



# Award Administration Guide for Grantees

## INFLATION REDUCTION ACT - URBAN AND COMMUNITY FORESTRY GRANT (U&CF)



Cover image: [Chicago skyline](#) of urban forest. USDA Forest Service photo by Preston Keres.

This guide addresses high level and general components of grants administration process for recipients/grantees. For general assistance or inquiries on your IRA-UCF grants award, contact your local Grants & Agreements office or Access Branch, [accessga@usda.gov](mailto:accessga@usda.gov)

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## Part I: Forest Service Awards

The Award and Administration Guide provides general guidance to USDA Forest Service policies regarding the award and administration of domestic grants (DG) and Cooperative Agreements (CA), Commonly referred to as awards. Refer to [2 CFR § 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements](#) for Federal Awards as they apply to Forest Service financial instruments. This guide addresses both high level and general components of the grant administration process for recipients who apply for federal financial assistance through the USDA Forest Service. In instances where there is a discrepancy between this Award Administration Guide, or any previously mentioned statutory codes, the original Forest Service Handbook and Manual and Federal Regulatory Code maintains precedence.

### CONTACT FOR FURTHER INFORMATION

For general questions related to this Forest Service Award Administration Guide, please contact the following shared inbox: [SM.FS.UCF\\_IRA@usda.gov](mailto:SM.FS.UCF_IRA@usda.gov). For inquires specific to a Forest Service Award, contact the Grants and Agreements Specialist listed in the Award Notification package.

### A. Grant Award Life Cycle

In general, once the Federal agency completes the application review process, the Award phase begins. The final award decisions rest solely in the hands of the federal agency staff with fiduciary responsibility and legal authority to enter into a binding instrument, i.e., domestic grants (DG) and Cooperative Agreements (CA). Federal staff review and make award recommendations based on the programmatic and financial reviews of the applications. These recommendations are reviewed within a series of levels to ensure compliance with all prescribed regulatory language.

**Award:** After the review of all applications, the awarding agency makes award determination and sends out notifications of award.

**Post Award (Award Administration):** This phase begins with a successful applicant, known as grantee, awardee or recipient. This phase consist of grant implementation, monitoring and reporting. This guide primarily address this phase.

**Close Out:** Closeout is when the grant process ends. In order to complete a closeout, award recipient, must submit the final financial and programmatic reports for Program Managers and other FS staff to review.

### Notice of Award

Once the final award decision is made, the awarding agency sends the notification to the entities selected for funding. The award package specifies key factors such as the award amount, performance measures, reporting requirements, etc. It is considered the formal, legally binding document. When you or your organization accepts the award (i.e., by signing the award package) you become legally obligated to carry out the full terms and conditions of the award or known as a grant or an agreement instrument. As an award recipient, you are also subject to federal statutory and regulatory requirements as outlined in the agreement.

Awardees are free to accept or reject the grant or cooperative agreement as awarded. The FS recognizes a recipient's formal acceptance of the award upon the recipient's provision of a signature on the award package. If an awardee chooses not to accept an award, the award form does not need to be signed; however, as a courtesy, a documented notification should be sent to the recipient's FS staff such Grants Management Specialist (GMS) and Program Manager (PM) informing them of the withdraw.

## Composition of a FS Award

Composition of a FS award includes:

- Award Notice: In most instances, FS transmits award notices to organizations via e-mail.
- Administrative Federal Award Requirements ([2 CFR Chapter II](#))
- the budget, which indicates the amounts, by categories of expense, and any other requirements.
- any FS general conditions referenced in the award;
- the proposal referenced in the award;
- any FS program announcement, or other documents or special requirements incorporated in the award.

## B. Grant Periods

Apart from fixed amount awards, a FS grant gives authority to the grantee to commit and expend funds for allowable costs in support of the project, up to the amount specified in the grant. This action can be performed at any time during the grant period. Expenditures may not be charged prior to the start date without prior approval from a program manager.

All funding agreements will be for a period of 5 years. All activities and expenses must be completed within 5 years of award. Funding agreements will not be extended beyond 5 years.

Grantees will be expected to implement and demonstrate measurable progress within twelve (12) months of award.

### Definitions

*Execution Date* or *Award Date* is the date of last signature on Forest Service Award.

*Start Date*- is the date specified in the grant notice on or after which, except for fixed amount awards, expenditures may be charged to the grant. Typically, the start date is the same as the execution date, however, there could in instances where the *start date is after the execution (but should not be before, unless there is approval from an authorized FS personnel (i.e., Partnership Coordinator, Program Manager, Grants Management Specialist).*

*End Date*- is the date specified in the grant notice after which expenditures may not be charged against the grant except to satisfy obligations to pay allowable project costs committed on or before that date.

*Grant Period* or *Period of Performance*- is the period between the start date and the end date of a Forest Service grant shown as the duration.

*Budget Period*- the period of time that a grantee can incur expenses. This time generally occurs during a period of performance but may be different based on the structure of your award. Please consult your Partnership Coordinator, Program Manager or Grants Management Specialist if you have questions.

### Changes in a Grant Period

Once an award is made, the start date cannot be changed. However, grantees have the authority to incur pre-award costs by written approval from a Program Manager. The end date may be changed with an approved request for continued support, a no-cost grant extension, or with approval of a request for supplemental support. When appropriate, the FS Grants Management Specialist will issue an amendment to the grant.

*No-cost extension requests* should be routed to the appropriate FS official (i.e., PM, GMS) for review and approval. The final approval will come from the FS Grants & Agreements Specialist. If a request is approved, there will be amendment to the grant specifying a new end date.

Grantees are cautioned not to make new commitments or incur new expenditures after the end date of the approved budget period.

The request must explain the need for the extension and include *an estimate of the unobligated funds remaining and a plan for their use*. Unobligated funds that remain at the end of the grant is not in itself sufficient justification for an extension. The plan must adhere to the previously approved objectives of the project.

### C. Domestic Grant & Cooperative Agreement Checklist

FORM NUMBER	FORM TITLE	REQUIREMENT TO USE
SF-424	Application for Federal Assistance	Always required.
SF-424A	Budget Information – Non-Construction Programs	Required for non-construction projects.
SF-424B	Assurances – Non-Construction Programs	Required for non-construction projects.
Project Narrative	Detailed description of project activities.	Always required.
Expanded/Detailed Project Budget	Detailed Budget - Optional format is available	Always required.
AD-1047	Certification Regarding Debarment, Suspension, and Other Responsibility Matters	Always required.
AD-1048	Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tier Covered Transactions	Require when a contractual line is included in the budget. <b>ONLY</b> for use with a subrecipient. The recipient keeps the form in their records and does not submit to the Forest Service.
AD-1049	Certification Regarding Drug-Free Workplace Requirements	Required for all new packages, except for individuals and State governments.
AD-1052	Certification Regarding Drug-Free Workplace Requirements, State and State Agencies	Required for all new packages that are with State agencies.
AD-3030	Representations Regarding Felony Conviction And Tax Delinquent Status For Corporate Applicants	Required for profit or non-profit entity that has filed articles of incorporation.
SF-LLL	Certification Regarding Lobbying Disclosure of Lobbying Activities	This may be required when an award exceeds \$100,000.
NICRA	Negotiated Indirect Cost Rate Agreement	Required if Grantee/Cooperator is asking for reimbursement of indirect costs and not using the Di Minimus rate of 10%.

### D. Pass Through Funding (Sub-Awards)

Section D applies only to Pass-Through Funding Entities selected to administer a national, regional, or sub-regional level competitive sub-award program. Pass Through Funding Entities greatly expand the capacity of the USDA Forest Service to expedite funding to small community-based organizations and other administratively and technically burdened partners serving disadvantaged communities.

Funding to Pass-Through Entities will be executed through a grant, or a cooperative agreement with substantial Forest Service involvement, at the full discretion of the USDA Forest Service.

Pass-Through Funding Entities with national sub-award portfolios will be managed through the Urban and Community Forestry Program in the Washington Office, and will be comprised of

:

- 1) A suite of pre-selected applications submitted through the USDA Forest Service Urban and Community Forestry IRA NOFO grant portal that are below the minimum funding threshold for direct award by the USDA Forest Service; and
- 2) Applications competitively awarded directly by the Pass-Through Funding Entity.

All national, regional and sub-regional Pass Through Funding Entities administering a competitive sub award program must comply with the following requirements:

1. Competitively subaward a minimum of 80% of funding to community-based organizations, or other partners serving disadvantaged communities.
2. Design an equal opportunity competitive project application submission and evaluation process that alleviates burden, including but not limited to technical and administrative burden, on small, capacity-constrained applicants.
3. Develop outreach efforts and plans to reach all underserved or disadvantaged communities, especially urban communities, tribal governments and indigenous communities, youth, and public minority land grant institutions, for awareness of the availability of sub-award funding.
4. Develop a sub-award process that ensures efficient and effective fund dispersal and completion of sub-awardee projects within a 1 year period. All sub-awardee projects must be completed within the five-year, Pass-Through Entity grant performance period.
5. Create an efficient progress and financial tracking and accomplishment reporting system for Urban and Community Forestry IRA sub-award projects.
6. Manage the application in-take processes, evaluations, subawards process, project risk through ongoing monitoring, and project tracking and reporting for communities. Subawards to communities will not be individually approved by the Forest Service. Submit timely financial and progress reports and success stories (brief project description and outcomes, with project photographs and recipient testimonials where feasible) with the USDA Forest Service.
7. Assist sub-awardee with development and distribution of communications and promotional materials that support the funded program of work and reflect IRA as the source of funding.

## Part II: Grant Administration

The post award phase comprises a significant amount of work over the duration of the award dates, which includes implementing the grant, reporting progress, and completing the closeout requirements. The federal agency that makes the award to you is also there to assist and ensure you or your organization complies with the grant terms and conditions.

### E. Terms and Definitions

**Advance Payment** - means a payment that FS makes by any appropriate payment mechanism, including a predetermined payment schedule, before the grantee disburses the funds for program purposes.

**Cognizant** - Having a legal awareness or jurisdiction over an award. This is usually a FS employee, such as, a Grants Management Specialist or Program Manager.

**Community Based Organization** - means a public or nonprofit organization that supports and/or represents a community and/or certain populations within a community through engagement, education, and other related services provided to individual community residents and community stakeholders. A “community” can be characterized by a particular geographic area and/or by the relationships among members with similar interests and can be characterized as part of a broader national or regional community where organizations can be focused on the needs of urban, rural and/or tribal areas, and other similar groups.

**Cooperative Agreement** - Cooperative agreement means a legal instrument of financial assistance between a

Federal awarding agency and a recipient or a pass-through entity and a subrecipient that, consistent with [31 U.S.C. 6302–6305](#):

(1) Is used to enter into a relationship the principal purpose of which is to transfer anything of value to carry out a public purpose authorized by a law of the United States (see [31 U.S.C. 6101\(3\)](#)); and not to acquire property or services for the Federal Government or pass-through entity's direct benefit or use;

(2) Is distinguished from a grant in that it provides for substantial involvement of the Federal awarding agency in carrying out the activity contemplated by the Federal award.

(3) The term does not include:

(i) A cooperative research and development agreement as defined in [15 U.S.C. 3710a](#); or

(ii) An agreement that provides only:

(A) Direct United States Government cash assistance to an individual;

(B) A subsidy;

(C) A loan;

(D) A loan guarantee; or

(E) Insurance.

**Disbursements/Outlays/Expenditures** – means charges made by the grantee to a project or program for which an FS award was received.

**Domestic Grant Agreement** - Grant agreement means a legal instrument of financial assistance between a Federal awarding agency or pass-through entity and a non-Federal entity that, consistent with [31 U.S.C. 6302, 6304](#):

(1) Is used to enter into a relationship the principal purpose of which is to transfer anything of value to carry out a public purpose authorized by a law of the United States (see [31 U.S.C. 6101\(3\)](#)); and not to acquire property or services for the Federal awarding agency or pass-through entity's direct benefit or use;

(2) Is distinguished from a cooperative agreement in that it does not provide for substantial involvement of the Federal awarding agency in carrying out the activity contemplated by the Federal award.

(3) Does not include an agreement that provides only:

(i) Direct United States Government cash assistance to an individual;

(ii) A subsidy;

(iii) A loan;

(vi) A loan guarantee; or

(v) Insurance.

**Grantee** - means the organization or other entity that receives a grant and assumes legal and financial responsibility and accountability both for the awarded funds and for the performance of the grant-supported activity. FS grants are normally made to organizations rather than to individual Principal Investigator/Project Director(s). Categories of eligible proposers may be found in GPG Chapter I.E.

**Obligations** – means funds authorized by an FS Signatory Official for a specific FS award creating a balance payable to a grantee.

**Grantee Obligations** – means orders placed for property and services, contracts and subawards made, and similar transactions during a given period that require payment by the grantee during the same or a future period.

**Instrument** - a means by which something is affected or done. A legal document or policy giving agency to a partner or grantee.

**Payments** – means the funds transferred from FS to the grantee by electronic funds transfer (Automated Clearing House (ACH)) and on some rare occasions by check or by wire for same day electronic funds transfer or international payments.

**Pass-through entity (PTE)** – means a non-Federal entity that provides a subaward to a subrecipient to carry out part of a Federal program.



**Unliquidated Obligations** – for grantee financial reports prepared on a cash basis, means obligations incurred by the grantee that have not been paid (liquidated). For grantee reports prepared on an accrual expenditure basis, means obligations incurred by the grantee for which an expenditure has not been recorded.

**Unobligated Balance** – means the amount of funds under an FS award that the grantee has not obligated. The amount is computed by subtracting the cumulative amount of the grantee’s unliquidated obligations and expenditures of funds under the FS award from the cumulative amount of the funds that FS has authorized the grantee to obligate.

**Sub-Award** - an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a Federal award received by the pass-through entity. It does not include payments to contractor or payments to an individual that is a beneficiary of a Federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract.

**Subrecipient** - an entity, usually but not limited to non-Federal entities, that receives a subaward from a pass-through entity to carry out part of a Federal award; but does not include an individual that is a beneficiary of such award. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency.

**Program Income** - means gross income earned by the grantee that is directly generated by a supported activity or earned as a result of the grant during the period of performance. Program income includes, but is not limited to, income from fees for services performed, the use of rental or real or personal property acquired under the grant, the sale of commodities or items fabricated under the grant, license fees and royalties on patents and copyrights, and principal and interest on loans made with grant funds. Interest earned on advances of Federal funds is not program income. Except as otherwise provided in Federal statutes, regulations, or the terms and conditions of the grant, program income does not include rebates, credits, discounts, and interest earned on any of them.

**Suspension** - means an action by FS that temporarily withholds Federal support of a project pending corrective action by the grantee or a decision by FS to terminate the grant.

**Termination** - means the ending of the FS award, in whole or in part at any time prior to the planned end of the period of performance.

## F. Monitoring Project Performance

### Roles and Responsibilities

Grantees: Domestic Grant Award grantee has full responsibility for the conduct of the project or activity supported under an FS grant and for the results achieved. A Cooperative Agreement is distinguished from a domestic grant in that it provides for substantial involvement of the Federal awarding agency in carrying out the activity contemplated by the Federal award. Regardless of award type, all grantees should monitor the performance of the project to assure adherence to performance goals, time schedules or other requirements as appropriate to the project or the terms and conditions of the grant. To carry out these responsibilities, each grantee organization shall agree to comply with the applicable Federal requirements for grants and to the prudent management of all expenditures and actions affecting the grant. Documentation for each expenditure or action affecting the grant shall reflect appropriate organizational reviews or approvals, which should be made in advance of the action. Organizational reviews are intended to help assure that expenditures are allowable, necessary, and reasonable for the conduct of the project, and that the proposed action:

- is consistent with grant terms and conditions;
- is consistent with FS and grantee policies;
- represents effective utilization of resources; and
- does not constitute changes in objectives or scope.

Forest Service Program Managers (PM): A PM may conduct a review on behalf of the agency. They can review project accomplishments, grantee management control systems and administration and management of the grant and to provide technical assistance as may be required. If any site visit is made by the FS on the premises of the

grantee or a subrecipient under a grant, the grantee shall provide and shall require its subrecipients to provide all reasonable facilities and assistance for the safety and convenience of the FS representatives. PMs are generally responsible with the following:

- Monitoring of financial and performance standards
- Evaluating project data to ensure compliance with the grant agreement.
- Completing desk audits or site visits as needed.
- Reviewing invoices (SF-270) for accuracy and approval of payments
- Monitoring financial capability
- Maintain an ongoing, periodic assessment of current and cumulative project activities for all their grants and agreements.

Grants Management Specialist (GMS):

- Assist the PM as needed to provide direction regarding equipment justification, purchase, reporting, and disposition.
- Ensuring that any required forms are completed and placed in the official files.
- Upon disposition of equipment, the GMS follow the collection process through to completion in financial systems.

Notwithstanding these responsibilities, FS continues to encourage communication between grantees, PMs, and GMS on the progress of projects supported by FS as well as on project changes.

### **Support under Continuing Grants**

Unless otherwise provided for in the original grant notice, each increment of a continuing grant will be funded at the level indicated in the original award notice without a formal request, subject to FS’s judgment of satisfactory progress, availability of funds, and receipt and approval of the required annual report. FS makes every attempt to honor continuing grant commitments.

## **G. Changes & Prior Approval**

### **Budget Revisions**

FS understands the need for flexibility in adhering to the proposal budget and allow for changes in various line items, provided such changes do not affect the scope of work. This means that actual expenditures in many budget categories may vary from the original proposal. However, there may be limitations on shifts into or out of certain expense categories; may not allow any single expense category to be “overdrawn;” or may limit the budget changes to a certain dollar amount or percentage. Because rebudgeting is could be a key or significant change, prior approval may be needed. Prior approval should generally be requested in the following instances:

- If the rebudgeting will involve moving substantial sums into or out of a budget category
- If the rebudgeting will result in a change in the scope of work regardless of the dollar amount being re-budgeted.
- .
- Scope
- Significant changes from what was originally proposed and approved always require notification and/or approval from the appropriate FS official (i.e., PM, GMS). Grantees are advised to contact appropriate FS official as soon as possible in the following situations: changes in objectives or scope, changes in methodology, and significant changes, delays or events of unusual interest.

The request must be signed and submitted, and FS authorization will be indicated by an amendment to the grant signed by the GMS. The grant terms and conditions will identify which articles flow-down to subrecipients.

### **Key Personnel**

Grantee must request approval for a change in Key Personnel identified in the grant award. The regulation defines

a change in Key Personnel as the replacement or change in status (such as an absence for any continuous period of 3 months or more, or a significant reduction of time devoted to the from the level in the approved application.

## Cost Sharing

Most Forest Service awards of Federal Financial Assistance require a cost share or match. The terms are used interchangeably. Cost sharing or matching means the portion of project costs not paid by Federal funds. Match may be comprised of an organization's cost for salary, travel, materials and supplies, and even indirect costs. Match can be contributed through employees paid by another non-Federal organization or volunteers working to accomplish the project. Cost sharing or matching is addressed in detail in the OMB grant regulations in [2 CFR 200, specifically §200.306](#) goes into detail about the requirements for match.

There are two kinds of matching/cost-share: cash and third-party in-kind. Cash includes cash spent for project-related costs. The allowable cash match must include costs that are necessary, reasonable, and allowable (further explained below) under the federal program.

Matching and cost share funds have the same restrictions as federal funds. These funds must follow the same *allowable* and *unallowable guidelines* in their federal award. If, for example, a conference is unallowable under the grant award that has matching requirements, then grantees would not be able to use the matching funds instead. The expense must be allowable with federal funds for it to be allowable with matching or cost share funds.

Third Party In-Kind includes, but is not limited to, the valuation of non-cash contributions provided by a third party. An in-kind match may be in the form of services, supplies, real property, and equipment. The value of the service may be used for the matching requirements, if the services are necessary, reasonable, and allowable under that federal program. Grantees are allowed to use unrecovered indirect costs for matching or cost sharing requirements; however, this requires prior approval. Third-party in-kind matching—such as supplies, equipment, or space—the value must not exceed the fair market value at the time of the donation.

Grantees are required to maintain records, which clearly show the source, amount, and timing for all matched contributions. While grantees are not required to submit their supporting documentation to the FS, their records must be available in the event of an audit or site visit.

**Match Waiver:** Any Non-Federal cost-share requirement otherwise applicable to projects carried out under this section may be waived at the discretion of the Secretary. **Match may be waived for proposals that deliver 100 percent of the funding/program benefits to disadvantaged communities.**

**All work must be tracked at the level that designates disadvantaged communities.** Applicants receiving match waiver approval that pass-through funding (sub-award) for work in disadvantaged communities must pass the match waiver to sub-awardees performing the work.

While the pace of federal expenditures and cost sharing/matching may vary throughout the award period, the agency will actively monitor expenditure rates and cost sharing/matching levels as it receives payment requests to ensure the total cost sharing/matching requirement is met by the award period of performance end date. Additional details about cost sharing or matching funds/contributions are located at [2 CFR 200.306](#).

## Reporting Requirements

The Forest Service requires project reports for all assistance awards through various programmatic and financial reporting procedures. These reports also provide FS program officials with information on the progress of supported projects and the way these funds are used, maintain transparency, and prevent fraud and abuse. Information in these reports may be made available to the general public through the Freedom of Information Act (FOIA).

The USDA Forest Service typically has a Grant Management Specialist and a Program Manager assigned to each grant, both of which will maintain throughout the life of the grant. Both will administer the grant including reviewing reports, conducting site visits and ensure performance objectives are met. Grantees are encouraged to build an open line of communication with these staff members to be proactive, clarify grant terms or expectations, thus

preventing performance issues down the line.

## Types of Reporting

### Financial Reporting:

Standard Form SF-425 must be used for financial reporting.

The submission of an interim SF-425 must be submitted on a semi-annual basis. A final SF-425 must be submitted at the completion of the award. The following reporting period end dates will be used: 6/30 and 12/31. For final SF-425s, the reporting period end date must be the end date of the project or grant period (see table below) Semi-annual interim reports must be submitted no later than 30 days after the end of each reporting period. . Final reports will be submitted no later than 120 days after the project or grant period end date.

### Performance Reporting:

Optional Project Performance Report, FS-1500-23, may be used for Federal Financial assistance progress reporting. Alternatively, the recipient may utilize reporting templates provided by the Regional Grants and Agreement Office, or the recipient's own reporting format to fulfill the progress reporting requirement of the agreement provided the information includes:

- Recipient's name
- Federal Identifier Number
- Reporting period
- Written, narrative summary of project progress including quantitative and qualitative data and success stories, photos, etc. that illustrate performance progress,

### Reporting Frequency

For Federal financial assistance, monitoring and reporting program performance requires that recipients provide a performance report of the project no less frequent than annually and no more frequent than quarterly. **Semi-annual** financial and performance reports are required for IRA grants: Financial and Progress reports will be submitted for the periods ending June 30 and December 31. Reports are due 30 days from the period end. Timely submittal of financial and performance reports for each grant as indicated in your award agreement will be required.

Performance reports should highlight direct quantitative and qualitative investment activities and outcomes and include success stories and photographs that illustrate these. If a justified request is submitted by a recipient, the Program Manager may extend the due date for any performance report.

The FS Program Manager should ensure that all required performance reports are received from the performing entity. If the recipient fails to provide a performance report, or performance report reveal significantly delays or problems, FS may be required to take additional action, such as taking steps to obtain additional information, suspend the grant, or withhold payments until the required reports are obtained.

Report Due	Form Required	Frequency	Due Date
Advance/Reimbursement Request	SF-270	Monthly-Quarterly	
Financial Report	SF-425	Semi-annually	7/30 & 1/30
Performance Report	Not specified or optional FS-1500-23	Semi-annually	7/30 & 1/30
Final Report	SF-425	Once per grant period	120 days after Period of Performance Ends

### Final Performance Report

The Final Performance Report should address progress in all activities of the project. This report is cumulative; it is the final report of the project and covers the entire grant period.. You may send a Final Performance Report to

your program monitor for review before officially submitting it. Unless otherwise specified in the award, the final performance report should be submitted electronically no later than 120 days following expiration of the grant. The report becomes overdue the day after the 120-day period ends.

### Final Financial Report

A Federal Financial Report, SF-425, is due at the above schedule per the award. We recommend that grant match is documented in each financial report. The Final Financial Report should cover the entire grant period. Unless otherwise specified in the award, the Final Financial Report should be submitted electronically no later than 120 days following expiration of the grant. The report becomes overdue the day after the 120-day period ends.

In addition, the grantee also shall provide to the cognizant FS Program Officer, within 120 days following the expiration of the grant:

- any unique reports or other end items specified in the award, including any reporting requirements set forth in any FS brochure, guide, solicitation, etc., referenced in the award as being directly related to either the award or the administration of the award.
- a final cost share notification documented for awards where there is mandatory cost sharing established for the program.

## **H. Grant Closeout**

Grant closeout is the process by which FS determines that all applicable administrative actions and all required work of the grant have been completed. The close out amount will be based on the costs recorded at that time. In the event a final audit has not been performed prior to the closeout of the grant, FS reserves the right to recover appropriate amounts after fully considering the recommendations on disallowed costs resulting from the final audit.

Grantee shall, no later than 120 calendar days after the end date of the period of performance (Grant Expiration), all financial, performance, and other reports as required by the terms and conditions of the Federal award. A subrecipient must submit to the pass-through entity, no later than 90 calendar days (or an earlier date as agreed upon by the pass-through entity and subrecipient) after the end date of the period of performance, all financial, performance, and other reports as required by the terms and conditions of the Federal award. The Federal awarding agency or pass-through entity may approve extensions when requested and justified by the non-Federal entity, as applicable.

In addition, grantee must promptly refund any balances of unobligated cash that the Federal awarding agency or pass-through entity paid in advance or paid and that are not authorized to be retained by the non-Federal entity for use in other projects. See OMB Circular A-129 and see § 200.346, for requirements regarding unreturned amounts that become delinquent debts.

Grantee must account for any real and personal property acquired with Federal funds or received from the Federal Government in accordance with [2 CFR 200 Subpart D](#).

## **I. Record Retention and Audit**

Per [2 CFR § 200.334](#), Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient. Federal awarding agencies and pass-through entities must not impose any other record retention requirements upon non-Federal entities. The only exceptions are the following:

(a) If any litigation, claim, or audit is started before the expiration of the 3-year period, the records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken.

(b) When the non-Federal entity is notified in writing by the Federal awarding agency, cognizant agency for audit, oversight agency for audit, cognizant agency for indirect costs, or pass-through entity to extend the retention period.

(c) Records for real property and equipment acquired with Federal funds must be retained for 3 years after final disposition.

(d) When records are transferred to or maintained by the Federal awarding agency or pass-through entity, the 3-year retention requirement is not applicable to the non-Federal entity.

(e) Records for program income transactions after the period of performance. In some cases recipients must report program income after the period of performance. Where there is such a requirement, the retention period for the records pertaining to the earning of the program income starts from the end of the non-Federal entity's fiscal year in which the program income is earned.

(f) Indirect cost rate proposals and cost allocations plans. This paragraph applies to the following types of documents and their supporting records: 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 (such as computer usage chargeback rates or composite fringe benefit rates).

(1) If submitted for negotiation. If the proposal, plan, or other computation is required to be submitted to the Federal Government (or to the pass-through entity) to form the basis for negotiation of the rate, then the 3-year retention period for its supporting records starts from the date of such submission.

(2) If not submitted for negotiation. If the proposal, plan, or other computation is not required to be submitted to the Federal Government (or to the pass-through entity) for negotiation purposes, then the 3-year retention period for the proposal, plan, or computation and its supporting records starts from the end of the fiscal year (or other accounting period) covered by the proposal, plan, or other computation.

## Part III - Financial Requirements and Payments

The acceptance of an award from FS creates a legal duty on the part of the grantee organization to use the funds or property made available in accordance with the terms and conditions of the award. Payments may be made in advance of work performed or as a reimbursement for work performed and/or costs incurred by the grantee. Payments, however, may not be made in advance of an award being signed by an FS Grants & Agreements Specialist for the project period.

FS has a reversionary interest in the unused balance of advance payments, in any funds improperly applied (whether or not received as an advance payment), and in property acquired through the award, to which FS specifically either retains title or reserves the right to require title transfer.

Requests for payment must be submitted on Standard Form 270 (SF-270), Request for Advance or Reimbursement, and must be submitted no more than monthly. To approve a Request for Advance Payment or Reimbursement, the Forest Service shall review such requests to ensure advances or payments for reimbursement are in compliance and otherwise consistent with OMB, USDA, and Forest Service regulations.

Advance payments must not exceed the minimum amount needed or no more than is needed for a 30-day period, whichever is less. If the Recipient receives an advance payment and subsequently requests an advance or reimbursement payment, then the request must clearly demonstrate that the previously advanced funds have been fully expended before the Forest Service can approve the request for payment. Any funds advanced, but not spent, upon expiration of this award must be returned to the Forest Service. The Program Manager reserves the right to request additional information prior to approving a payment.

FS grantees are required to have financial management systems that meet the requirements of [2 CFR § 200.302](#).

### J. Payment Requirements

#### Requesting Payments

The standard form 270 invoice is required payment of grant funds. This form is to be completed at least quarterly and no more than monthly. Invoices can be sent to your program manager through the Albuquerque Service Center (ASC).

EMAIL (preferred): SM.FS.asc\_ga@usda.gov

FAX: 877-687-4894

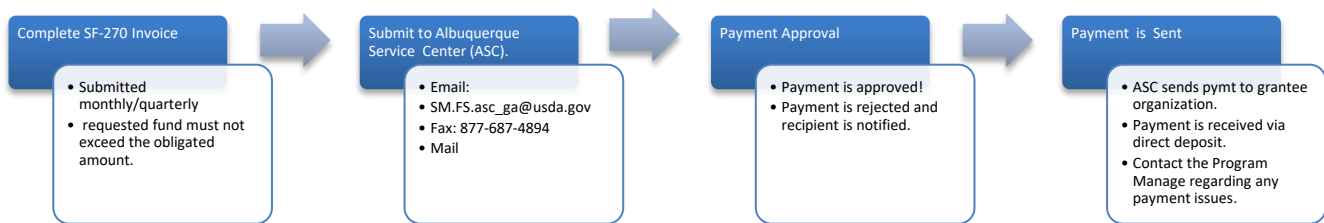
POSTAL: Albuquerque Service Center

Payments – Grants & Agreements

101B Sun Ave NE

Albuquerque, NM 87109

## Payment Process



### Request for Advance

Grantees may submit requests for payments either quarterly or monthly and are authorized to receive payments from FS in advance of costs incurred provided that the following conditions exist:

- Funds for the project period have been obligated by a Grants & Agreements Specialist in the form of an electronically signed grant;
- The grantee has established written procedures that will minimize the time elapsing between the transfer of funds from the US Treasury and their disbursement by the grantee; and
- The grantee's financial management system meets the standards for fund control and accountability prescribed in [2 CFR § 200.302](#).
- Grantees shall maintain advances of FS funds in interest bearing accounts as specified in the award.

### Grantee Banking Information for Payments

The System for Award Management (SAM) is the FS system of record for organizational financial information. Once a grant is awarded, failure to maintain current and complete financial information within SAM could prevent the grantee from receiving funds.

### Final Unobligated Balance

FS has a reversionary interest in the unobligated balance of an award upon the end date or completion of the award. Based on final payment amounts submitted; the final unobligated balance will be computed by FS and deobligated from the award amount.

### Erroneous Payments

Advances or reimbursements made in error must be refunded to the FS.

### Other Cost Credits

Purchase discounts, rebates, allowances, credits resulting from overhead rate adjustments and other credits relating to any allowable cost received by or accruing to the grantee shall be credited against FS award costs if the award has not been financially closed out.



## Part IV: Grantee Standards

2 CFR § 200 prescribes three separate sets of standards related to the financial and program management of Federal grants, each governing a different area: financial management, property management, and procurement management.

### K. Financial Management Systems Standards

Recipients are required to meet the standards and requirements for financial management systems set forth or referenced in 2 CFR Part 200.302, as applicable. The standards and requirements for a financial management system are essential to the grant relationship.

Recipients must have in place accounting and internal control systems that provide for appropriate monitoring of grant accounts to ensure that obligations and expenditures are reasonable, allocable, and allowable. Internal controls in accounting are procedures that are put in place within an organization to ensure business is carried out in an orderly, effective, and accurate manner. In addition, the systems must be able to identify large unobligated balances, accelerated expenditures, inappropriate cost transfers, and other inappropriate obligation and expenditure of funds.

### L. Property Management Standards

[2 CFR §§ 200.310-316](#) prescribe standards for managing and disposing of property furnished by the Federal government or whose cost was charged to a project supported by a Federal grant. In the rare instances where FS grants involve the acquisition of real property, the real property standards of [2 CFR § 200.311](#) are applicable to such FS grants.. The title to materials developed and supplies purchased under an FS grant will vest in the grantee. State governments will use, manage, and dispose of equipment acquired under a grant in accordance with state laws and procedures as specified in.

#### Equipment

Equipment purchases are rarely approved and will be reviewed prior to grant award. Equipment rental or short-term leasing contracts within the grant period should be considered as an alternative. Equipment is defined as an article of nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit.

Equipment can only be purchased with Federal funds with written approval of Federal Awarding agency ([2 CFR 200.439](#)). Instructions for how to handle equipment purchased can be found in [2 CFR 200.313](#). In addition, review the award carefully to address any additional equipment requirements. Below is a synopsis to give you a broad understanding, it is recommended to carefully review the entire equipment section referenced in 2 CFR 200.

- Must get written prior approval to purchase
- The Title will Vest upon acquisition with the Non-Federal entity
- The equipment must be properly used and disposed of.
- Equipment must be used in the program or project for which it was acquired.
- Very Detailed records must be kept of the Equipment and damage, or loss must be investigated.
- Must be maintained
- When no longer needed the equipment must be disposed of according to awarding agency.

#### General Purpose Equipment

Expenditures for general purpose equipment are typically not available for support.

#### Equipment Usage

The equipment must remain in use for the specific project for which it was obtained in accordance with [2 CFR § 200.313](#) unless the provision in 2 CFR § 200.313(c)(4) applies.

### Equipment Sharing

The equipment must be shared on other projects or programs in accordance with 2 CFR § 200.313(c)(1).

### Property Management Standards

The grantee shall maintain a property management system which, at a minimum, meets the requirements of 2 CFR § 200.313(d).

### Competition

In accordance with 2 CFR § 200.313(c)(3), grantees shall not use equipment acquired with Federal funds to provide services to non-Federal outside organizations for a fee that is less than private companies charge for equivalent services, unless specifically authorized by statute, for as long as the Federal Government retains an interest in the equipment.

### Right to Transfer Title

In accordance with 2 CFR § 200.313(e), FS may identify items of equipment having a unit acquisition cost of \$5,000 or more where FS reserves the right to transfer the title to the Federal government or to a third party named by the Federal government.

In such cases where FS elects to transfer the title, disposition instructions will be issued no later than 120 days after the end date of the FS-supported project for which it was acquired.

### Property Management Standards When Title Retained by FS

In the event that title to equipment or property is vested in the Federal Government, such property shall be marked, tagged or segregated in such a manner as to indicate clearly its ownership by the government. Unless otherwise provided in the grant, such government property shall be used only for the performance of the project. The grantee shall submit an annual inventory report by FS grant number of such property having an original acquisition cost of \$5,000 or more.

## **M. Procurement Standards**

Recipients may acquire a variety of goods or services in connection with a grant-supported project, ranging from those that are routinely purchased goods or services to those that involve substantive programmatic work. States may follow the same policies and procedures they use for procurements from non-Federal funds and ensure that every purchase order or other contract includes any clauses required by [2 CFR Part 200.327](#). All other recipients must follow the requirements in 2 CFR Part 200.317 through 200.327 and the purchase of goods or services through contracts under grants, as applicable.

## Part V: Allowability of Costs

Uniform Guidance is a government-wide framework for grants management. It is an authoritative set of rules and requirements for Federal awards, including post-award administration. [Code of Federal Regulations \(CFR\) – Chapter II, Part 200](#) covers Grants and Agreements. You will see Subpart A-F; [Subpart E addresses cost principles](#) that might be beneficial to review while administering your grant.

### N. Basic Considerations

#### Allowable

The cost must be allowable under [2 CFR 200 Section E](#) – Cost Principles. Keep in mind that for a cost to be considered allowable, it must also be included in the approved budget/budget breakdown for the grant. This means that the program manager is knowledgeable about the cost and approves. Costs expressly unallowable or mutually agreed to be unallowable should be identified and excluded from any billing, claim, application, or proposal related to the award. Inclusion of an unallowable cost in a proposal does not make the cost allowable. Adding a justification to an unallowable cost in a proposal also does not make the cost allowable.

#### Allocable

The cost must be able to be properly allocated to the grant. Is this a portion of a larger cost incurred to the recipient organization? Does it benefit the Award and/or other funding sources? Can it be distributed to all benefited funding sources using reasonable methods? Does the basis for allocating the cost represent a reasonable estimation of the benefit provided to the Award objectives? There must be a methodology in place to demonstrate how the costs were allocated to the grant and other cost centers of the recipient. Proper allocation of costs that benefit the entire operation of the recipient is usually accomplished through an indirect rate (NICRA or de minimis).

#### Reasonable

A cost is considered reasonable if the nature of the goods or services, and the price paid for the goods or services, reflects the action that a prudent person would have taken given the prevailing circumstances at the time the decision to incur the cost was made. To determine if a cost is reasonable, ask the following questions: Is the cost necessary for the performance of the award?

Does incurring this cost violate the restraints or requirements imposed by federal and state laws and regulations, or the award's terms and conditions?

Is the price of the goods or services comparable from multiple vendors/sources that have no vested interest or relationship to the award or to the person involved in the purchase?

Have the individuals incurring this cost acted with due prudence (discretion and good sense) in the circumstances? Have they considered their responsibilities to the institution, its employees and students, the federal government, and the public at large?

Were the actions that were taken in respect to incurring the cost consistent with established institutional policies and practices applicable to the awards?

#### Consistent

Costs must be treated consistently and applied uniformly to all recipient programs whether federally funded or not. All costs incurred for the same purpose and in like circumstances must be treated uniformly either as direct costs or as indirect (facilities and administrative or F&A) costs. Since certain costs, such as administrative salaries and office supplies, are normally treated as F&A costs, these costs cannot be charged directly to federal awards unless the circumstances of an award are clearly different from the normal operations of the unit. If a rate methodology is selected for valuing volunteers, the same methodology must be used consistently throughout.

## Volunteer Time

For volunteer services, the rates must be consistent with the rates normally paid for similar work in the organization. If an employee from another organization conducts services free of charge, the services should be valued at that employee's regular rate of pay, in addition to their fringe benefits and allowable indirect costs. There are online resources to help you determine the value of volunteer time, such as:

<https://independentsector.org/resource/value-of-volunteer-time/>. It is important to maintain a record for tracking and reporting volunteer time and services.

The following uses the basic considerations applicable under volunteer time:

- **Allowable:** is the work that's being performed allowable? Volunteers and staff time are generally allowable, but the work being performed must also be considered. If they are fundraising for the recipient organization, that is not an allowable expense, and that time or cost may not be used as match.
- **Allocable:** is the volunteer working on only the grant funded project or are they working on a number of different projects for the recipient organization. If so, what is the methodology to allocate the hours to each project and is it documented?
- **Reasonable:** There are several different organizations that provide rates for volunteers. The recipient organization must decide if the rate is reasonable for the work performed in their area. If the organization were paying for the work rather than valuing the hours, is that a rate they would pay? Does it track with the actual costs for the recipient organization? For example, if staff members work on a project side by side with volunteers are their rates consistent? Or is the staff member cost (wages and fringe) \$16/hour and the volunteer valued at \$23.25/hour for the performance of similar work? There can be disparity, but the reasonableness and basis of the rates must be considered and documented.
- **Consistent:** Are the values for volunteers used consistently on both the federal award and other work? A recipient organization should pick a methodology and stick to it unless there's compelling and documented reason for change.

Volunteers that are not paid by any party for their services. These volunteers are performing work in support of a grant funded project or program: A good example of this type of volunteer might be community members that volunteer to plant trees in a city park on a Saturday morning. They show up with their shovels ready to go to work. To document the volunteer time, there must be a sign-in sheet that includes the time each volunteer spent working on the project. A good source for reasonable, documented rates for volunteers may be found at the Bureau of Labor and Statistics website at [U.S. Bureau of Labor Statistics \(bls.gov\)](https://www.bls.gov/). Another source is [Value of Volunteer Time Report | Independent Sector Resources](#). A copy of the document showing the rate should be placed in the file. Children may not be included as volunteers.

## Employees of another organization

Employees of organizations like non-profits or local governments that are working on the grant funded project or program may be counted as third-party in-kind or categorized as subrecipients, depending on the relationship with the organization. In this case, the time spent must follow the regulations above and be recorded in the same manner as salaries and wages would be recorded for reimbursement. Simply put, an employee's time must be recorded on some manner of timesheet or system to reflect all of their time worked and break out the actual time spent on the grant funded project. See §200.430(i) (1). The actual cost of these employees, including fringe, may be used as cost share or match.

## **Other Considerations**

### Maximum Obligation

The maximum obligation of FS for support of the project will not exceed the amount specified in the grant, as amended. FS does not amend grants to provide additional funds for such purposes as reimbursement for unrecovered indirect costs resulting from the establishment of final negotiated rates, or for increases in salaries, fringe benefits and other costs.

## Pre-Award Costs

Grantees may incur allowable pre-award costs within the 90-day period immediately preceding the start date of the grant providing:

- The Grantee seeks and attains respective FS Grant Manager (national or regional, as applicable) approval and complies with respective national or regional guidance for advances and pre-award costs; and
- FS approval of a request for advanced spending is documented in accordance with the grantee's procedures; and
- the advanced funding is necessary for the effective and economical conduct of the project.

Pre-award expenditures are made at the grantee's risk. Grantee authority to approve pre-award costs does not impose an obligation on FS: (1) in the absence of appropriations; (2) if an award is not subsequently made; or (3) if an award is made for a lesser amount than the grantee anticipated.

Requests for pre-award costs for periods exceeding 90 days must be submitted to FS via use of FS's electronic systems. Pre-award expenditures prior to funding of an increment within a continuing grant are not subject to this limitation or approval requirement but are subject to paragraph (ii) above.

## Post-End Date Costs

FS funds may not be expended subsequent to the end date of the grant, except to liquidate valid commitments that were made on or before the end date, e.g., commitment of project funds for subrecipient or contractor for services rendered during that award period but not billed to the grantee until after the grant expired. Generally, the costs of equipment or materials and supplies ordered after the end date, may not be charged to the project.

In addition, the grantee typically should not purchase items of equipment, computing devices, or restock materials and supplies in anticipation of grant expiration where there is little or no time left for such items to be utilized in the actual conduct of the research.

However, in accordance with [2 CFR § 200.461](#), Publication and Printing costs, awardees may charge the FS award before closeout for the costs of publication or sharing of research results, if the costs are not incurred during the period of performance of the award.

## Prior Written Approvals

The funding of items identified in the FS award budget constitutes FS's authorization for the grantee to incur these costs, provided there is not a specific limitation in the grant language and the costs are otherwise allowable, allocable, and reasonable in accordance with the cost principles contained in 2 CFR § 200, Subpart E. If required in furtherance of the project, the grantee is authorized to transfer funds from one budget category to another for allowable expenditures. Grantees should refer to the applicable grant terms and conditions referenced in the grant.

When a change requires FS approval, the request must be submitted to the appropriate FS official. The request should clearly state which budget items, if any, are to be changed and by what amounts, and should explain the reasons for any changes.

## **O. Direct Costs**

### **Compensation - Personal Services**

#### Salaries and Wages

Compensation paid or accrued by the organization for employees working on the FS-supported project during the grant period is allowable, in accordance with [2 CFR § 200.430](#).

## Fringe Benefits

If the recipient's usual accounting practices provide that its contributions to employee benefits (leave, employee insurance, social security, retirement, other payroll-related taxes, etc.) be treated as direct costs, FS grant funds may be requested to fund fringe benefits as a direct cost. These are typically determined by application of a calculated fringe benefit rate for a particular class of employee (full time or part-time) applied to the salaries and wages requested. They also may be paid based on actual costs for individual employees, if that institutional policy has been approved by the cognizant federal agency.

Fringe benefits that are not accrued but are charged as direct costs and incurred under "pay as you go plans" may be subject to reasonableness determination where the benefits are earned under other work and charged to the last activity the employee was working on. This is of particular concern for large lump sum payments for leave, disability, pregnancy or other employee fringe benefits. See [2 CFR § 200.431](#) for the definition and allowability of fringe benefits.

## Administrative and Clerical Salaries & Wages

In accordance with [2 CFR § 200.413](#), the salaries of administrative and clerical staff should normally be treated as indirect (F&A) costs. Direct charging of these may be appropriate only if all the conditions identified below are met:

- Administrative or clerical services are integral to a project or activity;
- Individuals involved can be specifically identified with the project or activity;
- Such costs are explicitly included in the approved budget or have the prior written approval of the cognizant FS Grants Officer; and
- The costs are not also recovered as indirect costs.

## Federal Employees

Employees of the Federal government (other than FS) may be utilized as lecturers or staff members on a project and may receive compensation and/or expenses if they obtain prior approval from their agencies to participate, and if services to the project are performed outside their regular working hours or while they are on leave status from official duties. Under no circumstances may FS employees receive compensation from an FS-supported project.

## **P. Other Direct Costs**

### Rearrangements and Alterations (Construction)

- Except under certain programs, FS does not normally make grants for construction or facility improvements. However, rearrangement and alteration costs that do not constitute construction (i.e., rearrangements and alterations aggregating less than \$25,000) may be allowable under FS grants to adapt space or utilities within a completed structure to accomplish the objective of the FS-supported activity, provided that the:
  - grantee is not an individual or a foreign organization;
  - building has a usable life consistent with project purposes and is architecturally suitable for conversion;
  - rearrangement and alteration are essential to the project supported by the grant; and
  - space involved will actually be occupied by the project. In situations where the space is rented, in order for the costs of the rearrangement and alteration to be allowable, the grantee must secure a lease for the length of the project. (See AAG Chapter V.C.3.)

See [2 CFR § 200.462](#) for additional information on rearrangement and reconversion costs.

### News Release Costs

Costs of communicating with the public and press to announce the results and accomplishments of an FS-supported project are allowable. Grantees should be aware of the restrictions on advertising, organizational promotion, and lobbying costs as outlined in the applicable cost principles. See [2 CFR § 200.421](#) for additional information on advertising and public relations.

### Rental or Lease of Facilities or Special Purpose Equipment

On occasion, it may be necessary to use facilities or equipment not under the control of the grantee. See [2 CFR § 200.465](#) for additional information on rental costs of real property and equipment.

### Relocation Costs

Relocation costs may be charged to an FS grant as other direct costs in accordance with the cost principles contained in 2 CFR § 200, Subpart E. See [2 CFR § 200.464](#) for additional information on relocation costs.

### Temporary Dependent Care Travel Costs

Temporary dependent care costs (a dependent is defined in 26 U.S.C. 152) above and beyond regular dependent care that directly results from travel to conferences are allowable costs provided that the costs are:

- a direct result of the individual's travel for the FS conference award;
- consistent with the awardee's documented travel policy for all employee travel; and
- only temporary during the travel period.

See [2 CFR § 200.474](#) for additional information on travel costs.

## **Q. Indirect Costs**

It is FS's policy that grantees are entitled to reimbursement from grant funds for indirect costs (F&A) allocable to the FS share of allowable direct costs of a project. FS program staff are not authorized to negotiate indirect costs as a discrete item of a proposal budget. FS program staff also are not authorized to suggest or request that grantee seek reductions or waivers of indirect costs.

The awarded indirect cost rate is generally based upon a grantee's current federally negotiated indirect cost rate agreement. When establishing an indirect rate for an award where the domestic grantee does not have a current negotiated rate agreement, FS will consider the rate proposed in the budget, the grantee's indirect cost proposal submission, the amount of total funding requested and other pertinent financial factors. Supporting documentation is not required for organizations that request a *de minimis* rate of 10% (or less) of modified total direct costs. Since some types of rates limit indirect cost recoveries and require adjustments, grantees receiving awards should ensure that they understand the type of indirect cost rate, the applicable base and the type of rate used in the grant.

### FS Cognizant Organizations

If the Forest Service (FS) is your cognizant Agency and you need to obtain a NICRA, please visit FS Resource Audit branch (RAB) [Audit and Assurance Staff | US Forest Service \(usda.gov\)](#). Refer to the Appendix for the FS NICRA application that you may be required to submit. Please contact the RAB before filling out the form bel

## Part VI: Other Post Award Requirements and Considerations

### R. Common Federal Statutes

#### Non-Discrimination Statutes

A number of statutes bar recipients of Federal financial assistance from excluding persons, because of their race, color, national origin, disability, sex, or age, from participation in Federally supported activities. These include Title VI of the Civil Rights Act of 1964 (barring discrimination on grounds of race, color, or national origin); Section 504 of the Rehabilitation Act of 1973 (barring discrimination against qualified individuals with disabilities); Title IX of the Educational Amendments of 1972 (barring sex discrimination in Federally assisted education programs or activities); and the Age Discrimination Act of 1975 (barring discrimination on the grounds of age). In addition to statutory prohibitions, Executive Order (E.O.) 11246 bars various types of discriminatory employment practices under grants for construction, and E.O. 13166 "Improving Access to Services for Persons with Limited English Proficiency" requires government agencies to take steps to provide meaningful access to its programs and activities to members of the public who are limited in their English proficiency (LEP).

#### Title VI of the Civil Rights Act of 1964

Section 602 of the Civil Rights Act of 1964 (42 USC § 2000d, et seq.) provides that no person in the US shall, on the grounds of race, color or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity receiving Federal financial assistance. Section 602 requires that each Government agency which is empowered to extend such financial assistance issue rules or regulations implementing Title VI with respect to such programs or activities administered by the agency.

#### Section 504 of the Rehabilitation Act of 1973

Section 504 of the Rehabilitation Act of 1973, as amended (29 USC § 794) provides that "no otherwise qualified individual with a disability in the United States...shall, solely by reason of her or his disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance."

Before any organization serves as a subrecipient on an FS grant (for other than the purchase of commercially available materials and supplies, equipment or general support services), it must first file an Assurance of Compliance with the grantee.

#### Section 504 Certification - Subrecipients

In lieu of requiring grantees to obtain separate certifications from subrecipients receiving financial assistance under an FS grant, grantees will include in all subawards (for other than the purchase of commercially available materials and supplies, equipment or general support services), a certification of compliance comparable to that included in FS grants.

#### Title IX of the Education Amendments of 1972 (Sex Discrimination)

Subject to certain exceptions regarding admission policies at certain religious and military organizations, Title IX of the Education Amendments of 1972 (20 USC §§ 1681-1686) prohibits the exclusion of persons on the basis of sex from any education program or activity receiving Federal financial assistance. All FS grantees must comply with Title IX.

#### Age Discrimination Act of 1975

The Age Discrimination Act of 1975, as amended (42 USC § 6101 et seq.), provides that pursuant to regulations issued by DHHS "no person in the United States shall, on the basis of age, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity receiving Federal financial



assistance.”

#### Equal Employment Opportunity under E.O. 11246

E.O. 11246, as amended, requires contractors and subcontractors performing Federally assisted construction projects to provide equal opportunity, without regard to race, color, religion, sex or national origin, to persons employed or seeking employment with them. This E.O. may apply to some FS grants for construction.

#### Limited English Proficiency (LEP) under E.O. 13166

E.O. 13166 requires government agencies to take steps to provide meaningful access to its programs and activities to members of the public who are limited in their English proficiency (LEP). The primary purpose of the E.O., in regard to Federally assisted and conducted programs, is to ensure that people for whom English is not a first language, people who may be said to be “limited” in their English proficiency, may still enjoy meaningful access to the programs and services offered by Federal agencies.

### **S. Suspension and Termination Procedures**

A grant may be suspended or terminated in whole or in part in pursuant to [2 CFR 200.340](#) this includes:

- If the grantee fails to comply with the terms and conditions of the grant;
- to the greatest extent authorized by law, if an award no longer effectuates the program goals or agency priorities;
- mutual agreement of FS and the grantee; or
- the grantee on written notice to FS setting forth the reasons for such action, the effective date, and, in the case of partial termination, the portion to be terminated or suspended (with the understanding that if FS determines that the unterminated portion will not accomplish the purposes of the grant it may suspend or terminate the entire grant).

Normally, action by FS to suspend or terminate a grant will be taken only after the grantee has been informed by FS of the proposed action or informed of any deficiency on its part and given an opportunity to correct it. FS, however, may immediately suspend or terminate a grant without notice when it believes such action is reasonable to protect the interests of the government.

No costs incurred during a suspension period or after the effective date of a termination will be allowable, except those costs which, in the opinion of FS, the grantee could not reasonably avoid or eliminate, or which were otherwise authorized by the suspension or termination notice, provided such costs would otherwise be allowable under the terms of the grant and the governing cost principles.

Within 30 days of the termination date the grantee will furnish a summary of progress under the grant and an itemized accounting of costs incurred prior to the termination date or pursuant to (iii) above. Final allowable costs under a termination settlement shall be in accordance with the terms of the grant, including this section, and the governing cost principles, giving due consideration to the progress under the grant. In no event will the total of FS payments under a terminated grant exceed the grant amount or the FS pro rata share when cost sharing was anticipated, whichever is less. A notice of termination other than by mutual agreement and/or the final settlement amount may be subject to review FS will report award terminations to the OMB-designated integrity and performance system in accordance with Federal regulation, but only after the grantee has had an opportunity to exhaust the review procedures. Procedures for Suspension or Termination by FS

When it is believed that a grantee has failed to comply with one or more of the terms and conditions of a grant, the FS Grants & Agreements Specialist will normally advise the grantee in writing of the nature of the problem and that failure to correct the deficiency may result in suspension or termination of the grant. The grantee will be

requested to respond in writing within 30 calendar days of the date of such letter, describing the action taken or the plan designed to correct the deficiency. Copies of such correspondence will be furnished to the grantee and to the cognizant FS Program Officer. FS, however, may immediately suspend or terminate a grant without notice when it believes such action is reasonable to protect the interests of the government.

If a satisfactory response is not received within the above period, the FS Grants & Agreements Specialist may issue a notice immediately suspending authority to further obligate grant funds, in whole or in part. Notice of suspension is sent to the Authorized Organizational Representative, with a copy to the PI/PD. Within FS, copies are furnished to the FS Division of Financial Management and to the cognizant FS Program Officer. The notice will set forth the terms of the suspension and its effective date.

Normally, the suspension will remain in effect for a maximum of 60 days to allow the grantee to take corrective action. In the event that the deficiency is not corrected to the satisfaction of FS, the FS Grants & Agreements Specialist may issue a notice of termination, addressed as in b., above. The notice will set forth the reasons for the action and its effective date.

- The Forest Service reserves the right to terminate the award and de-obligate award funds when the grantee fails to demonstrate satisfactory performance and timely completion of project activities, or when financial and performance standards are non-compliant with the grant agreement.

## **T. Termination by Mutual Agreement**

Circumstances may arise in which either FS or the grantee wishes to terminate a project. If both parties agree that continuation of the project would not produce results commensurate with the further expenditure of funds, or if there arises any other reason, the grant may be terminated by mutual agreement.

### Procedures

If the grantee wishes to terminate the project, the grantee should advise the FS Grants & Agreements Specialist in writing and send a copy to the cognizant FS Program Officer.

If FS wishes to terminate the project, the FS Grants & Agreements Specialist will advise the in writing and send copies the cognizant FS Program Officer.

Within 30 days after receipt of request from either party for termination by mutual agreement, the other party will provide an appropriate written response. In the event of disagreement between the parties, the FS Grants & Agreements Specialist will make a final decision, subject to the review procedures and FS policies.

Following termination, grant closeout procedures will be initiated.

## **Appendix**

Please refer to the separate appendix file for samples of forms and documents.