



State Electronic Data Systems and Eligible Costs Under the Wildlife Restoration and Sport Fish Restoration Programs

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Summary: This guidance outlines a Wildlife and Sport Fish Restoration (WSFR) process for how to assess modules/components and associated costs of a State fish and wildlife agency's State Electronic Data System (SEDS) to determine what activities and associated costs may be considered eligible and allowable under an approved Wildlife Restoration or Sport Fish Restoration Federal award (award). SEDS are used by State fish and wildlife agencies (State agency) to sell licenses, collect data, and communicate information. While costs associated with components of SEDS (e.g., those for the primary purpose of producing income (such as license sales) or for law enforcement activities) are ineligible, other components may be considered eligible when appropriately supported. This guidance informs WSFR and State fish and wildlife agency staff on an assessment and preapproval process that allows State fish and wildlife agencies to allocate eligible SEDS costs to an approved award.

Audience: WSFR and State staff

Program: Wildlife Restoration Program and Sport Fish Restoration Program

Definitions: The following terms are relevant to this guidance:

Data dashboard means, for the purposes of this guidance, an information management tool that focuses on the presentation of data collected or analyzed for the benefit of a State fish and wildlife agency and the public. They are customizable to meet the specific needs of an agency. A dashboard connects to files, attachments, services, or an application programming interface and displays data in the form of tables, line charts, bar charts or gauges. A data dashboard is the most efficient way to communicate information from multiple data sources because it provides a central location for entities to monitor and analyze performance.

State Electronic Data System (SEDS) means, for the purposes of this guidance, an electronic system used by a State fish and wildlife agency to sell licenses and/or support other financial transactions, collect and manage data, and communicate information. The functions and abilities

of a SEDS may vary depending on the State fish and wildlife agency needs and organization. This definition is not intended to limit the scope of an electronic system that a State fish and wildlife agency may employ and may apply to multiple electronic systems if applicable to the management of a State fish and wildlife agency.

Background: When the Wildlife Restoration (WR) Act and Sport Fish Restoration (SFR) Act were passed (1937 and 1950, respectively), license sales became an important component of the Congressionally mandated funding formula the U.S. Fish and Wildlife Service (Service) uses for awarding annual apportionments to State agencies. Originally these license sales were tracked manually. As technology improved, State agencies began using automated point of sale or electronic licensing systems such as the Automated Sportsman's Data Systems (ASDS) for collecting payments from issuing hunting and fishing licenses and accounting for license sales. As the primary purpose for point of sale and ASDS was management of hunting and fishing license revenue for the State fish and wildlife agency, using grant funds to support the system was considered ineligible for funding as "activities conducted for the primary purpose of producing income," (see 50 CFR 80.54(c)) and all associated costs were ineligible using WSFR funds. As technology has improved and agency activities have expanded over the years, traditional licensing systems have evolved to accommodate a variety of needs and purposes and have been combined with other public facing electronic systems designed to collect and share data and information as a public interface. A Director's Memorandum issued July 11, 1996 (*Automated Sportsman's Data Systems (ASDS) - - - Formerly Point of Sale*), describes the Service's awareness of the changing technology and the potential eligibility of some costs associated with the expanding systems. More than twenty years later, SEDS have evolved further and become a tool for a variety of actions related to the conservation of fish and wildlife resources and associated administration of a State agency. Some systems may be combined within a State to accommodate multiple purposes or used in conjunction with other State agencies. States are using technology to increase efficiency and generate cost savings, so it is possible that the SEDS that sells hunting and fishing licenses may include components for collecting data and funds, distributing information, or administering activities for other purposes such as driver's licenses, vehicle registrations, park entry permits, and other sources of revenue for States. The complexity of evolving systems has made it more difficult to determine what is and is not eligible under an award.

WSFR researched SEDS and discussed with a few major vendors how they offer and charge for services. SEDS have a variety of uses and associated components or modules (e.g., customer service and interaction, public communication, research and scientific data, technical assistance, and management and administration). Our research determined that SEDS vendors could assign costs specific to certain components/modules, allowing States the potential to separate eligible and ineligible costs. States that maintain internal systems without using a vendor also may have this ability. Therefore, this guidance is based on the ability of State agencies to demonstrate and document how SEDS costs are allocated to eligible activities and then may be assigned as necessary, reasonable, and allocable to their respective award. A cost is allocable to an award if

the goods or services involved are chargeable and assignable to that award in accordance with the relative benefits received. Additional cost allocability guidance is provided at 2 CFR 200.405.

Authorities: Wildlife Restoration, [16 U.S.C. 669 et seq.](#)

Sport Fish Restoration, [16 U.S.C. 777 et seq. except 777e-1 and g-1](#)

Financial Assistance: Wildlife Restoration, Sport Fish Restoration, Hunter Education and Safety, [50 CFR 80](#) (76 FR 46150, August 1, 2011, as amended by 84 FR 44772, August 27, 2019)

Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, [2 CFR 200](#)

[Modernizing the Pittman-Robertson Fund for Tomorrow's Needs Act](#), Public Law 116-94 (December 20, 2019)

[The Target Practice and Marksmanship Training Support Act](#), Public Law 116-17 (March 10, 2019)

Guidance:

A. Are certain activities in a SEDS eligible for funding under the Wildlife Restoration (WR) and/or Sport Fish Restoration (SFR) programs?

Yes, some activities in a SEDS may be considered eligible for funding under the WR and SFR programs. Refer to the regulations at 50 CFR 80.50 and 80.51, the Target Practice and Marksmanship Training Support Act (P. Law 116-17), and the Modernizing the Pittman-Robertson Fund for Tomorrow's Needs Act (P. Law 116-94) to identify if an activity supported in a SEDS could be eligible. If an activity is supported by the regulations or public laws and there is a distinct module in the SEDS to assist in implementing the activity or project, or the activity and associated costs can otherwise be documented as eligible, part or all of the activity may be considered eligible and associated costs may be charged to an award.

B. How does a State determine which costs of a SEDS may be charged to an approved award under the WR and SFR programs? To determine which activity costs of a SEDS may be charged to an approved award, a State fish and wildlife agency must:

- (1)** If a SEDS supports eligible activities, determine if eligible activities are separated in the SEDS as distinct components or modules that can be distinguished from ineligible activities. If there aren't distinct components and you cannot document allocable costs, they would be considered ineligible.
- (2)** Determine whether costs associated with a distinct, eligible component(s) or module(s) are listed separately in the documentation of costs you receive from the vendor that provides these services or can be documented separately in a self-managed system. If they are not currently

separated, request your vendor do so, or if using a self-managed system, determine if it is possible to separate those components or modules and identify costs by activity.

(3) Following the process for pre-approval at G., develop a SEDS Cost Allocation Plan that clearly demonstrates the eligibility of the proposed activity(ies) and directly document the associated costs. Only costs associated with a distinct, eligible activity(ies), and that a State, vendor, or other service provider can document separately, may be charged to an award.

(4) Once your SEDS Cost Allocation Plan is accepted, include eligible activities and associated costs in a grant proposal and demonstrate how they support the objectives of a specific award.

(5) Ensure that no costs of a SEDS are included in an award that are explicitly ineligible:

(a) If all or part (a component or module) of a SEDS results in or supports an activity with the primary purpose of producing income (e.g., license revenue; see 50 CFR 80.20 for types of license revenue), it is ineligible (see 50 CFR 80.54); and

(b) If a SEDS component or module is used for law enforcement, it is ineligible (see 50 CFR 80.54). Note: Law enforcement employees may be tasked with engaging in eligible activities, such as collecting harvest information. If these law enforcement employees upload information related to an eligible activity into a separate module of the SEDS, the costs of that module may be eligible and allowable.

C. What are some examples of activities in a SEDS component or module that would be considered eligible for funding under the WR or SFR Acts when associated costs are clearly demonstrated and directly documented? Some examples of activities that could be considered eligible (see A.) when part of an approved award are:

(1) Managing data for certifying the number of license holders in a State to report to WSFR for determining annual apportionments.

(2) Registering students for hunter, angler, shooter, aquatic, and other types of eligible education.

(3) Issuing certificates to students who have completed eligible courses.

(4) Importing data from education vendors (e.g., when a hunter education vendor collects information and transmits it to the State fish and wildlife agency).

(5) Collecting, assessing, and analyzing data associated with species and habitat surveys. This could include developing and implementing mobile applications for such purposes.

(6) Surveying:

(a) the public regarding specific or general topics that inform the State fish and wildlife agency to support WR and/or SFR projects or goals;

(b) the public about their attitudes toward hunting, fishing, boating or archery, and shooting sports, including human dimensions research;

(c) hunters, anglers, and boaters about their level of participation or experiences, costs of engaging in the activity, or other information that a State fish and wildlife agency collects from participants to assist the agency in understanding trends and determining needs. For example, surveys conducted through the Migratory Bird Harvest Information Program. These costs are allowable whether the survey is voluntary or required; or

- (d) lapsed hunters, anglers, or boaters provided the survey is not associated with encouraging the lapsed participant to purchase a license.
- (7) Planning for, managing, maintaining, and monitoring real property assets.
- (8) Identifying individuals who successfully completed a hunter or angler education program but did not purchase a hunting or fishing license. While this activity requires access to information from the ineligible license sales system, it is not associated with the selling of the license and is eligible.
- (9) Registering harvest or catch, including collecting information from a hunter or angler on species, locations, experiences, etc.
- (10) Managing volunteers and documenting volunteer match associated with an award.
- (11) Collecting and/or storing geographical information, such as locations of Wildlife Management Areas, habitat treatments, public target ranges, fishing access sites, etc. These collections may also be associated with mobile device applications.
- (12) Uploading incident reports for agencies to use in assessing program effectiveness, such as nuisance animal complaints, disease reporting, and technical assistance.
- (13) Maintaining data dashboards that supply information to the public. Any component of the dashboard that is associated with license sales, permit fees, etc. is ineligible. If the dashboard contains a combination of information, costs are allowable only if eligible components can be clearly determined.
- (14) Managing data to track locations of existing public target ranges and assist in identifying potential locations for new public target ranges.
- (15) Communicating to the public on eligible activities via push notifications, text messages, and other electronic means, to provide information such as locations that provide recreational opportunities, upcoming events, and alerts associated with hunting and fishing activities.
- (16) Collecting data to assist in targeting public audiences for education on the conservation and responsible use of wildlife resources.
- (17) Using data to develop strategic communication efforts (advertising, marketing) to target the public or specific segments of the public for select reasons that support eligible activities.
- (18) Collecting and disseminating data to assist in targeted R3 efforts.
- (19) Informing and educating the public to create greater understanding about their responsibilities to comply with laws, orders, and regulations.

D. What are some examples of activities in a SEDS component or module that would be considered ineligible for funding under the WR or SFR Acts? Examples of activities that would be considered ineligible under the WR or SFR Acts are:

- (1) Selling and issuing licenses, including permits, tags, stamps, access fees, or any other privilege. This would include issuing free licenses to veterans or senior citizens, etc. as the activity is for the purpose of producing income, even when there are exceptions.
- (2) Developing/providing a mobile device application for licenses sales, including any electronic platform needed to support the application.
- (3) Registering boats (although using boater registration data may be eligible).

- (4) Collecting fees for boat space, access, or services such as slips, moorings, marina fees, pumpout fees, etc.
- (5) Selling items such as cups, mugs, magnets, T-shirts, calendars, etc. that promote the State fish and wildlife agency, or any other fundraising activities.
- (6) Issuing coupons, prizes, or payments to volunteers, participants, or other targeted audiences.
- (7) Selling gift certificates for any purpose.
- (8) Collecting donations.
- (9) Memberships where funds are collected, whether voluntary or required.
- (10) Any activities related to developing, adopting, implementing, or enforcing laws, orders, and regulations. Note, law enforcement as used here is a verb and describes the action of developing or enforcing laws. It does not apply to law enforcement personnel conducting eligible activities (see B(5)(b)).
- (11) [Wildlife Violators Compact Interface](#).
- (12) Activities associated with quota or lottery hunts, if fees are collected for any lottery hunts the agency offers. If an agency offers lotteries for the purpose of species management and no fees are collected for them, these components may be considered eligible.
- (13) Connections, interfaces, or other support the SEDS allows or provides for point of sale vendors.
- (14) Reservation systems for camp sites or other lodgings.

E. Are the administration, operation, and maintenance of a SEDS eligible activities under an approved award? Yes, for those SEDS components or modules that are eligible under the WR or SFR Acts, administration, operation, and maintenance are eligible activities. Examples of administration, operation, and maintenance activities are items such as hosting the website; maintaining the system; data security, cyber threat abatement, and damage repair; and providing a Help Desk or other customer support. If administration, operation, and maintenance costs are not split out by component or module, costs may be allocated to the award for eligible SEDS components or modules in proportion to overall administration, operation, and maintenance of the SEDS. A State agency must address how these costs would be assigned to eligible components of a SEDS in the SEDS Cost Allocation Plan, which may include an analysis similar to the example below:

Administration, operation, and maintenance for SEDS components or modules that support ineligible activities must not be assigned to the award. For example, a State fish and wildlife agency pays a vendor \$1.1M annually for their SEDS, which includes \$100,000 in administrative and operation and maintenance costs. The vendor provides stand-alone modules for several eligible activities that add up to \$400,000 of the \$1.1M of cost:

$\$1.1\text{M (Total costs)} - \$100,000 \text{ (Admin)} = \$1\text{M (for all the various components of the SEDS)}.$

Eligible activities are $(\$400,000/\$1,000,000)$ 40% of total activity costs. Therefore, 40% of the Admin. Costs $(\$100,000 \times 40\%)$, which is \$40,000, may be charged to the WSFR award.

F. Would costs of a SEDS module or component be allowable if the SEDS is used to support WR or SFR awards, but also supports other Federal programs/awards? Yes. A SEDS that supports WR or SFR may also support other Federal programs/awards and costs of a module/component could be allocated between programs when they are eligible under specific program regulations or policies and are allowable costs under 2 CFR 200. Costs must be documented as properly allocated to eligible funding sources and clearly show the same costs are not assigned to more than one award.

For example, many States use a SEDS to support the State Wildlife Grant Program (SWG) in addition to WR and SFR. Eligible costs may be allocated to awards to conduct such activities as:

- Maintaining lists of species and their conservation status;
- Maintaining and updating statewide management plans such as a State's Fish and Wildlife Management Plan, Wildlife Action Plan, or Comprehensive Management System Plan;
- Collecting species and habitat information and assessing status and progress;
- Identifying and monitoring habitat protection and improvement;
- Collecting public input; or
- Collecting volunteer data and managing volunteers.

G. What steps must a State fish and wildlife agency take to develop a SEDS Cost Allocation Plan for WSFR to consider whether costs associated with a SEDS are eligible for funding under the WR Program, the SFR Program, or both? A State fish and wildlife agency must receive preapproval from WSFR to include SEDS activities and associated costs in an award by submitting to WSFR a request for consideration of a SEDS Cost Allocation Plan. The plan must clearly demonstrate the costs associated with the SEDS that would be eligible for funding under WR and/or SFR awards. This is separate from and prior to a grant proposal, and once approved could be attached to multiple awards, as appropriate. The general process for obtaining preapproval includes:

- (1)** Developing a proposed SEDS Cost Allocation Plan to include:
 - (a)** Documenting costs for discrete SEDS modules or components that are specific to eligible activities and clearly separate costs from those associated with ineligible activities;
 - (b)** Where strong supporting information is available for allocating costs for modules or components that include both eligible and ineligible activities or purposes, documenting: (i) total costs, (ii) what is eligible and what is ineligible, (iii) what allocation method you use to assign costs to eligible and ineligible activities, and (iv) information to support your allocation methodology and determinations. WSFR strongly encourages States to request that their vendors provide component or module cost breakdowns that will support a State's ability to clearly present needed information;
 - (c)** A list of modules or components that are ineligible and for which you would not request funding; and
 - (d)** A complete and thorough analysis of your eligibility and allocation process.

- (2) Notifying the State agency's WSFR Regional Office of the intention to submit a SEDS Cost Allocation Plan and obtaining guidance on format, documentation, or submittal.
- (3) Submitting the information in (1) as a proposed SEDS Cost Allocation Plan (not a grant proposal) to the Regional WSFR Office for review and discussion before consideration will be given to approving the costs in an award.

H. What steps may be taken after a State fish and wildlife agency's SEDS Cost Allocation Plan is approved by the Service?

- (1) Once a SEDS Cost Allocation Plan has been reviewed and approved by the Regional WSFR Office, it will remain in effect, as is, if there are no changes. The State agency may be requested to affirm annually that there are no changes.
- (2) When attaching an approved SEDS Cost Allocation Plan to an award, a State agency must still provide the rationale for how the costs are necessary and reasonable, allocable, and support the objectives of that award.
- (3) The State agency must revise the SEDS Cost Allocation Plan and submit again for WSFR Regional Office review and approval whenever there are changes to the quantity of modules, how modules are used, data or information supporting the allocation that would significantly affect the allocation methodology, or other factors that would affect the allocation in a way that could result in an audit finding.
- (4) If the SEDS Cost Allocation Plan has no changes in how costs are allocated from one year to the next year, but the actual costs associated with the plan have changed, cost information may be updated without requiring a fully revised plan.
- (5) The WSFR Regional Office will document approval of a SEDS Cost Allocation Plan.
- (6) WSFR will reassess this process periodically and work with States to ensure the process meets program needs, is working as efficiently as possible, and is effective in allowing for States to maximize benefits without resulting in audit issues.