must be approved by an individual who is authorized to (1) act on behalf of the applicant and (2) commit the applicant to comply with the terms and conditions of the agreement, if awarded. As the SF-424 is a legal document, APHIS personnel may not make changes to any information contained on this form. Changes to the form must be made by the applicant/recipient.

# APHIS Programs – Assistance Listings

The CFDA is a Governmentwide listing of Federal programs and activities that provide assistance or benefit to a variety of recipients. The CFDA is compiled and published annually by the Office of Management and Budget (OMB) and the General Services Administration (GSA). The two APHIS programs listed in the CFDA are:

- 10.025 - Plant and Animal Disease, Pest Control, and Animal Care
- 10.028 - Wildlife Services

Included in the listing for each program is information regarding authorization, objectives, types of assistance, uses and use restrictions, eligibility requirements, application and award processes, assistance considerations, post-assistance requirements, financial information, program accomplishments, regulations, and guidelines regarding APHIS' Federal assistance programs.

# Executive Order 12372

Under Executive Order (EO) 12372, "Intergovernmental Review of Federal Programs," States may design their own process for reviewing and commenting on proposed Federal assistance.

The objectives of EO 12372 are to:

1. give State and local governments an opportunity to review and comment on proposed Federal projects and activities that are covered by the EO;
2. increase State flexibility to design a process and select programs for review; and
3. compel Federal officials to be more responsive to State concerns or explain the reasons why they cannot accommodate those concerns.

# Single Point of Contact

Several States have adopted a State process in consultation with local officials. States designate a State official or organization to act as the State's Single Point of Contact (SPOC) for coordinating and sending State comments to Federal agencies.

All organizations submitting applications for Federal assistance subject to EO 12372 review should contact the SPOC as early as possible for instructions regarding the State's process. APHIS is mandated to comply with EO 12372. APHIS can make an award and/or approve pre award costs only if (1) the SPOC issues a letter waiving the process or providing clearance to award; or (2) APHIS has waited 60 days from the date the SPOC received the application. This process applies to all types of organizations within a State, e.g., universities, non-profits, and State governments, etc.

The current list of states that require review of one or both APHIS programs can be found on the ASC web site.

[SPOC List of States](#)





# SPOC Intergovernmental Review

- If APHIS program 10.025 or 10.028 has been selected by the State for E.O. 12372 Intergovernmental Review, the applicant must include, with the agreement application package, a copy of the letter from the State's SPOC indicating that the agreement was received for review and the status of that review.
- The letter will indicate whether the State has reviewed the agreement with no comments and/or waived the review process.
- Submitted the application for review and provided approval for the agreement award to move forward while the review is conducted.
- Submitted the application for review without approval to move forward with the agreement,
- Submitted the application for review without approval to move forward with the agreement and provided comments.

## SPOC Intergovernmental Review – cont..

- The letter should be carefully reviewed to determine what action APHIS can take to make an award. Neither pre-award costs nor an agreement can be approved until the applicant has submitted the application to the SPOC for review and has obtained clearance, if required by the State, or the 30- or 60-day timeframe has passed for the SPOC to comment.
- The applicant/recipient is responsible for submitting the SF-424 and supporting documentation to the SPOC for review and approval of proposed Federal assistance when it is required by EO 12372.
- For new agreements, the applicant organization will notify the SPOC as early as possible of the intent to enter into Federal assistance with APHIS. Applicants who apply for a continuation must allow the SPOC 30 days from receipt of the application to review and comment on the continuation, unless it had been previously waived by the SPOC.

## SPOC Intergovernmental Review – cont..

- Applicants must certify that they have contacted the SPOC by completing blocks 6 and 19 of the SF-424. If more than one State will be served by the proposed project, the SPOC of each State in which the project will operate must be contacted by the applicant.
- Upon applying to APHIS, the applicant must submit the written response from the SPOC that indicates the proposal has been received and it has been approved or the review process has been waived. If the State provides negative comments on the proposed project, these comments must be handled under the "Accommodate or Explain" provision described below, before the agreement can be processed.
- For any project that has been declared an emergency by the Secretary of Agriculture, the waiting period is waived and the intergovernmental review process will run simultaneously with the onset of an award.

# Congressional District

The Congressional district is a required field on the SF-424 and is extremely important that it is entered for both the Recipient's location and the Place of Performance. This information is gathered from the agreement and transmitted to USASpending.gov.

## Find Your Representative

Not sure of your congressional district or who your member is? This service will assist you by matching your ZIP code to your congressional district, with links to your member's website and contact page.

Please review the frequently asked questions if you have problems using this service.

Enter your ZIP code:

**FIND YOUR REP BY ZIP**

[Find Your Representative](#)





## SF-424, Budget Information

- Section B, Budget Categories, should coincide with information on the SF-424 and the detailed financial plan.
- Section D, Forecasted Needs, should accurately reflect the quarterly needs of the project.

## Work Plan

- The work plan (often referred to as a project proposal, especially for a grant) will outline the program objectives and provide details of the proposed activities and the roles and responsibilities of each party to the agreement. Delineating responsibilities is an important factor in helping to determine whether the project is to be accomplished under a cooperative agreement or a grant. Under cooperative agreements, APHIS is involved in some way in conducting the project.
- In most cases, a work plan must accompany all grant and cooperative agreement applications. Exceptions are support for conferences or symposiums where a program has been developed outlining and describing the topics in sufficient detail to clearly determine that the topics are related to APHIS' mission and, when a cooperative agreement is the instrument, identify APHIS' role which is usually limited to that of a presenter.

# Financial Plan

- The financial plan is the financial expression of the resources required to carry out the project. Upon documenting the work plan, the financial plan is developed to determine the total funding to be contributed by one or both parties to the agreement.
- In developing the financial plan, OMB cost principles in 2 CFR Part 200 must be used to determine whether a cost can be charged to a project and, if so, the extent to which it can be charged. The cost principles, selected items of direct costs, indirect costs (e.g., personnel, travel, supplies, communications, and salaries and benefits) and the related negotiated agreement, cost sharing, and program income are all components of a financial plan.
- A clear understanding of this subject is crucial as costs claimed and paid by the Federal Government which are later found to be unallowable must be repaid to the Government. This can create an undue hardship for the cooperator if federal funds have to be repaid.
- Figures on the financial plan must match the SF-424 and SF-424A.

# Indirect Costs

- Indirect costs are those costs of an organization which are incurred for a common or joint purpose and are not readily assignable to a particular project or program but are necessary to the general operation of the organization and the conduct of its activities.
- Examples of expenses which usually are treated as indirect costs are:
  - costs of operating and maintaining buildings, grounds, and equipment;
  - depreciation; and
  - administrative salaries.



## Indirect Costs – cont..

- Indirect costs usually cannot be identified as directly benefiting a particular project, they are normally grouped into a common cost pool. The cost allocation process results in an indirect cost rate which is then applied to the direct costs associated with individual projects to cover that project's share of all indirect costs.
- An applicant may claim indirect costs according to their approved negotiated indirect cost rate (NICRA). The approved indirect cost rate is obtained through negotiations with a cognizant Federal agency. All Federal agencies must use this rate and may only deviate when required by statute or with OMB approval obtained or requested through the APHIS Administrator. OMB is responsible for assigning cognizant Federal agencies. Once a NICRA is approved, during the effective period, the recipient may apply for a one-time extension for a period of up to 4 years.

## Indirect Costs – cont..

Applicants/recipients must submit their fully signed NICRA for each agreement in which indirect costs are claimed. Recipients who do not have a current NICRA cannot be reimbursed for indirect costs incurred under the award. Recipients who do not have a current NICRA or who had a NICRA that has expired, may elect to charge a deMinimis rate of 10% of modified total direct costs (all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and subawards and subcontracts up to the first \$25,000 of each subaward and subcontract) and may be used indefinitely. The de minimis rate cannot be claimed by state and local Governments or Indian Tribes who receive more than \$35 million in direct federal funding each year. Any indirect costs must also be reflected properly on the SF-424A and on each SF-425 submitted.

## Indirect Costs – cont..

- Are applied consistent with the period of time during which they are in effect
- More than one rate can be in effect during a given funding period
- Must be applied to the appropriate base as stated in the Indirect Cost Rate Agreement
- For APHIS, cooperative agreements with non-profit organizations, including universities, are subject to a statutory cap of 10 percent, regardless of the negotiated rate. However, if the recipient's negotiated rate is less than 10 percent, the lesser amount must be claimed.
- Cooperative agreements with other types of recipients, e.g., states, are not subject to the 10 percent limit.
- The 10 percent cap does not apply to grants, regardless of the type of recipient.

## Indirect Costs: de minimis

- Not all Non-Federal Entities (NFE) have established negotiated rates for indirect costs. Any NFE that does not have a current negotiated indirect cost rate or qualified under exceptions in Appendix VIII to Part 200 can charge a de minimis rate of 10% of modified total direct costs.
- This rate may be used indefinitely. Costs must still be consistently charged as direct or indirect. A cost should not be charged as both types of costs and should not be double charged to the award. This de minimis rate must be used until the NFE applies for a negotiated rate, which can be done at any time.



# SF-LLL Disclosure of Lobbying Activities and Lobbying Certification

- The U.S. Department of Agriculture has implemented Section 319 of *P.L. 101-121*, the *Department of Interior and Related Agencies Appropriation Act* in 2 CFR Part 418 to carry out the Congressional mandates concerning lobbying activities.
- All applicants requesting or receiving a Federal grant or cooperative agreement exceeding \$100,000 must: (1) certify that federally appropriated funds will not be used to influence Federal officials in awarding a specific grant or cooperative agreement on the Certification Regarding Lobbying form; and (2) disclose all lobbying activities that they paid or plan to pay with other than federally appropriated funds on a Disclosure of Lobbying Activities, SF-LLL. These requirements also apply to continuations (renewals) and any revisions (amendments) to the original award that increases the Federal award to an excess of \$100,000.
- Subject to a civil penalty of \$10,000 to \$100,000 for each action whereby there has been a willful falsification of the certification or a failure to disclose lobbying activities.

# System for Award Management (SAM)

- Your organization will need to be registered with SAM. To register, go to: <https://sam.gov/>. Please allow a minimum of 5 days to complete the SAM registration.
- In order to register with the SAM, your organization will need a Unique Entity Identifier (UEI). The SAM website provides instructions on obtaining a UEI.

## System for Award Management – cont..

- Be sure to complete the Marketing Partner ID (MPIN) and Electronic Business Primary Point of Contact fields during the registration process. These are mandatory fields that are required when submitting grant applications.
- Important: During the SAM registration process, it is mandatory to complete the Financial Assistance Certification Report in order to receive federal financial assistance.

# Financial Management



- **Financial Management/Internal Control** – Recipients must have adequate financial management and internal controls. (2 CFR §200.302, -.303)
- **Audit Requirement** – If an organization expends \$750,000 or more in federal awards during the fiscal year a single or program-specific audit is required.
- **Cost Sharing/Matching** – Matching funds must be for reasonable, necessary, allowable and allocable expenses. Program income cannot be used for match.

# Subrecipient



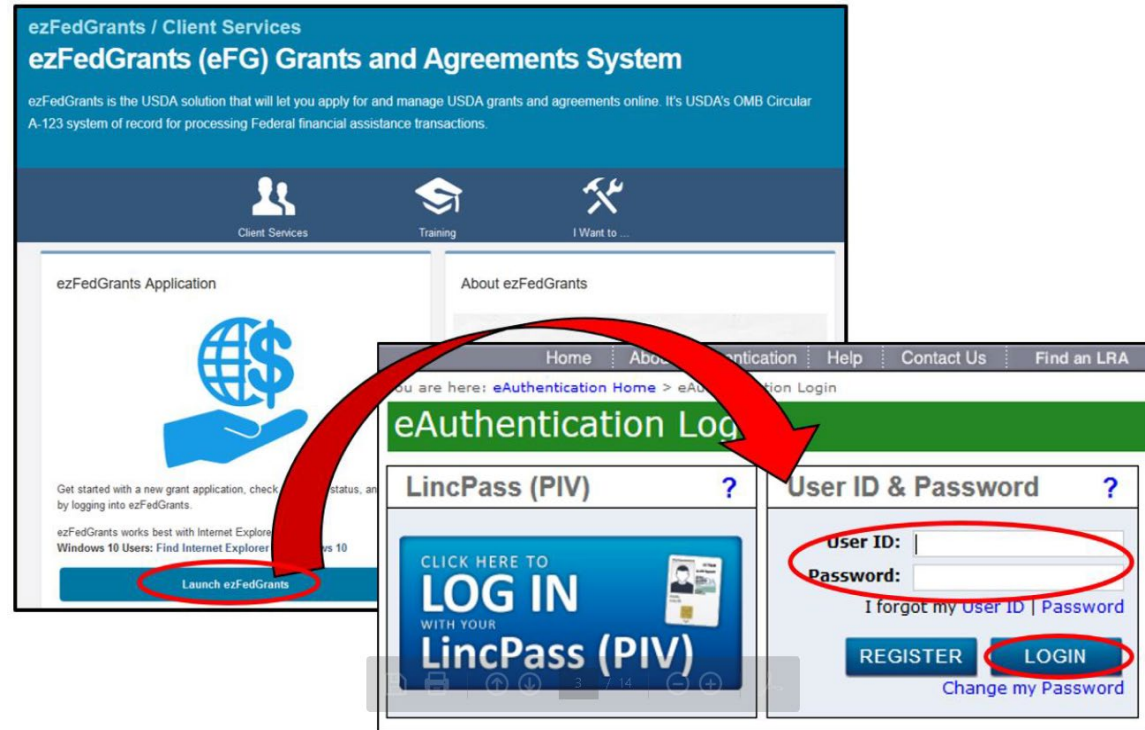
- If the recipient uses subawards it must enter into a documented sub grant or subcontract and describe it in the work and financial plan.
- The requirements of the applicable APHIS General Terms and Conditions must be included in the subaward agreement.
- Recipients must include subaward activities in all performance and financial reports.



# Payments



- Payment requests (claims) are submitted via ezFedGrants whenever possible. Offline submission is available if ezFedGrants is not an option for a recipient.
- Claim submission guide: [Claims Job Aid](#)
- For assistance, contact the ezFedGrants helpdesk: [ezFedGrants@cfo.usda.gov](mailto:ezFedGrants@cfo.usda.gov)



## Special Notes

- Requests for payment can be submitted as often as needed to satisfy cashflow needs.
- Funds are disbursed electronically to the banking account listed in [www.SAM.gov](http://www.SAM.gov). Changes to your bank account info in SAM.gov can take 14 days to sync. Please plan accordingly.

# Program Income



*Program income* means gross income earned by the non-Federal entity that is directly generated by a supported activity or earned as a result of the Federal award during the period of performance except interest earned on advances of Federal funds is not program income.

# Types of Program Income

- Income from fees for services performed, the use or rental of real or personal property acquired under Federal awards, the sale of commodities or items fabricated under a Federal award, license fees and royalties on patents and copyrights, and principal and interest on loans made with Federal award funds.
- Registration fees collected for conferences, workshops, etc.
- Follow 2 CFR 200.307 and have procedures to track and use those funds appropriately. Recipients must report Program Income on the SF-270 and SF-425.

# Use of Program Income

If the Federal awarding agency does not specify in its regulations or the terms and conditions of the Federal award or give prior approval for how program income is to be used the default method is the Deduction Method, except for the exemptions described in slide 36.



# Deduction Method

- Program income must be deducted from total allowable costs to determine the net allowable costs. Program income must be used to offset current costs unless the Federal awarding agency authorizes otherwise.
- Program income that the non-Federal entity did not anticipate at the time of the Federal award must be used to reduce the Federal award and non-Federal entity contributions rather than to increase the funds committed to the project.

# Addition Method

- With prior approval of the Federal awarding agency, program income may be added to the Federal award by the Federal agency and the non-Federal entity. This means that the Federal award amount is not reduced if program income is earned.
- The addition method must be approved by the Federal agency in advance of finalizing the award because it affects the terms and conditions of the Federal award.
- For Federal awards made to Institutions of Higher Education and nonprofit research institutions, if the Federal awarding agency does not specify in its regulations or the terms and conditions of the Federal award how program income is to be used, the Addition method must apply.

# Cost Sharing or Matching

With prior approval of the Federal awarding agency, program income should be described in the work and financial plan and may be used to meet the cost sharing or matching requirement of the Federal award. The amount of the Federal award remains the same.

# Procurements



- A Recipient may procure goods and services to accomplish the agreement's objectives.
- A Recipient must have procurement policies and procedures.
- Policies and procedures must follow the Recipient's State, local, and tribal laws and regulations and conform to applicable Federal law and the standards found at 2 CFR § 200.317 through 2 CFR § 200.327.



# Allowable and Unallowable Costs and Activities









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## 2 CFR Part 200

- Costs must be necessary and reasonable for the performance of the award. 2 CFR Part 200.403-409 discusses the basic considerations for items of cost.
- Although an expense may be allowable per the regulations, it may require prior approval. Selected Items of Cost are described starting at 2 CFR Part 200.420

# Specific Allowable/Unallowable Expenses




Select items of cost that are requested in APHIS awards might include:

-  Alcohol
-  Compensation/Fringe Benefits
-  Conferences (Meeting, Retreat, Seminar, Workshop), **not including Symposiums**
-  Contributions/Donations
-  Entertainment, unless it has a programmatic purpose and is authorized in the approved budget or with prior written approval
-  **Equipment**, but purchase must be prudent (e.g., a one-year project would not justify the purchase of a vehicle unless APHIS felt assured that there would be continued use of that vehicle for the same project in succeeding years. In some cases, a lease might be a more prudent option.)
-  Fundraising
-  Lobbying





# Specific Allowable/Unallowable Expenses

## Meals

-  Business meals and conference breakfasts, when duplicating per diem
-  When in travel status (per diem)
-  If necessary to maintain the continuity of a meeting and **arduous conditions exist (rare)**

## Memberships

-  Civic or community organization, with prior approval
-  Business, technical, and professional organizations

# Specific Allowable/Unallowable Expenses

- ✓ Pre-Award, up to 90 days
  - ✓ Publication and Printing Costs
  - ✓ Supplies including Computers
  - ✓ Training and Education
  - ✓ Travel Costs
- ✗ Telecommunications and Video Surveillance: Prohibit from obligating or expending loan or grant funds for covered telecommunications equipment or services from items provided by Huawei Technology Company, ZTE Corporation, or any of their many subsidiaries or affiliates.

# Prior Approval



## Prior approval is needed for:

- Changes in Key Personnel
  - One-Time No Cost Extension
  - Due at least 10 days before grant ends
- Not allowed solely to use remaining funds
  - Budget Changes
  - Necessary If your award amount exceeds \$250,000 and the amount to reallocate between budget categories exceeds 10% of the total award.
  - Ensure all budget amendment requests are approved prior to submitting the payment request.
- Scope or Objective Changes
- Contractual or Subaward Changes
- Name or Address Change
  - The award cannot be transferred to another organization with a different DUNS number.
- Cost Share/Match
- Changes that occur after the agreement has been awarded

# Performance and Financial Reports



- Report frequency is stipulated on the Award Face Sheet.
- Final reports are due annually 120 calendar days after each annual performance reporting period's end date.
- Submit the reports via ezFedGrants.
- If the recipient needs an extension on reporting, they can submit their request to APHIS for approval.
- If financial reports are not submitted as stipulated on the Award Face Sheet, processing of claims will be delayed.



# Acknowledgment of Support

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- Recipients are encouraged to share their project work. If you choose to acknowledge USDA's support, here's the language unless otherwise instructed and should read:

This material was made possible, in part, by a Cooperative Agreement from the United States Department of Agriculture's Animal and Plant Health Inspection Service (APHIS). It may not necessarily express APHIS' views.

- USDA symbols or logos are only intended for the official use of the USDA. They are expressly excluded from use to imply endorsement of a commercial product or service. The symbol or logo may not be used by anyone outside of USDA without permission.



# Property Management



# Property Management

In accordance with 2 CFR Part 200.313 (d), Recipients are expected to maintain an inventory control system of property purchased in whole or in part with Federal funds.

The property inventory must include:

- A description of the property,
- A serial number or other identification number,
- The source of funding for the property, who holds title, the acquisition date, and cost of the property,
- Percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property.

# Property Management

- Recipients shall conduct a physical inventory at least every two years and make available, as requested, the records for review by APHIS. The recipient is required to use the Federal Award Identification Number (FAIN) on property records.
- In accordance with 2 CFR Part 200.312, provide an annual inventory report of any Federally-owned or Federally-leased equipment on loan to the Recipient to include a description, manufacturer model and serial number, acquisition date and cost. A disposition request shall be made to APHIS when the property is no longer needed.
- If annual property reporting requirements are included in the terms and conditions, the Recipient may use the report format of their internal inventory control system.

# Closeout



- All final reports must be submitted 120 calendar days after the end of the performance period.
- Failure to provide these items on time may result in a delay in your payments and funding of future projects.

## Required Documents

- Final Performance Report
- Final Federal Financial Report (SF-425)
- Final Payment Request (SF-270)
- Return unused funds, if applicable
- Tangible property report (SF-428 series), if applicable
- Retain all records per 2 CFR §200.334



# Remedies for Noncompliance

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## Failure to comply may result in:

- Disallowed costs
- Withdraw approval of authorized personnel
- Withhold payments
- Withhold support (not fund) future cooperative agreement/grant applications
- Suspension or Termination
- Specific Conditions applied per 2 CFR §200.207, such as:
  - Requiring additional reporting
  - Requiring payment as reimbursement only, no advances
  - Establishing additional prior approvals, etc.



# Additional Resources



- Contact your APHIS Agency Representative should you have any other questions. If you have feedback on this training or suggested topics to be added, email [dawn.d.halvorson@usda.gov](mailto:dawn.d.halvorson@usda.gov).
- [USDA APHIS Financial Management Division, Agreements Services Center](#) – links to various tools for related to cooperative agreements and grants.
- [WikiGrants](#)- provides a variety of resources and information related to the ezFedGrants System.
- Grants Management Certificate Program Recipient track from a qualifying training provider.