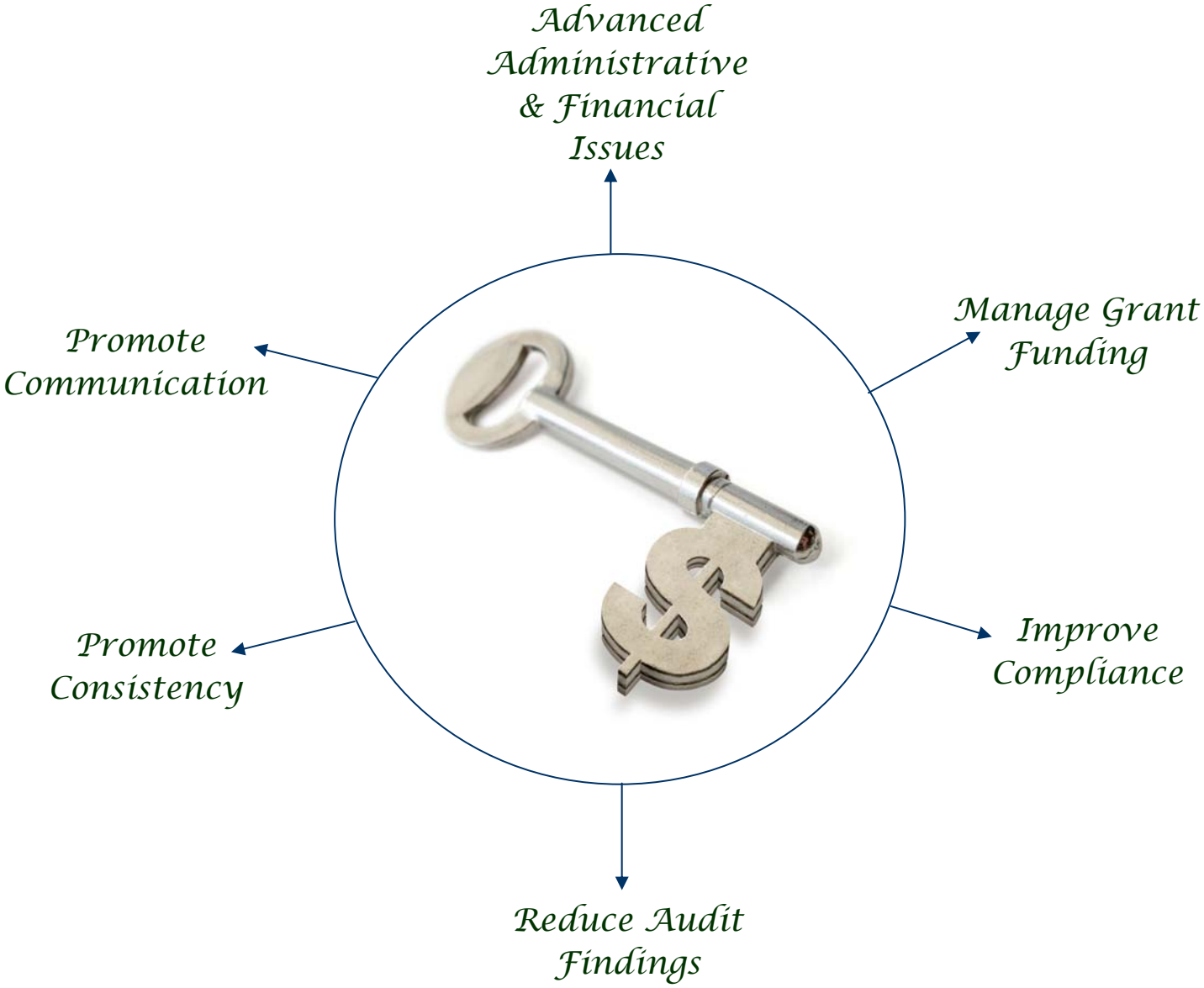
U.S. Fish & Wildlife Service

Wildlife and Sport Fish Restoration Program

Advanced Grants Management

Course Workbook ~ 2016



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Advanced Grants Management Course

Wildlife and Sport Fish Restoration
National Training Program
NCTC, October 19- 22, 2015

SUNDAY (Travel Day)

Check-in

MONDAY

8:30 a.m. Welcome/Introductions/Getting Acquainted

Review Agenda

Course Goals and Objectives

MORNING BREAK

IPAD Basics

WSFR Program Requirements

LUNCH

WSFR Program Requirements

AFTERNOON BREAK

WSFR Program Requirements

Review Day 1/Preview Day 2/Wrap-up

4:30 p.m. Adjourn

TUESDAY

8:00 a.m. Review Day 1/Preview Day 2

Program Income

MORNING BREAK

Program Income

LUNCH

In-Kind Match

AFTERNOON BREAK

In-Kind Match

Review Day 2/Preview Day 3/Wrap-up

4:30 p.m. Adjourn

WEDNESDAY

8:00 a.m. Review Day 2/Preview Day 3

Federal Financial Report– Completing SF 425

MORNING BREAK

Federal Financial Report– Completing SF 425

LUNCH

Real and Personal Property

AFTERNOON BREAK

Real & Personal Property

4:30 p.m. Adjourn

THURSDAY

8:00 a.m. Review Day 3/Preview Day 4

Pass Through Agreements

MORNING BREAK

Financial Systems and Cost Principles

LUNCH

Indirect Cost

AFTERNOON BREAK

Quiz Bowl

Course Review/Post-Course Survey/Certificates

4:30 p.m. Adjourn

FRIDAY (Travel Day)

Have a safe trip home!

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Goals and Objectives

Welcome to USFWS – Wildlife and Sport Fish Restoration Program's National Training. The goal of training is to:

> Provide a systematic and ongoing national training program to develop basic and specialized grants management knowledge and skills that result in the consistent and sensible application of regulations, processes, and decisions in the grant programs administered by WSFR Program

The purpose of the Advanced Grants Management Course is to provide a conceptual and working knowledge of ADVANCED administrative and financial issues in managing grants administered by WSFR Program.

Course Goal

To more effectively manage grant funding, improve compliance with administrative and financial rules and regulations, reduce audit findings, and promote consistency and communication.

Course Objectives

Increase participant's knowledge, skills, and abilities on

- Funding sources and methods of funds distributed for various grant programs administered by WSFR: and the Acts, Rules, and Regulations governing these grant programs
- Administrative compliance requirements including subrecipient monitoring
- Issues arising from management and monitoring of grant funds, spending mandates, and grant awards
- Accessibility of professional contacts across state and regional boundaries to assist in solving grant administrative and financial issues

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Objectives:

1. Identify the special conditions, requirements and spending mandates in the Wildlife Restoration and Sport Fish Restoration Acts.
2. Explain the requirements and/or mandates relating to Wildlife Restoration Program including hunter education.
3. Explain the requirements and/or mandates relating to Sport Fish Restoration Program including aquatic education, freshwater and marine fisheries and boating access.
4. Recognize the need for monitoring legislation affecting the State Fish and Wildlife Agency.
5. Describe the purpose and process of certifying hunting and fishing license holders and the importance of accurately reporting this information on the annual certification.
6. Analyze license counts to be included in an annual license certification in accordance with the rules and regulations.
7. Discuss the strategies for allocating and managing the requirements and mandates for both Wildlife Restoration and Sport Fish Restoration.
8. Explain how apportionments are obligated for approved grant awards, deobligated, recovered, reverted or returned.
9. Explain the various WSFR reports available, in Wildlife TRACS, to grantees in order to better manage obligations, expenditures, and balances.

Handouts:

- 3-1 State of Protection Single Year License Sales Data
- 3-2 State of Protection Multi-Year License Sales Data
- 3-3 Basic Hunter Education Funds Apportionment
- 3-5 Safety Margin Note Pages
- 3-13 Wildlife Restoration Act Funds Flow Chart
- 3-15 Sport Fish Restoration Act Funds Flow Chart
- 3-17 State Wildlife Grants Funds Flow Chart

License Certification Process

The Wildlife Restoration and Sport Fish Restoration Acts require the States to annually certify the number of persons holding paid licenses to hunt or fish for sport or recreation. The license certification counts are used in the apportionment formula; therefore it is critical that States prepare the license certification correctly.

The State prepares the Annual License Certification after official notification from the UFSWS each year. The information is certified as accurate by the Director of the State fish and wildlife agency

The counts are reviewed by the Washington Office and the Regional Office. If a State's certification shows an increase or decrease of greater than 5% in the number of certified paid license holders, WSFR will request an explanation from the State, determine reasonableness.

Once this process is complete, the license data is used to calculate and produce the apportionment to each State and Territory.

Notes:

50 CFR 80.30-39

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Exercise: Preparing the License Certification – Annual Licenses

Using the Toolkit read **50 CFR 80.30-39**. After reading the guidance, answer the questions below for the State of Protection's annual license certification. The State of Protection's annual license sales information can be found on **Handout 3-1**.

1. How would the State of Protection count the X Combination Hunting and Fishing License?

   Each holder would be counted once for hunting and once for fishing

   50 CFR 80.33

2. What would the State need to do to properly count the H and KK licenses?

   The State would have to ensure that the counts do not include duplicates.

   Either by having their automated license system eliminated the duplicates or

   by another valid statistical methods that elements the duplicates.

   50 CFR 80.31(3) and (4)

3. Could the State count the O license in the total of paid fishing licenses?

   No since the O license requires the purchase of a B or X license these

   license holders are already counted. The O license sales should be

   ignored when totaling the paid fishing license holders 50 CFR 80.33

4. Does the price of the H license cause any concern? If so, what specifically is the concern?

   50 CFR 80.34 requires that a license produce net revenue to the State to

   qualify as a paid license for the purpose of the License Certification. The

   State must be able to document that the license does produce net revenue.

	Exercise: Preparing the License Certification – Multi-year Licenses

Answer the questions below relating to the State of Protection's license certification. The State of Protection's lifetime license sales information can be found on **Handout 3-2**. Make sure you read the notes section below the chart.

1. Can the State of Protection count the infant lifetime license holders as paid hunting or fishing license holders? Please explain your answer.

   They can count valid licenses. Since the legal status of a license is State law it would depend on the language used in the State law. For example, if the law required Hunter Ed before the license was valid then the State would be required to eliminate for those holders who have not completed Hunter Ed Is the revenue in close approximation? Does it have to be annual or total?

2. Can the State of Protection count all the adult lifetime license holders? Please support your answer.

   No the State would have to eliminate for death using a statistically valid Method. If the State revoked the privileges of lifetime holders if they moved out of state they would also account for those holders.

3. How does the State of Protection demonstrate that the lifetime licenses produced net revenue?

   50 CFR 80.35 requires that a license produce net revenue to the State to qualify as a paid license for the purpose of the License Certification. The State must be able to document that the license does produce net revenue.
   § **50 CFR 80.35**. (a) A multiyear license may be valid for either a specific or. indeterminate number of years, but it must be valid for at least 2 years (b) The agency must receive net revenue from a multiyear license that is in close approximation to the net revenue received for a single-year license: providing similar privileges

Wildlife Restoration and Hunter Education Apportionments

Wildlife Restoration

- Distribution based on land/water area and license certification
- Available for 2 years (unused funds must pass safety margins or revert)
- Eligible Wildlife Restoration projects:
  - Restore and manage wildlife for public benefit
  - Research
  - Obtain data to regulate hunting
  - Acquire real property for habitat or access to hunting or other wildlife dependent recreation
  - Build structures, acquire equipment or goods and services for habitat restoration and public access
  - Operate and maintain WSFR funded projects or non-WSFR funded facilities if necessary for WSFR-authorized activities
  - WSFR and other related program grant coordination

States/Territories receive four separate WR apportionments annually

- Wildlife Restoration
- Basic Hunter Ed
- Enhanced Hunter Ed
- Reverted Enhanced HE

Basic Hunter Education

- Distributed based on population
- Available for 2 years (unused funds must pass safety margins or revert)
- Eligible Basic HE projects:
  - May use for HE or WR
  - Hunter education (teach knowledge, skills, attitudes)
  - Construct, operate & maintain firearm and archery ranges

Enhanced Hunter Education

- Distributed based on population ($8 million set aside)
- Eligible projects include:
  - Enhanced hunter development (introduce and recruit).
  - Enhanced interstate coordination of HE, firearm/archery range program
  - Enhanced programs for education, safety, or hunter and shooter development
  - Enhance construction & development of firearm & archery ranges
  - Update safety features of firearm & archery ranges
- 1 year availability
  - Funds not obligated or unspent for Enhanced HE unless transferred to Wildlife Restoration (if applicable) by the end of the fiscal year will revert
- Must use for Enhanced HE unless all Basic HE funds are used for HE
  - If all Basic HE funds are obligated for HE (no CY funds transferred to WR), Enhanced HE funds may be used on any WR project
  - If all Basic HE funds are obligated for HE (no CY funds transferred to WR), States/Territories are eligible for reverted Enhanced HE funds subsequent fiscal year

Wildlife Restoration Enhanced HE Reverted Funds

- Reverted Enhanced HE funds made available to eligible States/Territories. the subsequent fiscal year
- Distributed based on WR formula
- Available for 2 years
- Shown as separate apportionment

Sport Fish Restoration (Freshwater and Marine), Boating Access, Aquatic Education Apportionments

States/Territories receive an annual apportionment for Sport Fish Restoration. Grantees decide the amounts to be allocated to Freshwater, Marine, Aquatic Education and Boating Access from the Sport Fish Restoration apportionment within the following guidelines.

Sport Fish Restoration

- Distributed based on land/water area and license certification.
- Available for 2 years (funds passing through safety margins are recovered, funds that cannot pass through safety margins revert and are re-apportioned for SFR in subsequent year).
- Must be equitably divided between freshwater and marine, averaged over a three year period. (**SFR Act Sec. 1 (b)(1)**).
- May use up to 15% of annual SFR apportionment for Aquatic Education (may be split between FW & Marine). The 15% maximum does not apply D.C., Puerto Rico, Northern Mariana Islands, Guam, Virgin Islands, and American Samoa.
- Minimum of15% of annual SFR apportionment must be allocated to Boating Access subprogram - averaged for each Region over a 5 year period (if regional average falls below 15%, grantees that allocate below 15% will revert funds, funds will be re-apportioned for SFR in subsequent year).
- Boating Access funds allocated are available for 5 years (after 5 year period, funds remaining unobligated revert, funds passing through safety margins recover, funds that cannot pass through safety margins revert). Reverted funds are re-apportioned to SFR in subsequent year.

Notes:

WSFR – REPORTS AVAILABLE IN WILDLIFE TRACS

Background
Prior to the 2011 conversion to FBMS, grantees had access to a variety of reports in the Service's FAIMS accounting system. Grantees could view account information (obligations, expenditures, and balances), grant status, and reporting due dates. Since grantees cannot access FBMS, they no longer have direct access to these valuable reports. With the implementation of Wildlife TRACS, WSFR developed eight reports (similar to the FAIMS reports) to provide grantees the ability to independently access grant financial and reporting information. These reports are housed in Wildlife TRACS and updated regularly by WSFR Regional staff.

Navigate to the reports in Wildlife TRACS

- Go to: tracs.fws.gov
- Click on "Go to Sign in Page" on upper right of screen and login.
- Click on the "Reports" button

Register for a TRACS account at:
https://tracs.fws.gov/data_tracs/dt/account/register/start

Things to keep in mind:

- ✓ Reports are refreshed and downloaded from FBMS on, or around, the 15th of each month and are uploaded in TRACS within 3 days.
- ✓ Reports are a snapshot in time as of the "Report Refreshed Date" in the heading of each report. The information you are viewing may not represent the actual current status of our funds.
- ✓ These reports only account for grants that have been fully processed and obligated by the RO. Pending grants and amendments will not be included in these calculations.
- ✓ Many reports will require filtering or sorting to isolate the desired information
- ✓ Reports can be used individually to gain a forest level view of current fund status for a grant program or in tandem with other reports to obtain very specific information.

WSFR Program Funds Management Overview

Apportionments are initially loaded into roll-up accounts by the HQ office. Your Regional Office will move these funds from the roll-up account to the appropriate subaccounts based on:

- Apportionments to States;
- Requirements of the program; or
- Specific requests by the State/Grantee

WSFR Roll up and sub accounts:

Roll-up account	Sub accounts	Account description
5220		**Section 4 WR Roll-up**
	5221	Section 4 Hunter Education
	5222	Section 4 Wildlife Restoration
5230		**Section 10 Hunter Education/Wildlife Restoration Roll-up**
	5231	Section 10 Hunter Education
	5232	Section 10 Wildlife Restoration.
5620		**State Wildlife Grants Roll-up (2008 and subsequent appropriations)**
	5621	SWG Implementation (50/50 split)
	5622	SWG Planning (75/25 split)
	5624	SWG Implementation (65/35 split)
5720		**State Wildlife Grants Roll-up (2002 through 2007 appropriations)**
	5721	SWG Implementation (50/50 split)
	5722	SWG Planning (75/25 split)
	5724	SWG Implementation (65/35 split)
9510		**Sport Fish Restoration Roll-up**
	9511	Freshwater/Inland Aquatic Education
	9512	Saltwater/Marine Sport Fish Restoration
	9513	Saltwater/Marine Aquatic Education
	9514	Freshwater/Inland Sport Fish Restoration
9520		**Boating Access Roll-up**
	9521	Freshwater/Inland Boating Access
	9522	Saltwater/Marine Boating Access

Notes:

Types of Reports Available in Wildlife TRACS

(1) Federal Assistance Summary Report:

Provides a general overview of grants funding by grant program and subprograms. Use this report to determine:

- Total Federal funding available to date for the current FFY
  - Total available funding includes carryover, current year apportionment, and recoveries.
- Total amount obligated as of report run date
- Balance of unobligated funds as of the report run date
- Deobligations, recoveries, and reversions

(2) Subsidiary Ledger Detail Report

Provides a list of grant actions for the grant program during the current federal fiscal year (note the different tabs for each program). Use this report to determine:

- If a specific grant has been obligated and on what date the obligation occurred
- If and when funds were deobligated from a specific grant
  - Did the funds recover (available for reobligation)
  - Did the funds revert (should they have?)
- Overall status of grant actions for your program
- The subaccount of funding lines in ASAP (Fresh/Marine)

(3) Obligation & Expenditure Status Report

Provides a summary of all obligations and payments for each award line item for every open award. Use this report to determine:

- If a grant has been opened or closed in the FBMS system
- The unexpended balance for each grant and/or grant line item in ASAP
- The subaccount of funding lines in ASAP (Fresh/Marine)

(4) Obligation & Payment Report

Provides a listing of grant obligations by line and the payments (draws from ASAP) per line item. Use this report to determine:

- If/when an award or amendment has been obligated
- The remaining balance available on a particular line item
- The remaining balance available on a grant
- If a requested draw has been processed thorough ASAP and the date draw down occurred
- Grant/line item period of performance

(5) Milestone Plan Query

Provides reporting due dates for all open awards. NOTE: Once a report is received, it no longer appears on this report. Use this award to determine:

- Reporting due dates
- If you have any reports overdue

(6) FWS Year End Carry Over Report

Provides a scenario of what would happen to unobligated funds at the program and subprogram levels if the fiscal year were to end as of the report refresh date. Use this report to determine:

- How much the State will carryover in each grant program
    - Reversion adjustments will be returned to the State as carryover within the same grant program at a higher level.
- How much the State would revert if the fiscal year were to end as of the report refresh date

(7) Safety Margin Report
Provides previous year beginning and ending safety margin balances for each year by program. Use this report to determine:

- Track remaining balances on prior year safety margins
- Determine if a deobligation will recover or revert
- Determine if the safety margin you are planning on establishing in the current year is similar to past years

(8) FWS Safety Margin Simulation
Provides a simulation that calculates the safety margin for the current fiscal year based on obligations as of the report refresh date. Use this report to determine:

- The current year safety margin for each program as of the report refresh date

Where to Find Additional Information

WSFR has developed user guides for each report. User guides can be located on the Wildlife TRACS Wiki. In addition, a list of definitions is also available on this site. The user guides will continue to evolve and change in response to input from State/grantee users to ensure that they are beneficial.

Link to User Guides in Wildlife TRACS Wiki
https://tracs.fws.gov/wiki/display/TUG/FBMS+Reports

Remember:
You can always contact your Regional WSFR Fiscal Officer with questions and concerns.

To print the user guides and/or definitions, first convert them to a PDF version

Learning Points

- ✓ An accurate count of certified license holders is part of the apportionment formula for SFR and WR programs. Inaccurate reporting results in incorrect apportionment amounts and may result in audit findings
- ✓ Lifetime licenses may be counted as long as they provide net revenue in close approximation to the net revenue received for a single-year license providing similar privileges and the licensee remains a license holder in the year of certification
- ✓ Basic HE and WR funds are available for 2 years. The funds revert or recover based on safety margins
- ✓ Enhanced HE funds are available for 1 year. After 1 year unobligated or unspent funds are reverted and re-apportioned as 2 year WR funds to eligible States
- ✓ SFR funds must be split between marine and freshwater projects in proportion to the estimated number of resident marine and freshwater anglers
- ✓ The SFR Act mandates at least 15% of the SFR apportionment be spent on boating access over a 5 year period using regional averaging
- ✓ Boating Access funds are available for a 5 year period and will revert or recover based on safety margins
- ✓ Funds used for Aquatic Education may not exceed 15% of the annual apportionment, including both marine and freshwater (Exception are insular territories and the District of Columbia).
- ✓ SFR funds are available for 2 years. The funds revert or recover based on safety margins. Freshwater, marine and aquatic education funds are one combined safety margin.
- ✓ SFR funds are available for 2 years. The funds revert or recover based on safety margins. Freshwater, marine and aquatic education funds are one combined safety margin.
- ✓ A suite of grants management reports are available to States/grantees to assist them with effective grants implementation and management. These reports are available in Wildlife TRACS.

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State of Protection Annual License Sales

License	Description	Price	Count	Revenue
Resident Hunting and Fishing Licenses				
A	Annual Hunting License(Big Game and Small Game)	$20	50,000	$1,000,000
B	Annual Fishing	$20	70,000	$1,400,000
X	Combination Annual Hunting and Fishing License	$30	120,000	$3,600,000
H	6-Day Hunting (Small Game Only)	$2	10,000	$20,000
O	Trout Stamp (Annual Fishing License Required B or X)	$10	70,000	$700,000
Non-Resident Hunting and Fishing Licenses				
FF	Annual Fishing License	$40	15,000	$600,000
EE	Annual Hunting License	$150	40,000	$6,000,000
KK	3 – Day Fishing	$15	50,000	$750,000
OO	Trout Stamp (Annual Fishing License Required FF)	$10	10,000	$100,000

State of Protection Lifetime License Sales

License	Description	Cumulative Sales	Current Year Sales	Total License Holders
A-L	Adult Hunting	20,000	2,000	14,000
B-L	Adult Fishing	10,000	1,000	11,000
A- I	Infant Hunting	7,000	1,000	8,000
B-I	Infant Fishing	500	100	600

Notes:

The infant hunting (A-I) and fishing (B-I) is available for purchase for State residents 2 years of age and younger.

State law does not require a license for residents less than 12 years of age or greater 65 years of age.

All lifetime license revenue is deposited into an equity fund. State law specifies the principal shall be held inviolate. The State may use the increased market share for the purposes of administering the State fish and wildlife agency.

Lifetime license holders that no longer reside in the State retain their privileges.

CY Basic HE Apportionment

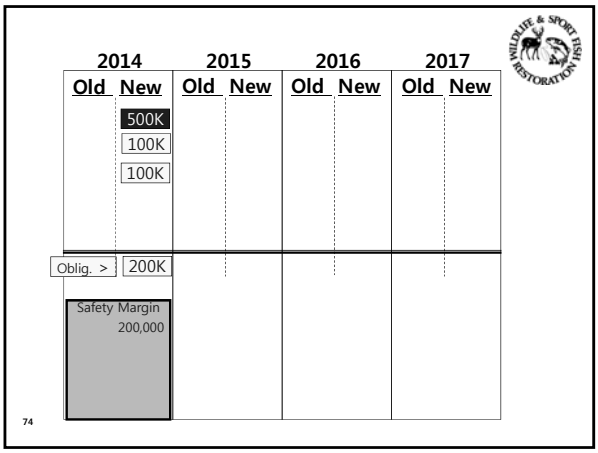
All Basic Hunter Education current year apportionment fully obligated for Basic Hunter Education projects?

Yes

- State may use Enhanced HE for Basic HE, Enhanced HE or transfer to WR for use on WR grants.
- State is eligible for reverted Enhanced HE funds.

No

- State is restricted to use Enhanced HE for Enhanced HE only or revert.
- State is ineligible for reverted Enhanced HE funds.
- Un-obligated or recovered Basic HE funds will be carried over and may cause concern in subsequent year.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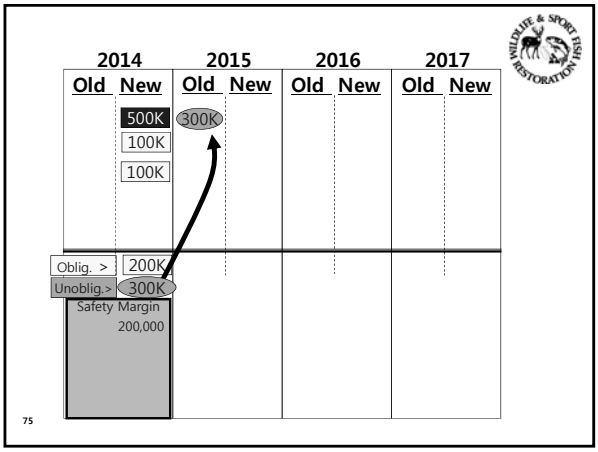
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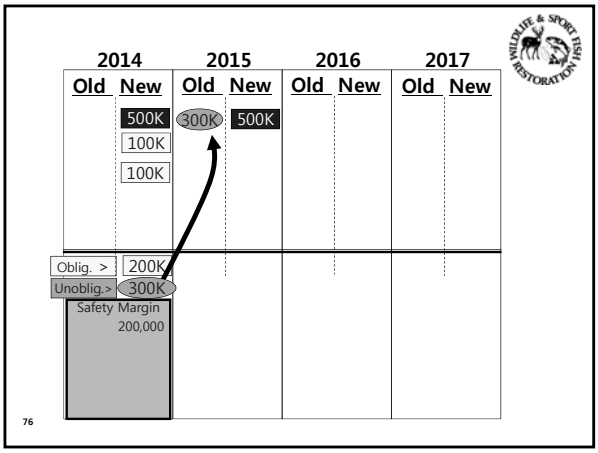
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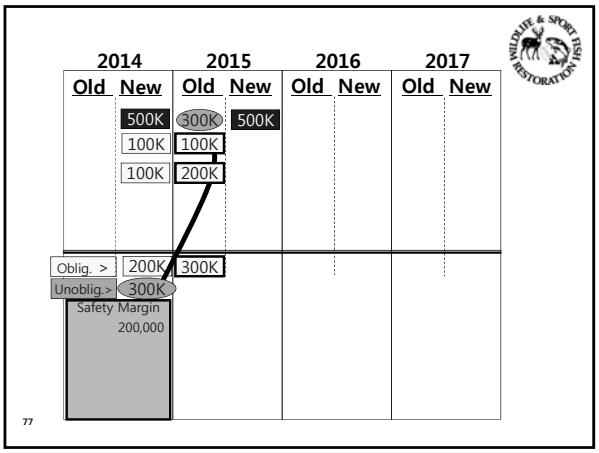
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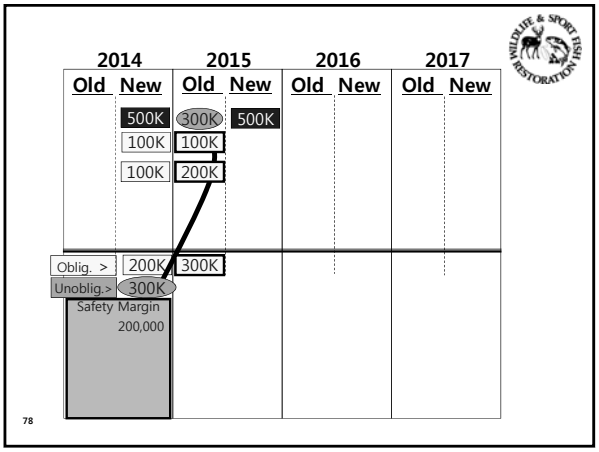
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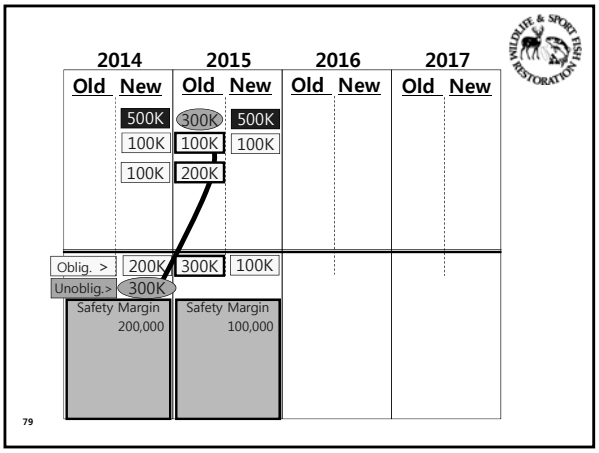
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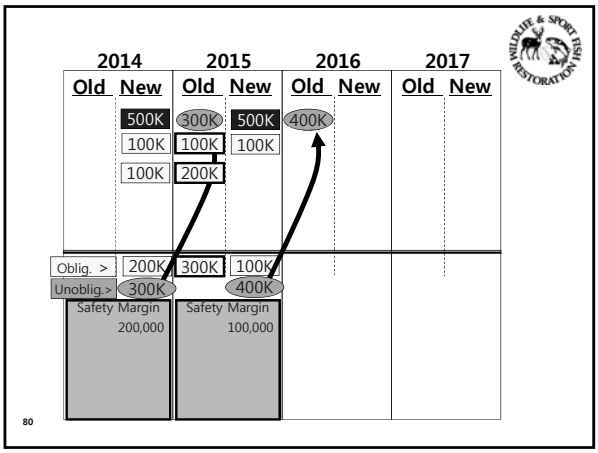
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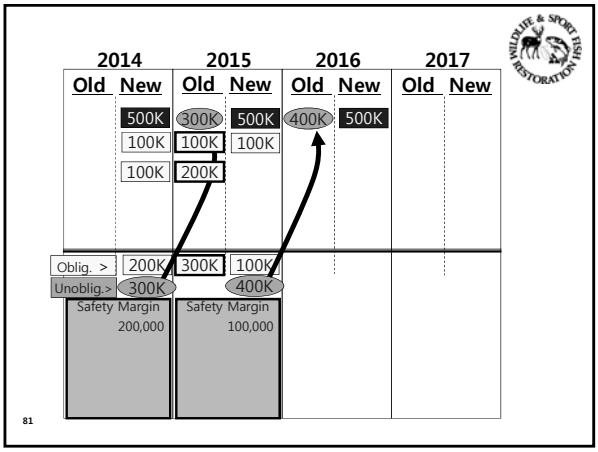
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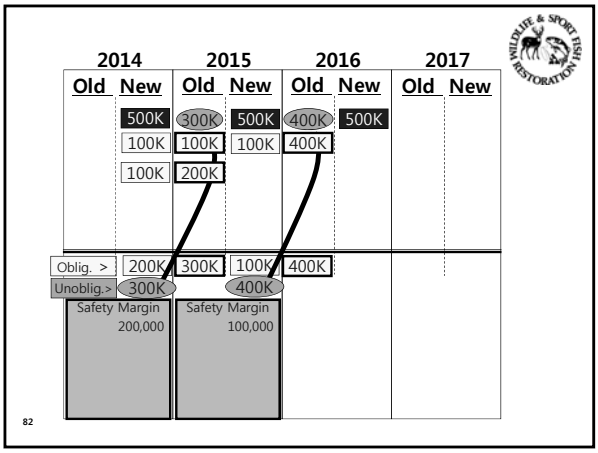
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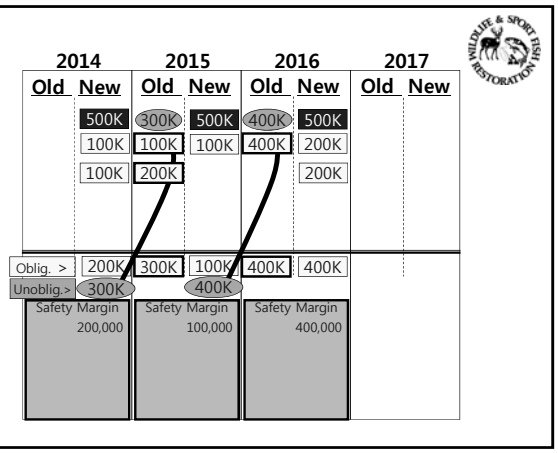
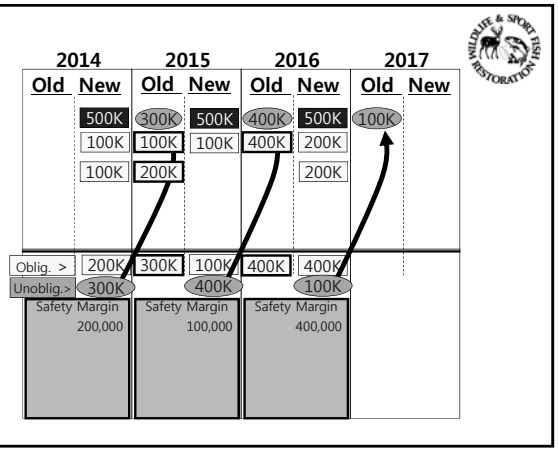
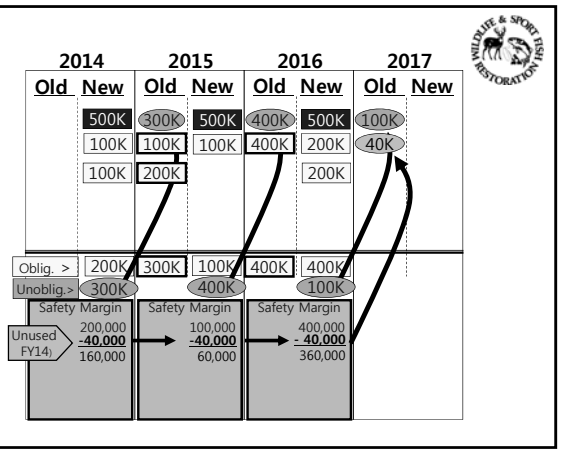




What happens if money comes back?

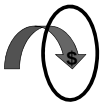
- 2014 grant of $100,000 closes in FY 2017
- Only $60,000 was spent
- To be recovered, the remaining $40,000 must 'pass through' 2014 safety margin and each subsequent safety margin

85



What happens if more money comes back?

- Another $100,000 2014 grant closes in FY 2017 and only $25,000 was spent
- The remaining $75,000 must pass through the safety margin in order to be recovered



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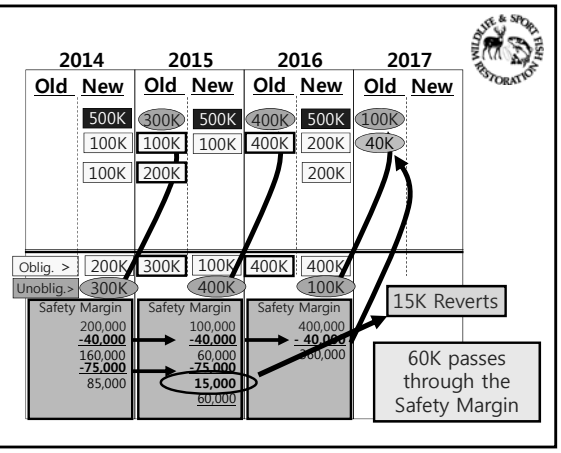


What happens to reverted funds?

- Returned to USFWS
- Used in Service's Migratory Bird Program

89

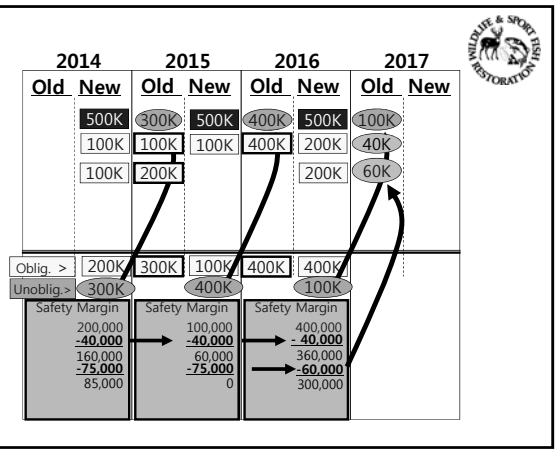
What happened to the FY15 Safety Margin?

- Safety Margin was reduced to zero balance
- Any additional FY15, or prior, unused balances will revert

90

What happens to the $60K which passed through the FY15 Safety Margin?

91



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Remember!

A Safety Margin…

- establishes maximum amount of money with a 2nd year of availability remaining
- is established at end of each FY
- is determined by amount of 'new' $$ obligated
- is established annually for WR and BHE

93

Safety Margins

- Unused Balances must "pass through" each Safety Margin, starting with year of obligation, to determine if $$ can be re-obligated
- Unused Balances that can't "pass through" the Safety Margin REVERT

94

Obligate $$ after it's apportioned

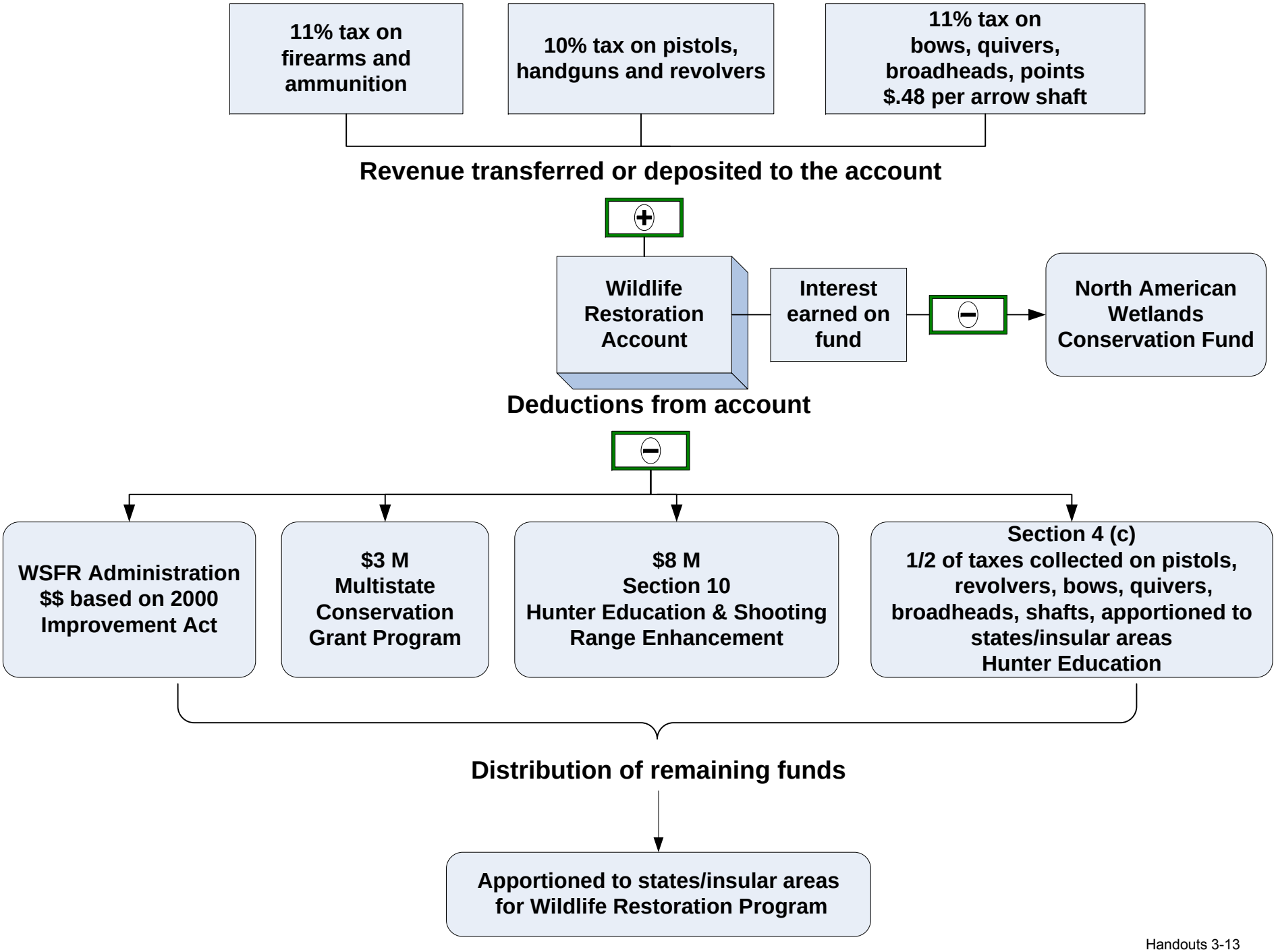
(But not more than you plan to spend!)

Spend $$ after it's obligated

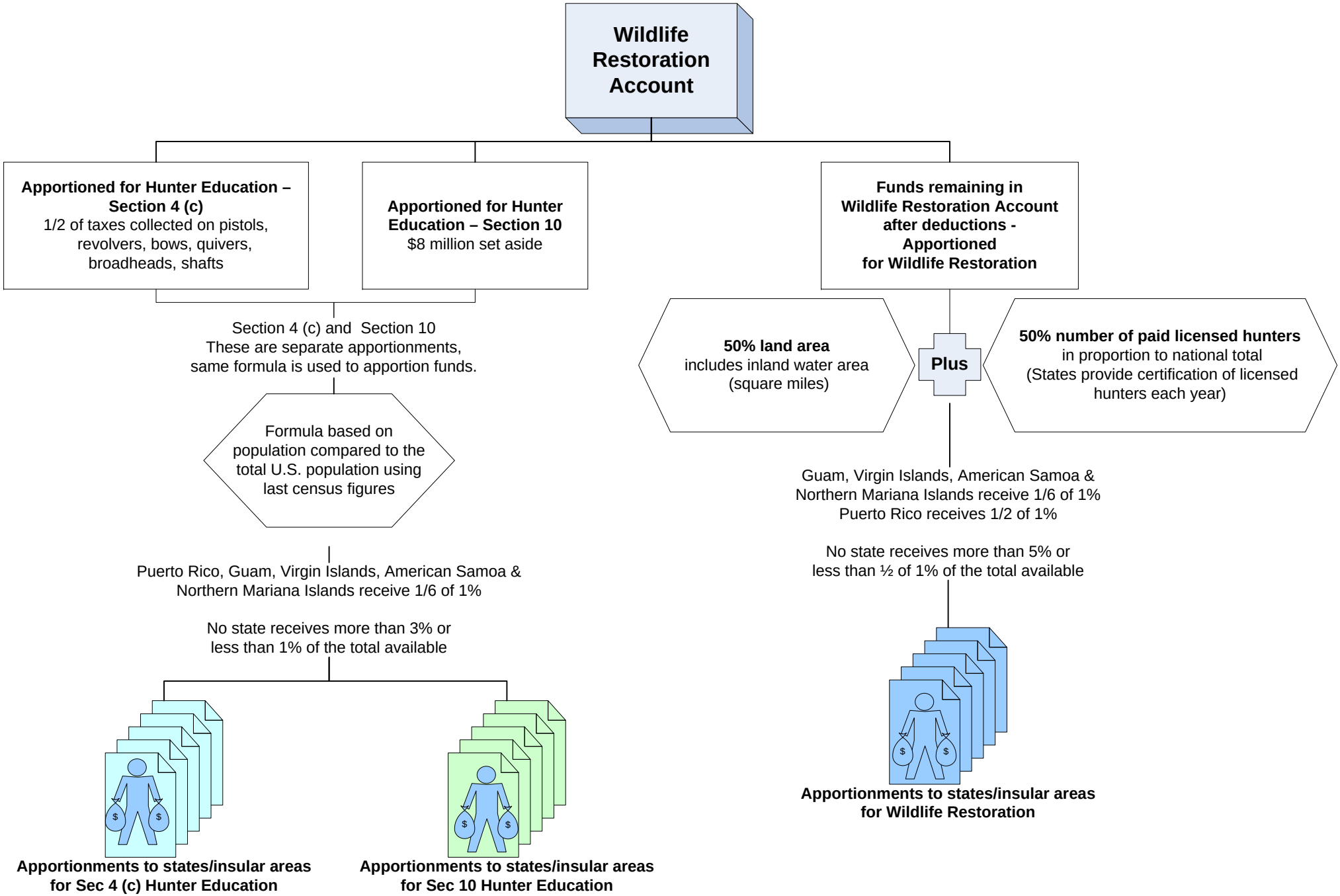
Close grants in a timely manner

95

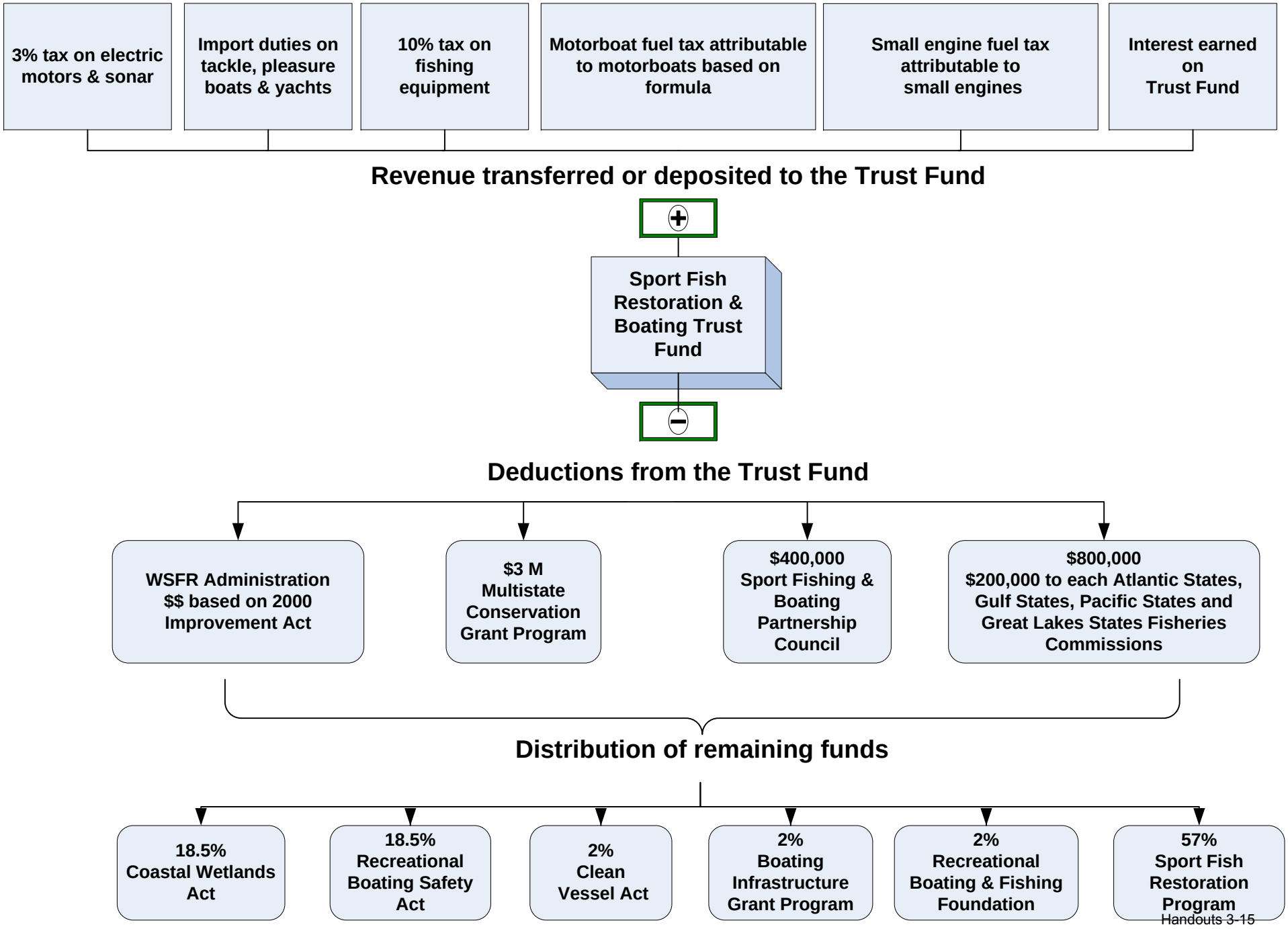
Wildlife Restoration Act



Wildlife Restoration Program
Apportionment Formula



Sport Fish Restoration Act



Sport Fish Restoration Program
Apportionment Formula

Sport Fish Restoration & Boating Trust Fund

SFR Program receives 57% of funds remaining in Trust Fund after deductions annually

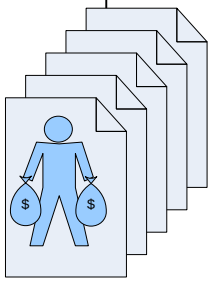
40% land area
includes inland & coastal water area (square miles)

Plus

60% number of paid licensed anglers in proportion to national total (States provide certification of licensed anglers each year)

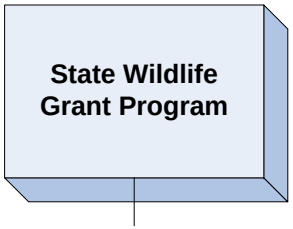
Puerto Rico receives 1%
District of Columbia, Guam, Virgin Islands, American Samoa & Northern Mariana Islands receive 1/3 of 1%

No state receives more than 5% or less than 1% of the total available

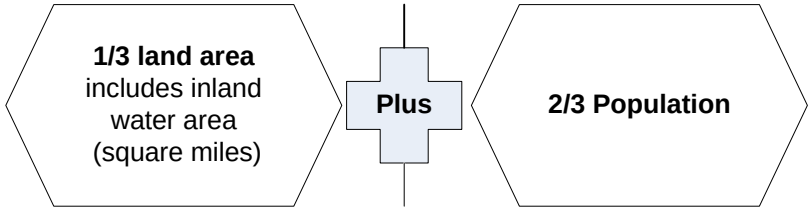


Apportionments to states/insular areas

State Wildlife Grant Program
Apportionment Formula



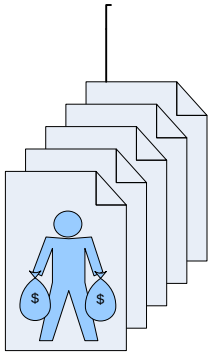
Funds appropriated annually less amount allocated to Tribal Wildlife Grants and 3% for WSFR Administration



District of Columbia and Puerto Rico receive 1/2 of 1%

Guam, American Samoa, Northern Mariana Islands, Virgin Islands receive ¼ of 1%

No state receives more than 5% or less than 1% of the total available



Apportionments to states/insular areas

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Objectives:

1. Define program income
2. Describe and demonstrate the methods of handling program income
3. Explain the treatment of proceeds from the sale of property as program income
4. Discuss the documentation and reporting of program income
5. Discuss program income earned by non-profit and for-profit sub-grantees

Handouts:

- 4-1 Income Determination Flow Chart
- 4-3 Program Income Guidance
- 4-5 Program Income Guidance Specific to WSFR
- 4-7 Program Income Banking Director Memo
- 4-8 Program Income Banking FAQ's

Program Income

Program income means gross income earned by the non-Federal entity that is directly generated by a supported activity or earned as a result of the federal award during the period of performance. **Non-Federal entity** means a state, local government, Indian tribe, institution of higher education (IHE), or nonprofit organization that carries out a Federal award as a recipient or subrecipient **(2 CFR 200.69)**.

Period of performance means the time during which the non-Federal entity may incur new obligations to carry out the work authorized under the Federal award **(2 CFR 200.77).** Grantees are encouraged to earn income to defray program costs.

Program Income Criteria

- Earned by non-Federal entity
- Direct result of award funded activity
- Earned during the period of performance

Grant Supported Activities

Income generated during the period of performance as a result of grant supported activities is considered program income.

After the grant is closed, if the activities are supported with revenue from license fees, any income received has the same restrictions as license fee revenues (i.e. used for the administration of the Fish and Wildlife Agency).

Incidental costs in the generation of program income may be deducted from gross income to determine program income, if authorized by regulation or grant

2 CFR 200.307 | 50 CFR 80.120-126

Real Property Acquired with Federal Funds

Disposal of real property acquired with federal funds requires prior approval from the FWS Regional Director, even if the grant is closed. The Regional Director and State negotiates disposal terms.

> Real property disposal is not program income, consult your WSFR Regional Office for specific disposal directions.

An exception exists for timber and other renewable resource sales. While timber, grazing and crop sharing is not considered real property, income generated from these items on property acquired with federal funds while the grant is open is considered program income. If the grant is closed the income must be treated as license fee revenue and be used for the administration of the Fish and Wildlife Agency.

The determination of whether extracted resources (minerals, oil and gas) represent personal property or real property ultimately will depend on an interpretation of State property law. Ideally, the State's Attorney General will provide an opinion to the State fish and wildlife agency and WSFR. The Solicitor's Office of the Department of the Interior ("SOL") must then be able to concur with the opinion for it to be determinative of the legal status of the extracted resources.

2 CFR 200.311(c)

Personal Property

Proceeds from the sale of personal property acquired with federal funds may be required to be returned to the federal program. However, States are required to manage, use and dispose equipment in accordance with State laws.

Is the income from disposal program income? Only if the original acquisition grant is open. Otherwise, the net proceeds are considered license revenue.

A processing fee may be withheld from the sale of personal property, if required by State law or policy.

2 CFR 200.313(a)(3)(b)

	Exercise: Income Determination

Using the **2 CFR 200.307** and **50 CFR 80.120-126** determine if the income in each scenario is program income, treated as license revenue, treated as program income or has no requirement.

1. Income is received as a result of issuing duplicate hunter education cards. The activities are supported in an open hunter education grant.

   Program income

2. Revenue is received from timber sales on land acquired with license revenue. The activities are being managed by an open WR grant. Managing timber for wildlife habitat is listed as an activity in the project statement.

   Program income

3. The fish and wildlife agency sells a surplus vehicle that was acquired with a WR grant. The grant is now closed and did not contain any conditional statements relating to equipment disposition. The fair market value of the vehicle is $5,500.

   State license revenue – license funds used to match so carries nexus of license revenue requirement. Exception: conditional statement on grant.

4. Income from coal royalties are received from land acquired with SWG grant. The grant is closed at the time royalties are received.

   License Revenue.

   extracted minerals are considered real or personal property

5. The fish and wildlife agency received income from oil and gas royalties. The land was land acquired with a federal grant that has since closed. The land is currently being managed with State license revenue.

   License revenue or may be treated as program income if stipulated in grant award. Each state Attorney General determines whether or not

	Exercise: Income Determination

6. A subrecipient (private marina) is collecting usage fees for a pump out facility that was renovated using a CVA grant. The grant was closed last year.

   State agency should have provisions in third party for marina to limit fees charged as well as use of fees to go back into the maintenance of facility

7. The fish and wildlife agency sells a research vessel that no longer serves the useful purpose of the SFR grant (75/25) under which it was acquired. The grant is closed, but had a conditional statement in the award letter stating that equipment purchased with grant funds was to be used on this grant or other WSFR Program grants until no longer needed and proceeds from disposition after deducting disposal fees are to be returned to the grant program. The vessel was sold at auction for $10,000 by the State Surplus Agency. The Surplus Agency charges a 10% fee for handling surplus equipment.

   Right of way is considered real property. Since land was purchased with federal funds, prior approval must be received from RD. If revenue is returned to the program it may be returned using program income method Auditors may consider this program income even though activity is not

8. The fish and wildlife agency received revenue generated from oil and gas royalties on land acquired with license revenue. The land is managed by an open WR grant. The activities listed in the project statement include maintaining roads.

   This should be treated as license revenue Auditors may consider this program income even though activity is not directly supported because of road use by oil and gas company

9. Revenue is received from issuing a permanent easement for a right of way on land acquired with a WR grant. The WR grant is closed and property is managed using license revenue.

   Right of way is considered real property (not PI). Since land was purchased with federal funds, prior approval must be received from RD. If revenue is returned to the program it may be returned using program income method.

	Exercise: Income Determination

10. An individual private landowner received income generated from the sale of timber on his land. The sale of timber resulted from managing wildlife habitat under an open SWG grant.

    Unrestricted, not treated as program income. See Director's Memo

11. Bill's Bait Shop receives revenue from concession and bait shop operations on a State WMA. The WMA is managed with federal funds.

    Unrestricted, not treated as program income. Not received by the State.

12. The Wildlife Management Area supervisor enters into an agreement with a local farmer to allow the farmer's cattle to graze in an area that will not interfere with wildlife habitat. In exchange for grazing rights the farmer has agreed to perform fencing repairs on the WMA. The WMA is listed as a grant supported activity in the State's WR grant.

    Non cash transaction. Noted in the Grant Narrative

13. The fish and wildlife agency sells land acquired with a WR grant. The agency receives market value for the property and does not replace the property.

    Funds must be returned to program. Return via check or credited.

    to an open grant in same grant.program.

Disposal of Program Income

A State fish and wildlife agency may choose any of the three methods listed in **50 CFR 80.123 (b)** for applying program income to Federal and non-Federal outlays. The agency may also use a combination of these methods. The method or methods that the agency chooses will apply to the program income that it earns during the period of performance and to the program income that any subgrantee earns during the period of performance. The agency must indicate the method that it wants to use in the project statement that it submits with each application for Federal assistance.

2 CFR 200.307 | 50 CFR 80.120-126

Methods of using Program Income

- Deductive
  - Unless otherwise approved in the grant award use of program income defaults to deductive for States.
  - Gross program income received is applied to the total allowable project costs during the period of performance. Exception: Net program income may be used if approved by WSFR Program.
  - Program income reduces both the federal and non-federal share of project costs.
  - Program income used in accordance with the deductive method shall not exceed total approved award amount.
  - Excess program income may be applied to subsequent grant within same grant program.
  - Must be deducted prior to requesting reimbursement (drawdown).

Deductive Method Example

Application (SF-424)			Financial Report (SF-425)	
Federal:	$ 90,000		Total Expenditures	$ 120,000
State:	$ 30,000		Less: Program Income	$ 4,000
Program Income:	$ 4,000		Adjusted Total Outlays	$ 116,000
TOTAL:	$ 120,000		Federal Share (75%)	$ 87,000
			State Share (25%)	$ 29,000
Amount obligated in FBMS:			**Note: $3,000 of the obligation**	
$90,000			**remains unliquidated**	

Deductive Method – Misapplied Program Income (Excess Allowable Costs)

Application (SF-424)			Financial Report (SF-425)	
Federal	$ 90,000		Total Expenditures	$ 160,000
State	$ 30,000		Less: Program Income	$ 4,000
Program Income	$ 4,000		Adjusted Total Outlays	$ 156,000
TOTAL	$ 120,000		Federal Share (75%)	$ 90,000
			State Share (25%)	$ 30,000
			State (excess allowable)	$ 36,000
Amount obligated in FBMS:			**Note: all Federal funds have been**	
$90,000			**drawn by grantee**	

Deductive Method – Properly Applied Program Income (Excess Allowable Costs)

Application (SF-424)				Financial Report (SF-425)	
Federal	$ 90,000			Total Expenditures	$ 160,000
State	$ 30,000			Less: Excess Allowable	$ 40,000
Program Income	$ 4,000			Adjusted Total Outlays	$ 120,000
				Less: Program Income	$ 4,000
TOTAL	$ 120,000			Adjusted Total Outlays	$ 116,000
				Federal Share (75%)	$ 87,000
				State Share (25%)	$ 29,000
				State (excess allowable)	$ 40,000
Amount obligated in FBMS:				**Note: the Federal program has**	
$90,000				**received its share of the P.I.**	

REMEMBER!

When using the deductive method, cost overruns must be deducted from expenditures before deducting the program income

Methods of using Program Income (cont'd)

- Additive
  - Default method of program income disposition for institutions of higher education (IHEs) and nonprofit research institutions.
  - Gross program income is added to the funds committed to the award
  - Should be estimated in grant application
  - Must be approved in award
  - Amounts in excess of approved amount shall be used in accordance with deductive method
  - Must be used prior to requesting reimbursement (drawdown)

Application (SF-424)				Financial Report (SF-425)	
Federal:	$ 90,000			Total Expenditures	$ 124,000
State:	$ 30,000			Less: Program Income	$ 4,000
Program Income:	$ 4,000			Adjusted Total Outlays	$ 120,000
TOTAL:	$ 124,000			Federal Share (75%)	$ 90,000
				State Share (25%)	$ 30,000
Amount obligated in FBMS:				**Note: all obligated funds have**	
$90,000				**been liquidated**	

Methods of using Program Income (cont'd)

- Cost Share Method
  - Gross program income is used to finance part or all of the non-federal matching requirement
  - Must be approved in award

Application (SF-424)				Financial Report (SF-425)	
Federal:	$ 90,000			Total Expenditures	$ 120,000
State:	$ 30,000				
Program Income:	$ 4,000			Federal Share (75%)	$ 90,000
				State Share (25%)	$ 30,000
TOTAL:	$ 120,000			Less: Program Income	$ 4,000
				Adjusted State Share (25%)	$ 26,000
Amount obligated in FBMS: $90,000				**Note: all obligated funds have been liquidated**	

Program Income Banking

Program income is consider “banked” when a State (grantee) does not spend program income prior to drawing additional funds from the same financial assistance grant program or delays applying it to another grant in the same grant program.

Compliance Issues Relating to Program Income Banking

- Payment requirements of **2 CFR 200**
- The Cash Management Improvement Act
- Use of program income requirements in **50 CFR 80.124**

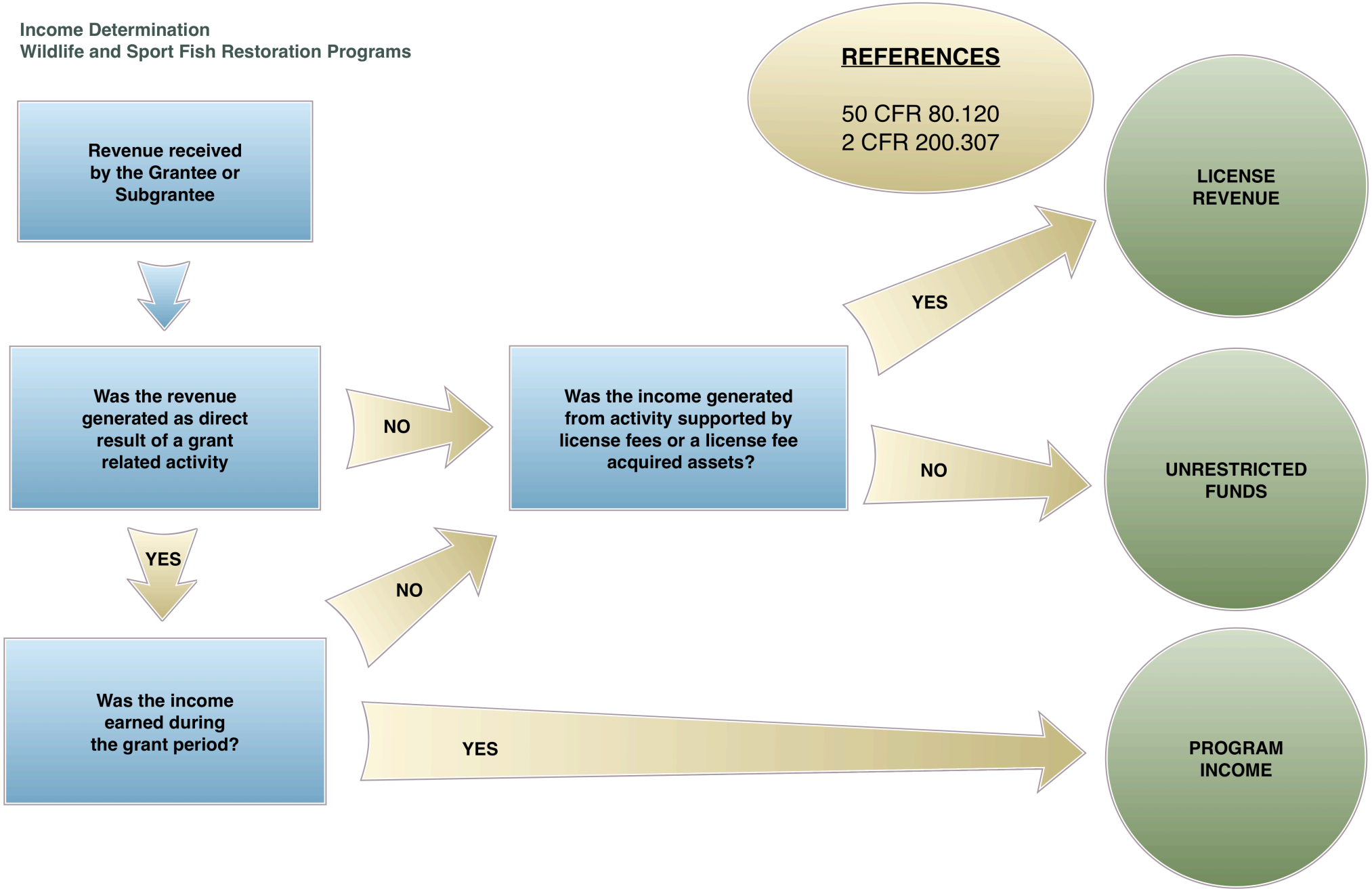
Program Income earned on a grant must be spent within the period of performance prior to making requests for payments. If a grant closes with undisbursed program income, the State and the WSFR Regional Office must agree to a method that complies with all applicable guidance.

2 CFR 200.205 | 50 CFR 80.120-126 | Program Income Banking FAQs

Learning Points

- ✓ Program income is defined as gross income earned by the non-Federal entity that is directly generated by a supported activity or earned as a result of the Federal award during the period of performance.
- ✓ There are no Federal requirements governing the disposition of income earned after the end of the period of performance for the Federal award, unless the Federal awarding agency regulations or the terms and conditions of the Federal award provide otherwise.
- ✓ The three methods of program income disposal are deductive, additive and cost share.
- ✓ Program income may not be banked. Disposal of program income must occur prior to requesting additional payments from the same grant program.
- ✓ Records must be maintained on program income received and these records retained for 3 years from the close of the grantee's fiscal year in which the income is used

Income Determination
Wildlife and Sport Fish Restoration Programs



Real Property - Proceeds from the disposal of real property are not program income. Proceeds from the disposal of real property must be returned to the applicable program. Consult the FWS Regional Office for instructions. The disposal of real property requires prior approval from the FWS (50 CFR 137).

Barter Transactions - The exchange of goods or services for other goods or services without the use of cash. Barter transactions are to be handled in accordance with 50 CFR 80.98.

Governmental Revenues - Taxes, special assessments, levies, fines, and other such revenues raised by a grantee or subgrantee are not program income unless the revenues are specifically identified in the grant agreement or Federal agency regulations as program income. 2 CFR 200.307(c)

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Program Income

Applies to:

All grants and cooperative agreements

Definition

Program income means gross income earned by the non-Federal entity that is directly generated by a supported activity or earned as a result of the Federal award during the period of performance. (See §200.77 Period of performance.) Program income includes but is not limited to income from fees for services performed, the use or rental or real or personal property acquired under Federal awards, the sale of commodities or items fabricated under a Federal award, license fees and royalties on patents and copyrights, and principal and interest on loans made with Federal award funds. 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 Federal award, program income does not include rebates, credits, discounts, and interest earned on any of them. See also §200.407 Prior written approval (prior approval). See also 35 U.S.C. 200-212 “Disposition of Rights in Educational Awards” applies to inventions made under Federal awards. (2 CFR 200.80)

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2 CFR 200—UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS

§200.307 Program income.

(a) *General.* Non-Federal entities are encouraged to earn income to defray program costs where appropriate.

(b) Cost of generating program income. If authorized by Federal regulations or the Federal award, costs incidental to the generation of program income may be deducted from gross income to determine program income, provided these costs have not been charged to the Federal award.

(c) *Governmental revenues.* Taxes, special assessments, levies, fines, and other such revenues raised by a non-Federal entity are not program income unless the revenues are specifically identified in the Federal award or Federal awarding agency regulations as program income.

(d) *Property.* Proceeds from the sale of real property or equipment are not program income; such proceeds will be handled in accordance with the requirements of Subpart D—Post Federal Award Requirements of this part, Property Standards §§200.311 Real property and 200.313 Equipment, or as specifically identified in Federal statutes, regulations, or the terms and conditions of the Federal award.

(e) *Use of program income.* If the Federal awarding agency does not specify in its regulations or the terms and conditions of the Federal award, or give prior approval for how program income is to be used, paragraph (e)(1) of this section must apply. For Federal awards made to IHEs and nonprofit research institutions, if the Federal awarding agency does not specify in its regulations or the terms and conditions of the Federal award how program income is to be used, paragraph (e)(2) of this section must apply. In specifying alternatives to paragraphs (e)(1) and (2) of this section, the Federal awarding agency may distinguish between income earned by the recipient and income earned by subrecipients and between the sources, kinds, or amounts of income. When the Federal awarding agency authorizes the approaches in

paragraphs (e)(2) and (3) of this section, program income in excess of any amounts specified must also be deducted from expenditures.

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

(2) *Addition.* With prior approval of the Federal awarding agency, program income may be added to the Federal award by the Federal agency and the non-Federal entity. The program income must be used for the purposes and under the conditions of the Federal award.

(3) *Cost sharing or matching.* With prior approval of the Federal awarding agency, program income may be used to meet the cost sharing or matching requirement of the Federal award. The amount of the Federal award remains the same.

(f) *Income after the period of performance.* There are no Federal requirements governing the disposition of income earned after the end of the period of performance for the Federal award, unless the Federal awarding agency regulations or the terms and conditions of the Federal award provide otherwise. The Federal awarding agency may negotiate agreements with recipients regarding appropriate uses of income earned after the period of performance as part of the grant closeout process. See also §200.343 Closeout.

Program Income - Wildlife Restoration and Sport Fish Restoration

This information applies to:

Wildlife Restoration Program, Sport Fish Restoration Program

50 CFR 80 Wildlife and Sport Fish Restoration

Subpart I—Program Income

§ 80.120 What is program income?

(a) Program income is gross income received by the grantee or subgrantee and earned only as a result of the grant during the grant period.

(b) Program income includes revenue from:

(1) Services performed under a grant;

(2) Use or rental of real or personal property acquired, constructed, or managed with grant funds;

(3) Payments by concessioners or contractors under an arrangement with the agency or subgrantee to provide a service in support of grant objectives on real property acquired, constructed, or managed with grant funds;

(4) Sale of items produced under a grant;

(5) Royalties and license fees for copyrighted material, patents, and inventions developed as a result of a grant; or

(6) Sale of a product of mining, drilling, forestry, or agriculture during the period of a grant that supports the:

(i) Mining, drilling, forestry, or agriculture; or

(ii) Acquisition of the land on which these activities occurred.

(c) Program income does not include:

(1) Interest on grant funds, rebates, credits, discounts, or refunds;

(2) Sales receipts retained by concessioners or contractors under an arrangement with the agency to provide a service in support of grant objectives on real property acquired, constructed, or managed with grant funds;

(3) Cash received by the agency or by volunteer instructors to cover incidental costs of a class for hunter or aquatic-resource education;

(4) Cooperative farming or grazing arrangements as described at § 80.98; or

(5) Proceeds from the sale of real property.

§ 80.121 May an agency earn program income?

A State fish and wildlife agency may earn income from activities incidental to the grant purposes as long as producing income is not a primary purpose. The agency must account for income received from these activities in the project records and dispose of it according to the terms of the grant.

§ 80.122 May an agency deduct the costs of generating program income from gross income?

(a) A State fish and wildlife agency may deduct the costs of generating program income from gross income when it calculates program income as long as the agency does not:

(1) Pay these costs with:

(i) Federal or matching cash under a Federal grant, or (ii) Federal cash unrelated to a grant.

(2) Cover these costs by accepting:

(i) Matching in-kind contributions for a Federal grant, or (ii) Donations of services, personal property, or real property unrelated to a Federal grant.

(b) Examples of costs of generating program that may qualify for deduction from gross income if they are consistent with paragraph (a) of this section are:

(1) Cost of estimating the amount of commercially acceptable timber in a forest and marking it for harvest if the commercial harvest is incidental to a grant-funded habitat- management or facilities-construction project.

(2) Cost of publishing research results as a pamphlet or book for sale if the publication is incidental to a grant-funded research project.

Frequently Asked Questions

Program Income Banking

United States Department of the Interior

FISH AND WILDLIFE SERVICE
Washington, D.C. 20240

In Reply Refer To:
FWS/AWSR/AIM/058368

SEP 18 2014

To: State Fish and Wildlife Agencies
Secretary, Department of Natural Resources
of the Commonwealth of Puerto Rico
Governor of Guam
Governor of U.S. Virgin Islands
Governor of American Samoa
Governor of Commonwealth of the Northern Mariana Islands
Mayor of the District of Columbia

The purpose of this letter to is to provide guidance to States for required use and disposition of income generated by a grant-supported activity or earned only because of the grant awarded by the U.S. Fish and Wildlife Service (Service) during the grant period. We are not changing any requirements with this letter, but rather summarizing existing guidance and resources to assist you in the proper disposition of program income.

The Office of the Inspector General (OIG) during its regular audits of Wildlife and Sport Fish Restoration Program (WSFR) grants identified the improper use and disposition of program income by several state fish and wildlife agencies. The attached Program Income Banking Guidance and FAQ (Enclosure) addresses questions on the required use and disposition of program income and provides guidance on the disposition of program income that some states have banked. The document will be stored and available for use by States and WSFR personnel in the Financial Assistance Wiki http://fawiki.fws.gov/.

Please contact your regional WSFR office for assistance in implementing these existing program income requirements. We look forward to helping you successfully implement this guidance.

Sincerely,

Hannibal Bolton
Assistant Director, Wildlife and Sport Fish Restoration

Enclosure

Program Income Banking Guidance and FAQs

1. What is program income?

"Program Income means gross income received by the grantee or subgrantee directly generated by a grant-supported activity, or earned only because of the grant award during the grant period. "During the grant period" is the time between the effective date of the award and the ending date of the award reflected in the final financial report." (43 CFR 12.65(b)). This guidance on program income banking applies specifically to the federal share of program income.

2. What is program income banking?

Program income is "banked" when a State (grantee) does not spend program income prior to drawing additional funds from the same financial assistance grant program or delays applying it to another grant in the same grant program.

3. May a State bank program income?

No. 43 CFR 12.61(f)(2) requires program income to be spent prior to requesting additional payments.

4. What authorities are applicable to this guidance on program income banking for WSFR programs?

Excerpts of the applicable guidance are in Appendix 1 of this document.

- *43 CFR Part 12 Subpart C - Administrative and Audit Requirement and Cost Principles for Assistance Programs 12.46(c) Exceptions, 12.61 Payment and 12.65 Program Income*
- *50 CFR Part 80 - Administrative Requirements, Pittman-Robertson Wildlife Restoration and Dingell-Johnson Sport Fish Restoration Acts 80.123, 80.124, 80.125, and 80.126*

5. Does 50 CFR 80.124 give WSFR the flexibility to offer program income banking to States?

No. While 50 CFR 80 allows a State with unexpended program income on its final Federal financial report to use such income under a subsequent grant, nothing in this provision preempts the requirement under 43 CFR 12.61(f)(2), that such program income be expended before requesting additional payments.

6. If program income is not a Federal payment or a drawdown of grant funds, does the Cash Management Improvement Act (CMIA) apply?

Possibly. The Federal share of program income earned is Federal funds. Advanced federal payments are payments (drawdowns) a State receives when a State does not properly use the program income to offset requested payments (drawdowns). The CMIA requires States to minimize the period between the receipt of Federal funds and the payment out for expenditures. Retaining Federal funds beyond a minimal period may require a State to pay interest to the Federal agency. (See *31 CFR Part 205 - Rules and Procedures for Efficient Federal-State Funds Transfers; Final Rule (Cash Management Improvement Act)).*

7. Does creating a grant and designating the undisbursed program income as the funding source resolve the program income banking issue?

No. 50 CFR 80.124 does allow a State to establish a grant funded with the undisbursed program income. However, 43 CFR 12.61(f)(2) requires that a State apply all available program income to any project under the program before the State draws down any additional Federal funds under the program. If the State is continuing to draw down funds under the program, creating a grant and designating the undisbursed program income as the future funding source is not in compliance with 43 CFR 12.61(f)(2). Obligating the program income funds for a subsequent grant is not in itself considered a liquidation of the Federal funds.

It is acceptable if the State creates a grant using undisbursed program income and spends the program income funds before drawing down any new Federal funds under the program.

8. How will WSFR handle program income funded grants in the future?

Program income earned on a grant must be spent within the grant period it was earned prior to making requests for payments. If a grant closes with undisbursed program income, the State and the WSFR Regional Office must agree to a method that complies with 50 CFR 80.124, 43 CFR 12, and the CMIA, to expend such funds as soon as possible.

9. If a State currently has banked program income, how can the State dispose of it?

The WSFR Regional Office and affected State must agree in writing (i.e. grant award letter) to a method that spends all banked program income within the applicable periods:

AMOUNT OF BANKED PROGRAM INCOME	FINAL DATE TO SPEND
≤ $ 500,000	January 31, 2015
$ 500,001 – $ 999,999	June 30, 2015
≥ $1,000,000	June 30, 2016

10. May a State use the cost share method for disposal of the banked program income?

The use of cost share program income disposal method must have been approved in the original award letter.

11. A portion of our undisbursed program income is income we received after the grant period ended. In the original grant, we stipulated that the income would be treated as program income rather than license revenue. Can that decision be reversed?

Yes. For the purposes of "Program Income Banking", any income received after the close of a grant and is not a result of activities supported by a subsequent grant is not "Program Income" (43 CFR 12.65(b)). A State must fully substantiate through its financial, grant, and other records to its WSFR Regional Office the reclassification of "Program Income" to "Income Received After Grant Period." WSFR will consider such funds a portion of the State's license revenue (50 CFR 80.125). A State must submit revised SF-425 forms and any other documentation as may be reasonably requested by its WSFR Regional Office.

12. What will happen if a State fails or neglects to spend all of the banked program income as was mutually agreed to with WSFR in the grant award letter?

If a State has violated the provisions of 43 CFR Part 12, and demonstrates an unwillingness or inability to comply with this policy for corrective action, then the FWS may withhold all further payments (drawdowns) to a State under the grant program until the State expends the entire amount of banked program income.

APPENDIX 1 - Excerpts from Applicable Guidance on Banked Program Income

43 CFR Part 12 Subpart C - Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments

§12.61 Payment.

(f) *Effect of program income, refunds, and audit recoveries on payment.*
(2) Except as provided in paragraph (f)(1) of this section, grantees and subgrantees shall disburse program income, rebates, refunds, contract settlements, audit recoveries and interest earned on such funds before requesting additional cash payments.

§12.65 Program income.

g) *Use of program income.* Program income shall be deducted from outlays which may be both Federal and non-Federal as described below, unless the Federal agency regulations or the grant agreement specify another alternative (or a combination of the alternatives). In specifying alternatives, the Federal agency may distinguish between income earned by the grantee and income earned by subgrantees and between the sources, kinds, or amounts of income. When Federal agencies authorize the alternatives in paragraphs (g) (2) and (3) of this section, program income in excess of any limits stipulated shall also be deducted from outlays.

50 CFR 80 - Administrative Requirements, Pittman-Robertson Wildlife Restoration and Dingell-Johnson Sport Fish Restoration Acts

§80.124 How may an agency use unexpended program income?

If a State fish and wildlife agency has unexpended program income on its final Federal financial report, it may use the income under a subsequent grant for any activity eligible for funding in the grant program that generated the income.

§80.125 How must an agency treat income that it earns after the grant period?

(a) The State fish and wildlife agency must treat program income that it earns after the grant period as either:

(1) License revenue for the administration of the agency; or

(2) Additional funding for purposes consistent with the grant or the program.

(b) The agency must indicate its choice of one of the alternatives in paragraph (a) of this section in the project statement that the agency submits with each application for Federal assistance. If the agency does not record its choice in the project statement, the agency must treat the income earned after the grant period as license revenue.

§ 80.126 How must an agency treat income earned by a subgrantee after the grant period?

(a) The State fish and wildlife agency must treat income earned by a subgrantee after the grant period as:

(1) License revenue for the administration of the agency;
(2) Additional funding for purposes consistent with the grant or the program; or
(3) Income subject only to the terms of the subgrant agreement and any subsequent contractual agreements between the agency and the subgrantee.

(b) The agency must indicate its choice of one of the above alternatives in the project statement that it submits with each application for Federal assistance. If the agency does not indicate its choice in the project statement, the subgrantee does not have to account for any income that it earns after the grant period unless required to do so in the subgrant agreement or in any subsequent contractual agreement.

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Objectives:

1. Define in-kind match
2. Discuss when donated items and services are allowable costs
3. Determine how to properly value in-kind match
4. Identify the documentation requirements for in-kind match

Handouts:

- 5-1 Valuing Donated Services Flow Chart
- 5-3 In-Kind Match Guidance
- 5-7 Sample Volunteer Timesheet

In-Kind Match

In-kind match refers to a donated service or non-cash contribution made by third parties toward the accomplishments of the program goals.

To qualify under the guidance the non-cash contributions must meet the requirements listed below.

- Be documented in project records
- Not used to match another grant
- Provided for in the approved budget when required by the Federal awarding agency; and
- Necessary and reasonable for the accomplishment of project or program accomplishments objectives
- Allowable costs under **2 CFR 200 Subpart E**- Cost Principles
- Valued according to guidelines found in **2 CFR 200.306**
- Not paid from other Federal funds (Non-Federal source)
- Must occur within the period of performance of the award. (land as match is an exception)

A third party is an entity that does not have a financial interest/involvement in the award

2 CFR 200.306

Exercise: Valuing In-Kind Match

Use **2 CFR 200.306** to determine the valuation of the following in-kind services. You may also need to consult **2 CFR 200 Subpart E** to determine the allowability of a cost.

1. Bobby Joe Hunter (an individual) is a volunteer instructor for the State's Hunter Education program. How would the agency value Bobby Joe's donation?

   Entry Level LE? Who on staff would do this function?

   Rates or 3rd party volunteers must be consistent with those paid by State for

   similar work. Reasonable fringe rate may be included **2 CFR 200.306 (e)**

2. You enter into an agreement for the State prison to provide labor for grass mowing and cleanup at a hatchery funded by a Sport Fish Restoration hatchery operations grant. The prison does not charge the agency for the labor. Can the State agency claim the labor as in-kind? What if the prison were Federal?

   Yes, the donation is to be value at reasonable market price. Typically

   minimum wage. If this was a Federal prison the donation could not be

   Counted as it comes from fed source **2 CFR 200.306**

3. A conservation minded law firm decides to participate in the State's breeding bird survey. The survey is an activity in one of the State's approved State Wildlife Grants. Is the contribution in-kind? How would the contribution be valued?

   Yes, however you may not value the rate at the lawyers hourly rate. Work

   must be similar. Must value the donation at what the State would pay plus

   fringe. **2 CFR 200.306 (e)**

4. A heavy equipment company donated the use of a dozer and an operator to a State boat access construction project funded by a Sport Fish Restoration grant. Are the donations allowable? If yes, then how would the donation be valued and documented?

   Yes current market value. What does the company charge for the service?

   State must ensure rate is actually market rate. Auditors will scrutinize so

   make sure you have done due diligence and document everything

   2 CFR 200.306 (f) and (g)

	Exercise: Valuing In-Kind Match (Cont.)

5. The State agency has a stockpile of gravel purchased last year using State funds. They wish to use the gravel on an expansion of a parking lot on a State Wildlife Management Area (WMA) they have planned for next year. WMA parking lots are maintained using a Wildlife Restoration operations and maintenance grant. Can the cost of the gravel be an in-kind donation to the grant?

   Yes, most appropriate way to handle would be through preaward costs. State is not 3rd party to the grant**. 2 CFR 200.209** If State maintains stockpile of such items it should be charged their recognized method **2 CFR 200.453 (b)**

6. The State is conducting a butterfly research project on property owned by Monica Milkweed. The research project is part of an approved Wildlife Restoration grant. Can the value of the property be used as match for the research project?

   No, unless necessary and reasonable (use current market rental value). Otherwise it is hard to imagine a scenario when State would rent land it. already owns. Secondly,.butterfly research not eligible for WR.

7. Amy Aquatica is a volunteer in the State's aquatic resource education. She typically spends and documents 100 hours of preparatory time for each course. Can the State count the time she spent prepping for the course as in-kind match? Are there any concerns?

   Yes, prep time is allowable but is 160 hours necessary to accomplish grant objectives? If the time is not necessary it will be a disallowed cost **(2 CFR200.403)**

Documenting In-Kind Volunteer Time

- Must be verifiable from the records of grantees and subgrantee records.
- Volunteer services will be supported by the same methods that the organization uses to support the allocation of regular personnel costs.

Improper documentation of in-kind match is one of the most frequent OIG audit findings.

Data Elements Required on Volunteer Time Sheet

- Volunteer name
- Name of activity
- Date of activity
- Hours worked
- Miles driven
- Volunteer signature
- Supervisory concurrence

	Learning Points

- ✓ In-kind match must meet the same criteria as other costs charged to the grant: allowable and necessary to accomplish grant activities.
- ✓ In-kind match must be properly valued according to **2 CFR 200**.
- ✓ In-kind match must be adequately documented in grantee or subgrantee records.

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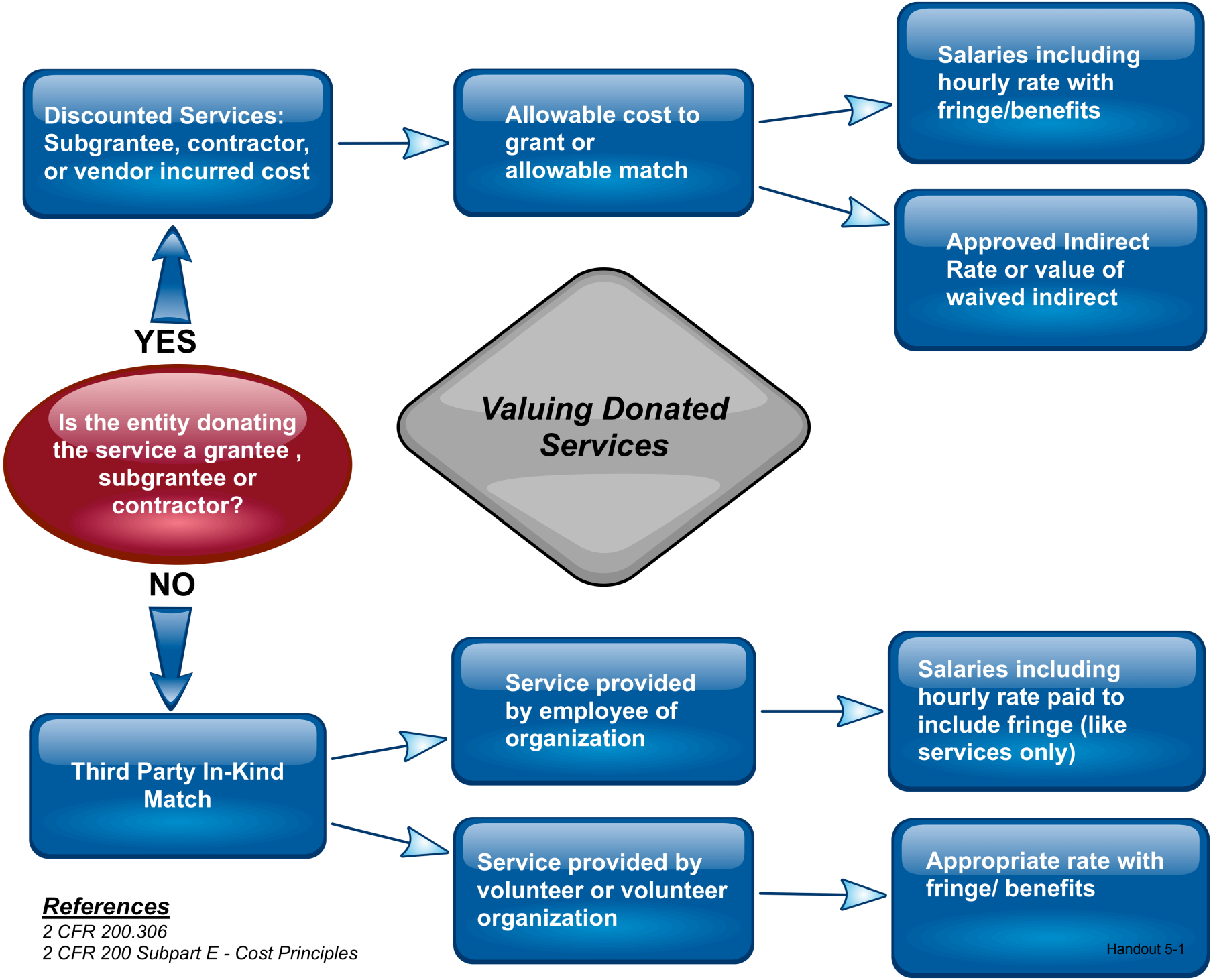
VALUING DONATED SERVICES



References

2 CFR 200.306

2 CFR 200 Subpart E - Cost Principles

Handout 5-1

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In Kind Match

This information applies to:

All grants and cooperative agreements

Definition

2 CFR 200.96

Third-party in-kind contributions means the value of non-cash contributions (i.e., property or services) that—

(a) Benefit a federally assisted project or program; and

(b) Are contributed by non-Federal third parties, without charge, to a non-Federal entity under a Federal award.

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2 CFR 200.306 Cost sharing or matching

(b) For all Federal awards, any shared costs or matching funds an all contributions, including cash and third party in-kind contributions, must be accepted as part of the non-Federal entity's cost sharing or matching when such contributions meet all of the following criteria:
(1) Are verifiable from the non-Federal entity's records;
(2) Are not included as contributions for any other Federal award;
(3) Are necessary and reasonable for accomplishment of project or program objectives;
(4) Are allowable under Subpart E—Cost Principles of this part;
(5) Are not paid by the Federal government under another Federal award, except where the Federal statute authorizing a program specifically provides that Federal funds made available for such program can be applied to matching or cost sharing requirements of other Federal programs;
(6) Are provided for in the approved budget when required by the Federal awarding agency; and
(7) Conform to other provisions of this part, as applicable.

2 CFR 200.434 Contributions and donations

(a) Costs of contributions and donations, including cash, property, and services, <u>from the non-Federal entity to other entities</u>, are unallowable.

(b) The value of services and property donated to the non-Federal entity may not be charged to the Federal award either as a direct or indirect (F&A) cost. The value of donated services and property may be used to meet cost sharing or matching requirements (see §200.306 Cost sharing or matching). Depreciation on donated assets is permitted in accordance with §200.436 Depreciation, as long as the donated property is not counted towards cost sharing or matching requirements.

(c) Services donated or volunteered to the non-Federal entity may be furnished to a non-Federal entity by professional and technical personnel, consultants, and other skilled and unskilled labor. The value of these services is not allowable either as a direct or indirect cost. However, the value of donated services may be used to meet cost sharing or matching requirements in accordance with the provisions of §200.306 Cost sharing or matching.

(d) To the extent feasible, services donated to the non-Federal entity will be supported by the same methods used to support the allocability of regular personnel services.

Frequently Asked Questions

How is the value determined for donated services?

Volunteer services or unpaid services provided to a grantee or subgrantee by individuals will be valued at rates consistent with those ordinarily paid for similar work in the grantee's or subgrantee's organization. If the grantee or subgrantee does not have employees performing similar work, the rates will be consistent with those ordinarily paid by other employers for similar work in the same labor market. In either case, a reasonable amount for fringe benefits may be included in the valuation.

When an employer other than a grantee, subgrantee, or cost-type contractor furnishes free of charge the services of an employee in the employee's normal line of work, the services will be valued at the employee's regular rate of pay exclusive of the employee's fringe benefits and overhead costs.

How are volunteer donated services properly documented?

To the extent feasible, volunteer services will be supported by the same methods that the organization uses to support the allocability of regular personnel costs. In general this means time and activity reporting sheets should be completed and should include:

- Each volunteer by name
- The date volunteer hours were donated
- The number of hours volunteered
- The activity that was performed by the volunteer
- A signature of each volunteer
- A signature or initials of an authorized agency official who reviewed and approved the time and activity report

How is the value determined for donated supplies and loaned equipment or space?

If a third party donates supplies, the contribution will be valued at the market value of the supplies at the time of donation.

If a third party donates the use of equipment or space in a building but retains title, the contribution will be valued at the fair rental rate of the equipment or space.

If a third party donates equipment, buildings, or land, and title passes to a grantee or subgrantee, the treatment of the donated property will depend upon the purpose of the grant or subgrant, as follows:

(1) *Awards for capital expenditures.* If the purpose of the grant or subgrant is to assist the grantee or subgrantee in the acquisition of property, the market value of that property at the time of donation may be counted as cost sharing or matching,

(2) *Other awards.* If assisting in the acquisition of property is not the purpose of the grant or subgrant, the following will apply:

- If approval is obtained from the awarding agency, the market value at the time of donation of the donated equipment or buildings and the fair rental rate of the donated land may be counted as cost sharing or matching. In the case of a subgrant, the terms of the grant agreement may require that the approval be obtained from the Federal agency as well as the grantee. In all cases, the approval may be given only if a purchase of the equipment or rental of the land would be approved as an allowable direct cost. If any part of the donated property was acquired with Federal funds, only the non-Federal share of the property may be counted as cost-sharing or matching.
- If approval is not obtained under paragraph (e)(2)(i) of this section, no amount may be counted for donated land, and only depreciation or use allowances may be counted for donated equipment and buildings. The depreciation or use allowances for this property are not treated as third party in-kind contributions. Instead, they are treated as costs incurred by the grantee or subgrantee. They are computed and allocated (usually as indirect costs) in accordance with the cost principles specified in § 12.62, in the same way as depreciation or use allowances for purchased equipment and buildings. The amount of depreciation or use allowances for donated equipment and buildings is based on the property's market value at the time it was donated.

How is the value determined for real property donated by a grantee or subgrantee for the purpose of construction or acquisition?

If a grantee or subgrantee donates real property for a construction or facilities acquisition project, the current market value of that property may be counted as cost sharing or matching. If any part of the donated property was acquired with Federal funds, only the non-Federal share of the property may be counted as cost sharing or matching.

May I use prison labor as in-kind match on my grant?

Prison labor from state and local correctional institutions is allowable in-kind match, as long as the costs meet the allowable cost criteria from the applicable cost principles. Grantees may not use labor from Federal institutions, match must come from a non-federal source. Whether the prisoners receive minimal compensation from the correctional institution for their services is immaterial for the purposes of determining allowable costs for third party in-kind in this situation.

How would I value prison labor used as in-kind match?

Prison labor should be valued at the cost the grantee or subgrantee would have paid for the service. Typically, prisoners perform manual labor services on grants. In this case, the most appropriate rate would be the Federal minimum wage.

Is the value of youth labor allowable as in-kind match on my grant?

Yes, volunteer in-kind services provided by youth organizations or individuals are allowable, as long as the costs meet the allowable cost criteria from the applicable cost principles.

How would I value in-kind labor donations from a youth?

Youth labor should be valued at the cost the grantee or subgrantee would have paid for the service. You should consider whether the work performed by the youth is equal to the work performed by a State employee and make valuation adjustments accordingly.

Can I use an in-kind donation from the National Guard?

Yes, the donation of personnel time is an allowable in-kind match, as long as the costs meet the allowable cost criteria from the applicable cost principles. The donation of equipment time is not allowable, as the Federal government typically funds equipment for the National Guard.

Can I use time contributed by AmeriCorps interns as in-kind match?

No, Although these volunteers may work on federally-funded projects, their services may not be used by a grantee to fulfill the match requirement to federal grant program funds. Americorps funding ultimately comes from the Federal Government, and therefore a federally funded volunteer organization such as Americorps, and any of their assets cannot be used to contribute to the matching requirement on a Federal grant.

The Assistant Inspector General for the Corporation for National and Community Service, their Director of Grants Management, as well as grants managers for other federally-funded volunteer organizations were consulted on this issue.

What is a third party for the purposes of in-kind?

An entity that does not have a financial interest in the transaction. If the entity is receiving funding from the financial assistance transaction either as a subrecipient or vendor/contractor, they are not considered a third party. A common third party entity is a volunteer who works on a grant or cooperative agreement funded education program.

A subrecipient is offering to discount part of the cost of the work they are contributing to a grant/cooperative agreement. If they are not third party, is there a way I can count the value of the services as match?

Yes, these costs are called discounted services. If the costs are eligible and allowable costs, they can be documented and claimed as match on the award. Please note, that all non-cash transactions present a higher audit risk for the recipient. The recipient should ensure that a proper value of the discount has been determined and documented in the recipient award file. If you are unsure of how to value the contribution, please consult your FWS representative.

References

2 CFR 200.306 Cost sharing or matching
2 CFR 200.434 Contributions and donations

VOLUNTEER TIME & MILEAGE FORM

State Agency Name
Hunter Education Program

Location of Course:
(Town in which course was taught)

Type of Course:
(Basic, Bow, Muzzleloading, Map & Compass, Trapping, Waterfowl ID)

Name:
(Please print your name clearly!!!)

Region

Name of Master Instructor:

Address:

Your Contribution to the Course:
(If Basic course, be specific ie: Bowhunting Basics, Firearms and Ammunition, Hunter Ethics)

Date	Class No.	A. - Hrs. Admin.	B. - Hrs. Instruction	C. - Hrs. Travel	Add A + B + C	Miles Per. Date	Your Signature *Please sign each line*
			Total	Hours ◆			◆ Total Mileage

A. Hours for administrative meetings, workshops, trainings, shows, planning or course preparation spent outside the classroom.
B. Hours spent in the classroom (including set-up and break-down).
C. Total hours spent traveling to and from activities (including time even if passenger).

Signature of Master Instructor:

Last Date of course:

Signature of Agency Hunter Ed Staff:

Date:

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Objectives:

1. Properly complete the Federal Financial Report.

Handouts:

- 6-1 Completing the FFR

Exercise: Preparing a Federal Financial Report

Scenario #1

Approved Award: W-18-HS-6
Total Grant Award: $400,000
Federal Share: $300,000 (fully obligated)
State Share: $100,000
Estimated Program Income: None
Effective date: 7/1/08– 6/30/09

Total Expenditures: $403,000 (does not include In-kind)
In-kind Match = $0
Program Income: $0 (earned)

Scenario #2

Approved Award: W-18-HS-6
Total Grant Award: $400,000
Federal Share: $300,000 (fully obligated)
State Share: $100,000
Estimated Program Income: None
Effective date: 7/1/08– 6/30/09

Total Expenditures: $175,000 (does not include In-kind)
In-kind Match = $45,000 (documented)
Program Income (deductive): $100 (earned)

Scenario #3

Approved Award: W-18-HS-6
Total Grant Award: $400,000
Federal Award Amount: $300,000 (fully obligated)
State Share: $100,000
Estimated Program Income: $10,000 (deductive method)
Effective date: 7/1/08– 6/30/09

Total Expenditures: $435,000 (does not include In-kind)
Program Income: $10,000 (earned)
In-Kind: $0

Exercise: Preparing a Federal Financial Report (cont'd)

Scenario #4

Approved Award: W-18-HS-6
Total Grant Award: $400,000
Federal Award Amount: $300,000 (fully obligated)
State Share: $100,000
Estimated Program Income: $10,000 (approved in additive method)
Effective date: 7/1/08– 6/30/09

Total Expenditures: $435,000
Program Income: $10,000 (earned)
In-Kind: $0

Scenario #5

Approved Award: W-18-HS-6
Total Grant Award: $400,000
Federal Award Amount: $300,000 ($200,000 obligated)
State Share: $100,000
Estimated Program Income: $10,000 (deductive method)
Effective date: 7/1/08– 6/30/09

Total Expenditures: $310,000 (does not include in-kind)
Program Income: $10,000 (earned)
In-Kind Match: $100,000 (documented)

Scenario #6

Approved Award: W-18-HS-6
Total Grant Award: $400,000
Federal Share: $300,000 ($200,000 obligated)
State Share: $100,000
Estimated Program Income: $10,000 (additive method)
Effective date: 7/1/08– 6/30/09

Total Expenditures: $310,000 (does not include In-kind)
Program Income: $10,000 (earned)
In-Kind Match: $100,000 (documented)

Exercise: Preparing a Federal Financial Report

Scenario #7

Approved Award: W-18-HS-6
Total Grant Award: $400,000
Federal Award Amount: $300,000 (fully obligated)
State Share: $100,000
Effective date: 7/1/08– 6/30/09
Estimated Program Income: $10,000 (additive method)

Total Expenditures: $150,000 (does not include In-kind)
Program Income: $10,000 (earned)
In-Kind Match: $95,000 (documented)

Scenario #8

Approved Award: W-18-D-6
Total Grant Award: $400,000
Federal Award Amount: $300,000
State Share: $100,000
Period of Award: 7/1/08 – 6/30/09

Total Expenditures: $435,000
Disallowed costs from a recent OIG audit of W-18-D-5: $10,000 (federal share)
Program Income: $0.00
In-Kind Match: $0.00

	Learning Points

- ✓ A completed Federal Financial Report (FFR) is required for each grant.

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Completing the Federal Financial Report (SF-425)

Wildlife and Sport Fish Restoration Program

Version 3.1

FEDERAL FINANCIAL REPORT

(Follow form instructions)

1. Federal Agency and Organizational Element to Which Report is Submitted	2. Federal Grant or Other Identifying Number Assigned by Federal Agency (To report multiple grants, use FFR Attachment)	Page 1 of pages
3. Recipient Organization (Name and complete address including Zip code)		

4a. DUNS Number	4b. EIN	5. Recipient Account Number or Identifying Number (To report multiple grants, use FFR Attachment)	6. Report Type ☐ Quarterly ☐ Semi-Annual ☐ Annual ☐ Final	7. Basis of Accounting ☐ Cash ☐ Accrual

1	Federal Agency and Organizational Element to Which Report is Submitted	Enter the name of the Federal agency and organizational element identified in the award document or as instructed by the agency.
2	Federal Grant or Other Identifying Number Assigned by Federal Agency	For a single award, enter the grant number assigned to the award by the Federal agency. For multiple awards, report this information on the *FFR* Attachment. *Do not complete this box if reporting on multiple awards.*
3	Recipient Organization	Enter the name and complete address of the recipient organization including zip code.
4a	DUNS Number	Enter the recipient organization's Data Universal Numbering System (DUNS) number or Central Contract Registry extended DUNS number.
4b	EIN	Enter the recipient organization's Employer Identification Number (EIN).
5	Recipient Account Number or Identifying Number	Enter the account number or any other identifying number assigned by the recipient to the award. This number is for the recipient's use only and is not required by the Federal agency.
6	Report Type	Mark appropriate box. *Do not complete this box if reporting on multiple wards.* ***Marking the "Final" box will cause the grant to be closed and no further draws can be made against the grant.***
7	Basis of Accounting (Cash/Accrual)	Specify whether a cash or accrual basis was used for recording transactions related to the award(s) and for preparing this FFR. Accrual basis of accounting refers to the accounting method in which expenses are recorded when incurred. For cash basis accounting, expenses are recorded when they are paid.

Grant and Reporting Period Dates

8. Project/Grant Period From : (Month, Day, Year) To: (Month, Day, Year)	9. Reporting Period End Date (Month, Day, Year)

8	Project/Grant Period, From**:** (Month, Day, Year)	Indicate the period established in the award document during which Federal sponsorship begins and ends. Note: Some agencies award multi-year grants for a project period that is funded in increments or budget periods (typically annual increments). Throughout the project period, agencies often require cumulative reporting for consecutive budget periods. Under these circumstances, enter the beginning and ending dates of the project period not the budget period. *Do not complete this line if reporting on multiple awards.*
Project/Grant Period, To**:** (Month, Day, Year)		See the above instructions for "Project/Grant Period, From**:** (Month, Day, Year)."
9	Reporting Period End Date**:** (Month, Day, Year)	Enter the ending date of the reporting period. For quarterly, semi-annual, and annual interim reports, use the following reporting period end dates: 3/31, 6/30, 9/30, or 12/31. For final *FFR*s, the reporting period end date shall be the end date of the project or grant period.

Do not complete this line if reporting on multiple awards.

In box 8 indicate the grant period specified in the notice of award letter. The notice of award establishes the beginning and ending dates for the award.

Enter the ending date of the reporting period in box 9. For quarterly, semi-annual, and annual interim reports, the reporting period end dates will always be either 3/31, 6/30, 9/30, or 12/31. For final Federal Financial Report, the reporting period end date shall be the end date of the project or grant period. Ensure that you account for any revisions to the original grant.

Federal Cash

10. TRANSACTIONS

Federal Cash (To report multiple grants, also use FFR Attachment):
a. Cash Receipts
b. Cash Disbursements
c. Cash on Hand (line a minus b)

10	**Transactions** Enter cumulative amounts from date of the inception of the award through the end date of the reporting period specified in line 9. Use Lines 10a through 10c, Lines 10d through 10o, or Lines 10a through 10o, as specified by the Federal agency, when reporting on single grants. Use Line 12, Remarks, to provide any information deemed necessary to support or explain *FFR* data.	
10a	Cash Receipts	Enter the cumulative amount of actual cash received from the Federal agency as of the reporting period end date.
10b	Cash Disbursements	Enter the cumulative amount of Federal fund disbursements (such as cash or checks) as of the reporting period end date. Disbursements are the sum of actual cash disbursements for direct charges for goods and services, the amount of indirect expenses charged to the award, and the amount of cash advances and payments made to subrecipients and contractors. For multiple grants, report each grant separately on the *FFR* Attachment. The sum of the cumulative cash disbursements on the *FFR* Attachment must equal the amount entered on Line 10b, *FFR*.
10c	Cash On Hand (Line 10a Minus Line 10b)	Enter the amount of Line 10a minus Line 10b. This amount represents immediate cash needs. If more than three business days of cash are on hand, the Federal agency may require an explanation Use Line 12, Remarks, explaining why the drawdown was made prematurely or other reasons for the excess cash.

The **Federal Cash** section is intended for use **only** in situations where federal funds are provided to the recipient in advance of incurred expenses rather than on a cost reimbursement basis.

The cumulative amount of actual cash received from the federal agency is recorded on line 10(a). This amount includes all of the Federal funds on deposit, imprest funds, and undeposited Treasury checks.

Line 10(b) requires entry of the cumulative amount of federal funds disbursed. Disbursements are the sum of actual cash disbursements for direct charges for goods and services, indirect charges, and cash payments or advancements made to subrecipients or contractors.

Federal Expenditures

Federal Expenditures and Unobligated Balance:	
d. Total Federal funds authorized	
e. Federal share of expenditures	
f. Federal share of unliquidated obligations	
g. Total Federal share (sum of lines e and f)	
h. Unobligated balance of Federal funds (line d minus g)	

10d	Total Federal Funds Authorized	Enter the total Federal funds authorized as of the reporting period end date.
10e	Federal Share of Expenditures	Enter the amount of Federal fund expenditures. For reports prepared on a cash basis, expenditures are the sum of cash disbursements for direct charges for property and services; the amount of indirect expense charged; the value of third-party in-kind contributions applied; and the amount of cash advance payments and payments made to subrecipients. For reports prepared on an accrual basis, expenditures are the sum of cash disbursements for direct charges for property and services; the amount of indirect expense incurred; the value of in-kind contributions applied; and the net increase or decrease in the amounts owed by the recipient for (1) goods and other property received; (2) services performed by employees, contractors, subrecipients, and other payees; and (3) programs for which no current services or performance are required. Do not include program income expended in accordance with the deduction alternative, rebates, refunds, or other credits. (Program income expended in accordance with the deduction alternative should be reported separately on Line 10o.)
10f	Federal Share of Unliquidated Obligations	Unliquidated obligations on a cash basis are obligations incurred, but not yet paid. On an accrual basis, they are obligations incurred, but for which an expenditure has not yet been recorded. Enter the Federal portion of unliquidated obligations. Those obligations include direct and indirect expenses incurred but not yet paid or charged to the award, including amounts due to subrecipients and contractors. On the final report, this line should be zero unless the awarding agency has provided other instructions. *Do not include any amount in Line 10f that has been reported in Line 10e. Do not include any amount in Line 10f for a future commitment of funds (such as a long-term contract) for which an obligation or expense has not been incurred.*

Federal Expenditures (Cont.)

Federal Expenditures and Unobligated Balance:
d. Total Federal funds authorized
e. Federal share of expenditures
f. Federal share of unliquidated obligations
g. Total Federal share (sum of lines e and f)
h. Unobligated balance of Federal funds (line d minus g)

10g	Total Federal Share (Sum of Lines10e and 10f)	Enter the sum of Lines 10e and 10f.
10h	Unobligated Balance of Federal Funds (Line 10d Minus Line 10g)	Enter the amount of Line 10d minus Line 10g.

The Federal Expenditures and Unobligated Balance section of the report provides for reporting the federal funds authorized, expended, obligated but not yet paid and any remaining unobligated balance.

Line 10(d), the total federal share authorized is the amount of **funds obligated** for the grant not the approved federal share. Remember, if your grant was not fully obligated (deficit or subject to availability of funds) it will not be the same as the approved grant amount. Be sure to include any amendments.

On line 10(e) record the federal cost share of disbursements for all direct charges for goods and services and indirect charges to the award. **Do not** include any portion of program income expended in this section. Program income expended is reported on Line 10(m) for the deductive method and line 10(n) for the additive method. **Do not** include any portion of third party in kind contributions. Department of Interior guidance 43 CFR 12.64(a) Administrative and Audit Requirements and Cost Principles for Assistance Programs, prohibits third party in-kind as part of the Federal share.

Line 10e

INCLUDES

The federal share of expenditures for:

- Direct charges for goods and services
- Indirect expenses

DOES NOT INCLUDE

- Any federal program income
- Refunds, rebates or other credits
- Third party in-kind contributions

Federal Expenditures (Cont.)

Federal Expenditures and Unobligated Balance:
d. Total Federal funds authorized
e. Federal share of expenditures
f. Federal share of unliquidated obligations
g. Total Federal share (sum of lines e and f)
h. Unobligated balance of Federal funds (line d minus g)

10g	Total Federal Share (Sum of Lines10e and 10f)	Enter the sum of Lines 10e and 10f.
10h	Unobligated Balance of Federal Funds (Line 10d Minus Line 10g)	Enter the amount of Line 10d minus Line 10g.

The Federal share of unliquidated obligations, on line 10(f) is obligations and expenses incurred, but not yet paid under a cash basis accounting system or expenses and obligations incurred, but not yet recorded under an accrual based accounting system.

These obligations include direct and indirect expenses incurred, but not yet paid or not yet charged to the award including amounts due to sub-recipients and contractors. This line should be zero if it is a final report. Do not include any amount in Line 10(f) previously recorded in Line 10(e).

The unobligated balance of federal funds is the remaining unused funds. If this is a **Final** report, the remaining funds will be de-obligated and disposed of according to specific grant program regulations.

Recipient Share (Cont.)

Recipient Share:	
i. Total recipient share required	
j. Recipient share of expenditures	
k. Remaining recipient share to be provided (line i minus j)	

10i	Total Recipient Share Required	Enter the total required recipient share for reporting period specified in line 9. The required recipient share should include all matching and cost sharing provided by recipients and third-party providers to meet the level required by the Federal agency. This amount should not include cost sharing and match amounts in excess of the amount required by the Federal agency (for example, cost overruns for which the recipient incurs additional expenses and, therefore, contributes a greater level of cost.
10j	Recipient Share of Expenditures	Enter the recipient share of actual cash disbursements or outlays (less any rebates, refunds, or other credits) including payments to subrecipients and contractors. This amount may include the value of allowable third party in-kind contributions and recipient share of program income used to finance the non-Federal share of the project or program. Note: On the final report this line should be equal to or greater than the amount of Line 10i.
10k	Remaining Recipient Share to be Provided (Line 10i Minus Line10j)	Enter the amount of Line 10i minus Line 10j. If recipient share in 10j is greater than the required match amount in Line 10i, enter zero.

The **Recipient's share required** (the non-federal matching share required) should be recorded on line 10(i). The non-federal matching required is based on the amount of recipient share required to match the total Federal share recorded on line 10(d). *(An example calculation is on the next page)*

The amount recorded on line 10(i) should not include cost share and match amounts in excess of the match amount required (excess allowable costs, overmatch, cost overruns). Line 10(j) includes actual cash disbursements by recipients, payments to sub-recipients and contractors, and in-kind contributions such as volunteer hours and excess allowable costs. If line 10j exceeds line 10i, record a zero on line 10(k). Line 10(k) should never be negative as noted in the FFR instructions.

Remember!

Grantees may not be reimbursed for in-kind contributions. The total value of in-kind contributions is recorded in the recipient share portion of the form on

Recipient Share (Cont.)

Recipient Share:	
i. Total recipient share required	
j. Recipient share of expenditures	
k. Remaining recipient share to be provided (line i minus j)	

How to Calculate the Required Recipient Share (Grant not Fully Obligated):

The total Federal Share obligated is $50,000 (line 10d). The Federal participation ratio is 75% (Wildlife Restoration). The amount entered on line 10(i) would be $16,666.67.

How to Calculate the Required Recipient Share (Grant not Fully Obligated):

Step 1 – Determine the Adjusted Project Costs

(Federal Share Obligated / Federal Participation Rate) = Adjusted Project Costs

Example:
$50,000 / 75% = $66.666.67

Step 2 – Determining the Recipient Share Required

(Adjusted Total Project Costs- Total Federal Share) = Recipient Share Required

$66,666,67 - $50,000 = $16,666.67

Program Income

Program Income:
l. Total Federal program income earned
m. Program income expended in accordance with the deduction alternative
n. Program income expended in accordance with the addition alternative
o. Unexpended program income (line l minus line m or line n)

10l	Total Federal Program Income Earned	Enter the amount of Federal program income earned. Do not report any program income here that is being allocated as part of the recipient's cost sharing amount included in Line10j.
10m	Program Income Expended in Accordance With the Deduction Alternative	Enter the amount of program income that was used to reduce the Federal share of the total project costs.
10n	Program Income Expended in Accordance With the Addition Alternative	Enter the amount of program income that was added to funds committed to the total project costs and expended to further eligible project or program activities.
10o	Unexpended Program Income (Line 10l Minus Line 10m or Line 10n)	Enter the amount of Line 10l minus Line 10m or Line 10n. This amount equals the program income that has been earned but not expended, as of the reporting period end date.

The program income section of the report is used to track federal program income used in the additive and deductive methods. Enter the total amount of federal program income earned during the grant period on line 10(l).

The federal program income expended during the grant period used in accordance with the deductive method (the amount used to reduce total project costs) is shown in row 10(m).

Federal program income used in accordance with the additive method (the amount added to funds committed to the total project costs and expended to further eligible projects or program activities) is included in line 10(n). Use of the additive method for program income must be approved as part of the grant award.

Undisbursed Cost Share

If the Cost Share method is approved for use, record only the income in excess of the estimated approved amount in line 10(l). Income disposed of in the cost method is recorded on line 10(j).

7

Objectives:

1. Describe the records and documents that must be maintained for real and personal property purchased with federal funds and with state license fee revenues

2. Explain the regulations regarding use, monitoring and managing real and personal property purchased with federal funds and license fee revenues

3. Discuss the options for disposing of real property and personal property purchased with federal funds and license fee revenues

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Handouts:

- 7-1 Simplified Acquisition Procedures
- 7-2 Default Acquisition Procedures
- 7-3 Who May Hold Title Flow Chart

Real Property

One, several, or all interests, benefits and rights inherent in the ownership of a parcel of land or water

- Fee and leasehold interests
- Rights attached to parcels, regardless of ownership (e.g. conservation easements), or
- Resources beyond the parcel, such as water and mineral rights

Parcel includes air space above, ground below, or anything physically and firmly attached by natural process or human action, e.g. standing timber, buildings, roads, fences, etc

Personal Property

Anything tangible or intangible that is not real property

- Tangible personal property includes
  - Objects (e.g. equipment or supplies) that are moveable without damage to themselves, the land or structure to which they are attached, or the path of removal
  - Soil, rock, gravel, minerals, gas, oil, or water after excavation or extraction from the surface or subsurface (unless state law designates as real property)
  - Commodities derived from trees or other vegetation after harvest or separation from the land
  - Annual crops before or after harvest
- Intangible personal property includes
  - Intellectual property such as patents and copyrights, and
  - Licenses revocable at the landowner's discretion, or that terminate at the landowner's death or when ownership changes

Equipment is tangible, nonexpendable, personal property having a useful life over one year and an acquisition cost of $5,000 or more per unit

Determining Reasonable Cost

WSFR may determine that the cost of real property acquired by a grantee or subgrantee is reasonable as long as the price paid was the result of an approved valuation method.

Price is the amount that a particular purchaser agrees to pay and a particular seller agrees to accept under the circumstances of the transaction.

Value is an opinion of the worth of a property at a given time according to a specific definition of value.

Methods of Valuation

Appraisal Method

- A certified general appraiser uses the Uniform Standards of Professional Appraisal Practice (USPAP) and conditions in 49 CFR 249 for buyers using Simplified acquisition procedures
    - Develops opinion of value of the real property, prepares appraisal report (**must be self-contained)**
- Grantee is required to direct the appraiser to use the Uniform Appraisal Standards for Federal Land Acquisition (Yellow Book) for all Default acquisition procedures
- A review appraiser examines the market analysis and supports the appraiser's opinion of value

Appraisals need to be updated when value estimate no longer reflects the conditions in the local real estate market
***(Must use within 6 months or within life span designated)**

WSFR must be able to approve the qualifications of the appraiser and review appraiser before the grantee commits to using them. **Include the U.S.F.W.S as an intended user of the appraisal report.**

Both appraisers and review appraisers must be:

- State-certified general appraisers consistent with Title XI
- Certified by state or another state through reciprocity agreement
- Completed Appraisal Qualifications Board course (within last 10 years)
- Have training or significant experience in appraising land similar to the subject property
- No public record of disciplinary action by state regulatory agency
- Have experience as expert witness on real property valuation where condemnation authority has been exercised

Review Appraisers Only must have one of the following:

A. Have professional growth designation from American Society of Farm Managers and Rural Appraisers or American Society of Appraisers or state employee with documentation of professional growth beyond minimum requirements for state certified appraiser

B. Minimum Training and Experience

Have 32 classroom hours in the last 10 years of AQB-approved appraisal-review courses, which must be supported by a transcript or other documentation, and at least 12 technical review reports or self-contained/ summary appraisal reports within the last 3 years.

C. WSFR may approve a one-time nonrenewable waiver of the qualification standards in A and B (not to exceed 3 years) for a State-employed review appraiser if we receive:

(1) A commitment from the State agency that its review appraiser will meet the qualification standards in Alternatives A or B by a date not to exceed 3 years; and

(2) Documentation of significant professional growth by the review appraiser beyond the minimum requirements of a State-certified appraiser to include all of the following:

(a) A transcript or other documentation that the review appraiser received AQB-approved training relevant to appraisal review above the minimum requirements for a State-certified appraiser.

(b) A demonstration report (without confidential information) that shows proficiency in appraisal review.

Land as Match

WSFR may approve the market value of land to be used as match for real property acquisition, facilities acquisition and construction activities, provided the land is necessary and reasonable to accomplish the project objectives. **(2 CFR Part 225)**

- A site specific-acquisition project may use donated land value within the defined project area if it is suitable to the land acquisition purpose
- An acquisition project with objectives based on specific habitat types by location in the State may use donated land which meets the plan
- For a construction project, only the amount of land required may be counted for in-kind matching purposes

Valuation of Land as Match

- Grantee must identify a parcel of land that they will use as match in a grant
- Grantees must use an approved valuation method to determine the market value for the parcel
- The grantee incorporates that value into a grant application as match for the grant

520 FWS 8.17

Remaining Land Value as Match

If the value of a parcel of land is more than needed for match, the State may use remaining unused value on a subsequent grant, if

- A covenant is placed on the deed ensuring entire parcel will be used in perpetuity for the purposes of applicable grant program
- Purpose does not conflict with purpose of the original grant
- Value of the match is an allowable and applicable cost
- Value not used as match for any other Federal grant
- State maintains records to track the remaining value available for match

Land used as match becomes subject to the regulations of WSFR or SWG Programs, as applicable, at the time the State uses any portion of the parcel value as match. NOFP is required for all land used as match.

Who May Hold Title?

For WR and SFR, only a state may hold title to an ownership interest. More than one entity may hold title to an ownership interest in real property for non-WSFR programs if the entities holding title are a grantee or subgrantee. Additionally, more than one entity (grantee and sub-grantee) may hold a non-ownership interest in the WR, SFR, SWG and Cooperative Endangered Species programs. **(50 CFR 80.130)** (handout # 7-3)

Managing and Monitoring Real Property

During the open grant period the grantee must monitor the grant and sub-grant supported activities to assure compliance with all applicable Federal, State and local requirements. Additionally, the grantee must comply with any conditional statements specified in the award letter.

After the grant period the grantee or subgrantee has several post-grant responsibilities relating to real property acquisition grants:

- A monitoring plan must be in place for the period after the acquisition
- The real property must continue to serve the purpose for which it was acquired, either in perpetuity or for the length of the legal agreement
- Any commercial or recreational activities that interfere with this purpose must not be occurring on the property
- The objectives of the grant or cooperative agreement are achieved

The grantee should establish a Real Property Monitoring System. The cornerstone of a good monitoring program is a strong land inventory system and informed leadership and staff. The information the system contains assists the State in performing its compliance monitoring

Suggested Elements of Monitoring Compliance for Real Property

Monitor Land Use for:

- Allowable Recreational Activities
- Allowable Commercial Activities
- Interference

Managing and Monitoring Real Property

Control….what mechanisms will you use to maintain:

- Ownership?
- Management Control ?
- Boundary / Encroachment?
- Land Record Reconciliation?

Proceeds from real property disposal is not program income, but must be returned to the grant program

A grantee or subgrantee may not allow an activity or facility that would interfere with the fulfillment of the grant objectives. Interfere means that activities impede, hinder or obstruct the achievement of grant objectives in any manner. **(50 CFR 80.135)**

Income….how will you apply it?

- Proper accounting and disposal of income
- Disposal of Income from Sale or Transfer of Real Property Rights with:
    - A Federal Interest
    - A License Fee Interest
    - Neither Federal or License fee interest (unrestricted funds)

Real Property Acquired with Federal Funds (2 CFR 200.311)

Disposal of real property acquired with federal funds requires prior approval from the Regional Director, even if the grant is closed. Grant terms and Regional Office may prescribe additional disposal requirements.

For Wildlife Restoration and Sport Fish Restoration Grants

The grantee must follow the procedures described in **522 FW 20** and **2 CFR 200.311** when disposing of real property acquired under the Wildlife Restoration and Sport Fish Restoration Acts.

When the grantee and Service Regional Director agree real property is no longer needed for the authorized purpose, the grantee (or subgrantee) will request disposition instructions from the WSFR. The instructions will provide for one of the following alternatives:

> Disposal of real property constitutes a federal action under NEPA and for other Federal compliance purposes. There is no Cat Ex for disposal of real property interests.

Retention of Title

Grantee retains title after compensating the awarding agency for their percentage of participation in the original purchase, at current fair market value. The net proceeds from the disposition may be used as an offset to the cost of the replacement property.

Sale of Property

Property may be sold at current market value (as determined by an approved valuation method) and the awarding agency compensated by the percentage of their participation in the cost (less reasonable selling and fix up expenses). When a grantee or subgrantee is directed to sell property, sales procedures shall provide for competition to result in the highest possible return.

Transfer of Title

Transfer title to the awarding agency or to a designated or approved third party. The grantee (or subgrantee) shall be paid an amount calculated by applying the grantee (or subgrantee) percentage of participation in the original purchase, at the current fair market value

31 U.S.C. § 6301-6308 | 505 DM 2.8 – 2.9

All Other WSFR Grant Programs

For real property acquired under all other WSFR grant programs, the grantee and subgrantee must use the following disposal procedures:

If real property is no longer needed or useful to achieve the approved grant objectives

The grantee and subgrantee must provide written justification demonstrating why the property no longer serves the purpose for which it was acquired and request disposal instructions from the Service Regional Director. The Service Regional Director is the final arbiter of when grantee or sub-grantee real property is no longer needed or useful to achieve the approved grant objectives.

The Service Regional Director may approve the disposal of real property and must provide the grantee and subgrantee with disposal instructions in accordance with **2CFR 200.311**

If real property still serves the purpose for which it was acquired

The State may not dispose of real property acquired under the authority of the Wildlife Restoration Act or Sport Fish Restoration Act. Title to the property must remain vested in the State, and the State fish and wildlife agency must maintain full management control over the real property.

For all other programs, the grantee may not dispose of the real property. It however, may transfer the real property to a WSFR approved entity (subgrantee) to ensure property continues to serve the purpose for which it was acquired. (**Draft Lands Chapter Part 522 - 6 IV)**

Notes:

	Exercise: Real Property

Using the Toolkit review **2 CFR 200.311, 2 CFR 200.307(d), 50 CFR 80.130, 522 FW 20, 522 FW 21, 522 FW 22, 522 FW 24** to answer the questions below.

1. What restrictions apply to a parcel of land that a State uses as match in a WSFR grant?

   The entire parcel described in the grant proposal becomes subject to rules and regulations of the programs at the time a State uses any portion of the value of the parcel as match. State must incorporate a covenant on the deed ensuring it will use the entire parcel in perpetuity for the program purposes . **SM Part 522 24.6.**

2. Under what conditions may land, purchased with federal funds be sold, traded or its purpose changed? What about land purchased with license revenues?

   When State believes the land no longer serves the purpose for which acquired, State must receive approval from Regional Director for disposal.. Fair market value must be received for the property and the federal share of proceeds must be returned to the grant program or replace with property of equal value/ benefit. Proceeds are returned using program income method. Includes mineral rights.522 FW 6.7(C), **2 CFR 200.311, 522 FW 20, 50 CFR 80.135-137**

   Lands purchased with license revenue must remain in control of the State Fish & Wildlife agency or revenue returned to agency or diversion occurs. **522 FW 20**. Includes mineral rights. No approval of WSFR required.

	Exercise: Real Property (Cont.)

3. Who is responsible for determining whether or not recreational or commercial activities are allowed on land and/or facilities acquired developed or managed with federal monies? What factors are considered to make the decision?

   Must not interfere with the purpose of the land or facility.

   The State agency shall make the determination**.(522 FW 22 - Commercial)**

   (522 FW 21 – Recreational) State funds – stay in control of F&W agency.

4. A state wildlife agency purchased a fee title (ownership) interest in a parcel of land adjacent to a state park with Enhanced Hunter Education funds for the purpose of building a shooting range. Under terms of a legally binding MOA, the state park will manage and maintain the range for its expected useful life. The state wildlife agency intends to give title to the parcel of land to the state park as soon as construction of the shooting range is complete. Is this allowable?

   For WR, SFR, EHE only a state may hold title to an ownership interest.

   More than one entity may hold title to an ownership interest in real

   property for **non-WSFR** programs if the entities holding title are a

   grantee or subgrantee **(50 CFR 80.130)**

5. What are the two acceptable types of appraisals that are used for WSFR land acquisitions and what factors determine when each type must be used.

   USPAP or UASFLA is used for the simplified acquisition process. UASFLA

   (yellow book) only is required for the default acquisition process

   (normally when eminent.domain is exercised).

   See acquisition procedures handout

Equipment

- Tangible and nonexpendable personal property
- Useful life > 1 year
- Cost ≥ $5,000 per unit

A grantee may use its own definition of equipment provided that such definition would at least include all equipment defined above

General Guidance for Federal Awards (2 CFR 200.313(b))

(b) States: A State will use, manage, and dispose of equipment acquired under a Federal award by the State in accordance with State laws and procedures.

Equipment Acquisition (2 CFR 200.439)

- General purpose equipment is unallowable as a direct cost, except where approved in advance by the awarding agency
- Special purpose equipment is allowable as a direct cost, provided that items with a unit cost of $5000 or more have the prior approval of the awarding agency

WSFR Position

- Approval of the grant constitutes WSFR approval of the direct charging of equipment to the grant
- The grant may be conditioned as a result **(2 CFR 200.313 (a) (1))**

	Exercise: Personal Property - Equipment

Using the Toolkit, review **2 CFR 200.313** to answer the questions below.

1. What laws and procedures does the State follow in the use, management and disposal of personal property? What about other grantees?

   The follow their State procedures **200.313 (b).** Other grantees follow c- e. State should maintain inventory including location, funding source, price, serial number, etc. Records should be maintained until 3 yrs after final disposition. High dollar equipment purchased on a grant may have a conditional statement placed on award with further requirements.

2. The State of Protection acquired a fish shocking boat with a federal grant. The boat is no longer needed for the grant and they wish to dispose of it. The boat has a current fair market value of $8,000. What are the requirements if the grant is still open? Would requirements change if disposal occurred after the grant expired?

   During open grant State may use the boat on another WSFR funded project or….. boat may be sold or disposed of but if fair market value is over 5K state must compensate the program using program income method. After grant expires it may be disposed of using State procedures method. According to 2 CFR 200.313 State has no further requirements and the funds do not have to be returned. However, a condition may be placed on the grant with equipment use and disposal instructions.

	Exercise: Personal Property – Equipment (Cont.)

3. The State is consolidating its vehicle fleet into a centralized system. Under the proposal the current fleet of fish and wildlife agency vehicles will be transferred to a newly created department called Fleet Management Services. Some of the vehicles were purchased using license fees and several were acquired using a federal grant that is now closed. The fish and wildlife agency will be required to lease vehicles from Fleet Management Services in the future. What concerns does this raise in relation to the WSFR Program.

   Could be diversion issue if vehicles will be used for non fish and game agency purposes. Can't lease vehicles that the agency already paid for unless compensated at fair market value. Is the lease rate appropriate?

4. Equipment purchased on a federal grant is occasionally loaned to the State Parks Section for use on a State Park while the grant is still open. May this be done under Federal guidelines? Under what circumstances, may the equipment be used outside the project?

   No the equipment must be used on the project for which it was acquired. The equipment may be used on other WSFR projects as long as it does not interfere with the accomplishment of the project for which it was acquired**. 2 CFR 200.313**

5. If the equipment in question five was purchased with license revenue, does it raise any concerns?

   Yes. The use of this equipment without compensation may represent a diversion of license funds. States should have an inventory to account for equipment purchases, use and disposal with license fees.

Learning Points

- ✓ Real property records should include a summary of land costs. Purposed for which the real property was acquired, grant program, grant number, rate of federal participation, date of purchase, map/location, title vesting evidence and other interests that may have been purchased as part of real property such as timber, oil/gas, grazing rights, etc.
- ✓ Real property must be monitored to ensure it continues to serve the purpose for which is was originally purchased and control is maintained by the grantee
- ✓ Program income issues often arise as a result of real property
- ✓ Real property may be disposed of when it no longer serves the intended purpose with the prior approval of WSFR Program
- ✓ States use, manage and dispose of personal property (equipment) according to State laws and procedures. Other grantees and subgrantees follow sections c through e of **2 CFR 200.313**
- ✓ Grant awards may contain special terms and conditions on use and disposal of equipment
- ✓ States should maintain an inventory of equipment showing the purchase price, date of purchase, funding source and other pertinent accounting information
- ✓ Use and location of equipment should be tracked and monitored throughout the useful life

Simplified Acquisition Procedures

Step 1 - Buyer obtains WSFR approval to acquire one of the following types of real property interests:

- Fee Simple
- Fee with exception to title
- Partial interest

Step 2 - Buyer obtains WSFR approval of the qualifications of the appraiser and review appraiser

Step 3 - Buyer obtains an estimate of market value and bases it on:
(a) an appraisal report and appraisal review report,
(b) a waiver valuation report,…to use waiver valuation the estimate of market value must be less than $25,000 <u>and</u> the valuation of the property must not be complicated., or
(c) a report estimating the value of real property subject to auction

Step 4 - Buyer gives the owner the following documents before making an offer:
(a) A written notice that the buyer will not be able to acquire the property if negotiations do not result in an agreement, and
(b) A written statement of the amount that the buyer believes is the market value of the property.

.

Step 5 - Buyer negotiates a purchase price of no more than the amount determined by the estimate of market value as determined by a WSFR approved valuation method

:

Step 6 - Buyer and seller enter into a purchase agreement.

- Buyer conducts a due-diligence inspection of the property
- Buyer arranges for a boundary survey if necessary
- Buyer arranges for a title search and the subsequent issuance of a title insurance policy or a certificate of title

Step 7 - Seller delivers the deed or other conveyance document to the buyer in exchange for payment of the negotiated price. Buyer pays seller's eligible expenses incidental to transfer following 49 CFR 24.106

Step 8 - Buyer records the deed or other instrument transferring title or other real property interest, and a Notice of Federal Participation.

Step 9 - Buyer follows 49 CFR 24.105 to acquire tenant-owned improvements

Step 10 Buyer follows 49 CFR 24, Subparts C–F, to provide relocation assistance to any qualifying tenant(s). Neither sellers nor government tenants receive relocation benefits under the simplified acquisition procedures

Default Acquisition Procedures

Step 1 - Buyer obtains WSFR approval to acquire one of the following types of real property interests:

- Fee Simple
- Fee with exception to title
- Partial interest

Step 2 - The buyer gives the owner of the real property a Notice of Intent to Acquire. This tells the owner of the buyer's interest in acquiring the real property and basic protections available to the owner under 49 CFR 24 (see 49 CFR 24.102(b) and 24.203(d)).

Step 3 - Buyer obtains WSFR approval of the qualifications of an appraiser and review appraiser

Step 4 - The buyer obtains an appraisal of the real property (as confirmed or modified by an appraisal review) if the informal estimate of market value is more than $10,000 OR if the valuation is complicated. Otherwise, the buyer obtains a waiver valuation of the real property. We may approve a threshold up to $25,000 for using a waiver valuation if the buyer offers the owner the option of having the property appraised and the owner declines.

If the buyer obtains an appraisal and appraisal review, they must conform to the Uniform Appraisal Standards for Federal Land Acquisition (UASFLA).

WSFR must approve the appraisal and appraisal-review reports (or waiver valuation report) before the buyer moves to Step 5.

Step 5 - The buyer establishes just compensation and gives the owner:
(a) the written offer, and
(b) a summary of the basis of the offer (see 49 CFR 24.102(d–g)). The offer of just compensation must not be less than the estimated market value in an approved waiver-valuation report or an approved appraisal report as confirmed or modified by an approved appraisal-review report. The offer of just compensation must also take into account the value of allowable damages or benefits to any remaining property. If the acquisition of only a portion of the real property would leave the owner with an uneconomic remnant, the buyer must offer to buy the uneconomic remnant along with the portion of the property needed for the project.

Step 6 -The seller delivers the deed or other conveyance document to the buyer in exchange for payment of an amount based on:
(a) the offer of just compensation, or
(b) one of the exceptional valuation procedures which WSFR must approve in advance.
The buyer pays the seller's eligible expenses incidental to transfer following 49 CFR 24.106.

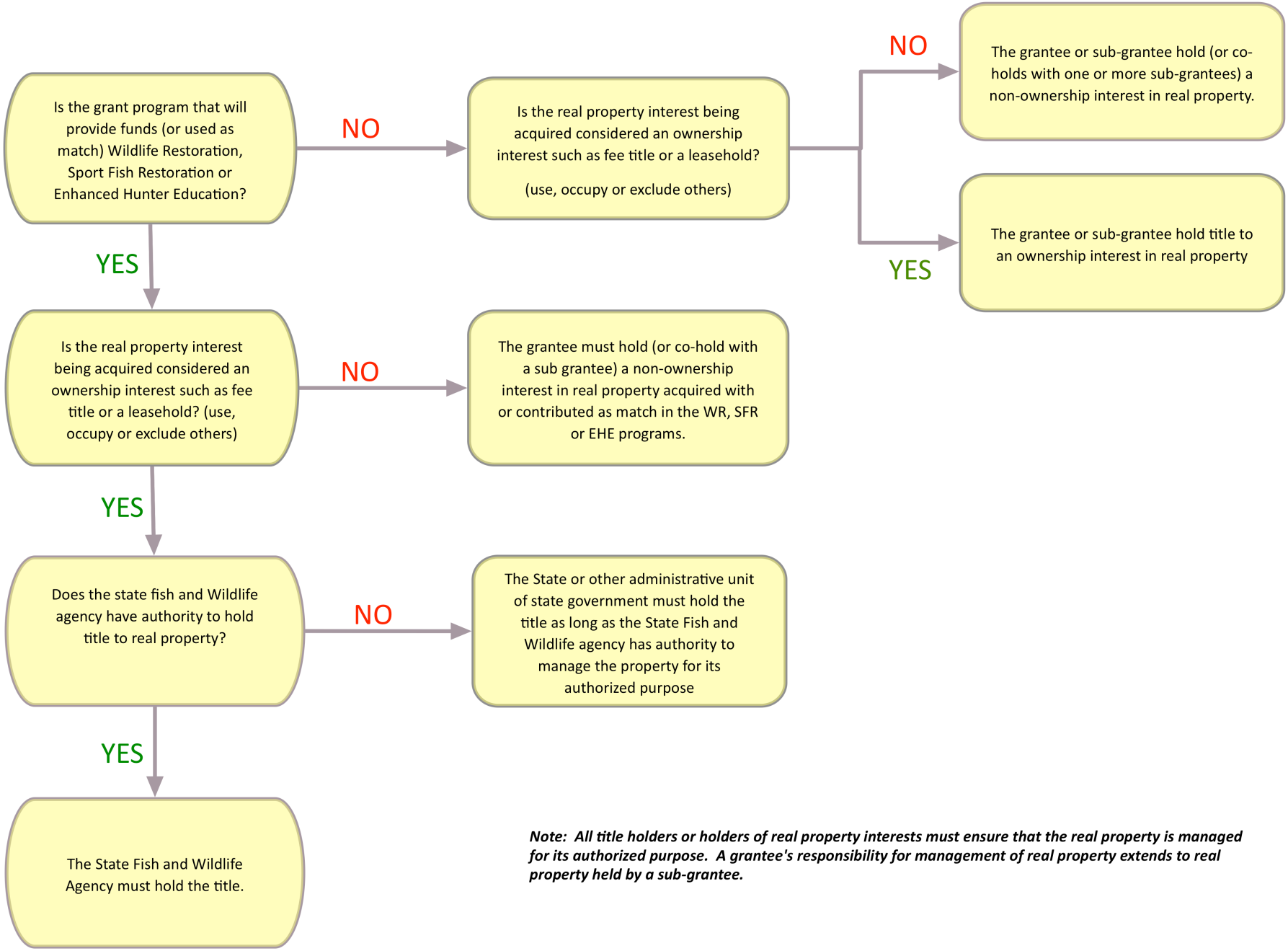
Step 7 - If the buyer has started a condemnation action, the buyer deposits with the court, for the benefit of the owner, an amount not less than the buyer's approved waiver valuation or approved appraisal of the fair market value supported by an appraisal review or the court award of compensation

Step 8 - Buyer records the deed or other instrument that transfers title or other real property interest, and a Notice of Federal Participation.

Step 9 - The buyer follows 49 CFR 24.105 to acquire any tenant-owned improvements.

Step 10 - The buyer provides relocation assistance to a qualifying seller or tenant(s) following 49 CFR 24, Subpart C–F. A governmental entity is not eligible for relocation assistance as a seller or tenant (see 49 CFR 24.202, 24.301, 24.401, and 24.501, and the definitions of person and displaced person at 49 CFR 24.2(a)(9) and 49 CFR 24.2(a)(21)).

Who can hold title to real property interests acquired under a grant administered by WSFR?



Note: All title holders or holders of real property interests must ensure that the real property is managed for its authorized purpose. A grantee's responsibility for management of real property extends to real property held by a sub-grantee.

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8

Objectives:

1. Understand differences between recipient, pass-through entity, subrecipient, and contractor
2. Describe the characteristics used to determine subrecipients versus contractors
3. Classify each pass through agreement as a subaward or contract
4. Understand the information required to be included in a subaward
5. Understand the additional requirements placed on pass-through entities when subawarding Federal funds

Handouts:

- 8-1 Financial Assistance Recipient Risk Assessment

Background

In implementing WSFR grant programs, grantees may enter into agreement with outside entities to perform grant related activities by means of pass through agreements.

Depending on the relationship between the pass-through entity (state grantee) and the entity receiving pass through funds…..the entity receiving pass through funds may be considered a subrecipient or a contractor.

Federal regulations differ for subrecipients and contractor. In order to comply with the correct regulations a determination between subrecipient or contractor must be made.

Subrecipient means a non-Federal entity that receives a subaward from a pass-through entity to carry out part of a Federal program; but does not include an individual that is a beneficiary of such program. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency. **(2 CFR 200.93)**

Subrecipient and Contractor Determinations

The non-Federal entity may concurrently receive Federal awards as a recipient, a subrecipient, and a contractor, depending on the substance of its agreements with Federal awarding agencies and pass-through entities. Therefore, a pass-through entity must make case-by-case determinations whether each agreement it makes for the disbursement of Federal program funds casts the party receiving the funds in the role of a subrecipient or a contractor. The Federal awarding agency may supply and require recipients to comply with additional guidance to support these determinations provided such guidance does not conflict with this section.

It is the pass-through entity who has the responsibility to make the determination between a Subrecipient or a Contractor.

2 CFR 200.330

Subrecipient vs. Contractors

Subrecipient:

When the entity

- Determines who is eligible to receive Federal financial assistance
- Has its performance measured against whether the objectives of the Federal program are met
- Has responsibility for programmatic decision making
- Has responsibility for adherence to applicable Federal compliance requirements, and
- Uses the Federal funds to carry out a program of the organization as compared to providing goods or services for a program of the pass-through entity

Subaward means 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 a 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. **(2 CFR 200.92)**

Contractors:

When the entity

- Provides the goods and services within normal business operations
- Provides similar goods or services to many different purchasers
- Operates in a competitive environment
- Provides goods or services that are ancillary to the operation of the Federal program, and
- Is not subject to compliance requirements of the Federal program.

Contractor means an entity that receives a contract as defined below: **Contract** means a legal instrument by which a non-Federal entity purchases property or services needed to carry out the project or program under a Federal award. The term as used in this part does not include a legal instrument, even if the non-Federal entity considers it a contract, when the substance of the transaction meets the definition of a Federal award or subaward. **(2 CFR 200.22)**

Pass-Through Entity Responsibilities (Compliance Requirements)

In accepting Federal funds the State agrees to comply with all applicable Federal laws, regulations and policies. This relates to complying with program, public and administrative requirements.

The State must ensure that their subrecipients also comply. Most if not all compliance requirements flow down to the subrecipient level. In addition, subrecipients must comply with State rules and regulations.

Program Regulations

Program regulations are passed down from the State to the subrecipient. This includes eligibility requirements, allowable activities and any other program regulations. These requirements may be listed or referenced in the agreement.

Examples:

Boating Infrastructure Grant Program – requires facilities to be reasonably accessible and open to the general public.

Clean Vessel Act – Limits charges for use of facilities.

Public Policy Requirements

Public policy requirements are imposed on grant recipients and subrecipients. These requirements are executive orders of the President, laws enacted by Congress and regulations issued by Federal agencies.

The requirements may be listed or referenced in the agreement or the State may have the subrecipient sign a statement of assurances similar to the Statement of Assurances the State submits to the Federal agency.

The State should make a determination as to which public policy requirements are applicable to their grant program and incorporate these into the subrecipient agreement.

Examples:

American Disabilities Act

Civil Rights Act

Uniform Relocation Assistance and Real Property Acquisition Policies Act

Historic Preservation Act

Compliance Requirements (cont'd)

Pass-Through Entity Risk Assessment of Subrecipients

All pass-through entities shall evaluate each subrecipient's risk of noncompliance with Federal statutes, regulations, and terms & conditions of the subaward for the purpose of determining if additional monitoring procedures are warranted. Pass-through entities should evaluate risk using the following:

1. Prior experience with the same or similar subawards
2. Results of previous audits
3. Whether the subrecipient has new personnel or new/changed systems
4. Extent and results of other Federal awarding agency monitoring

Audits

All non-Federal entities that expend $750,000 or more of Federal awards in a fiscal year must have a single audit according to **2 CFR 200.501(a)**.

Subrecipients falling under this regulation and having findings affecting the State (primary grantee) must submit the final single audit report to the State for review. If an audit is required but there were no findings affecting the State, the subrecipient must submit a letter stating the audit was performed and there were no findings affecting the State.

The State is responsible for inquiring whether the subrecipient meets the requirements for having a Single Audit or program-specific audit conducted for that fiscal year. The subrecipient is ultimately responsible for ensuring the audit is conducted and the report submitted to the Federal Audit Clearinghouse. This report may be useful for the pass-through entity to help determine if additional terms/conditions or monitoring is needed.

Site Visits

Site visits allow State personnel to inspect facilities and operations for compliance, review documentation and records, and view progress.

The State may consider including information on site visits in the subrecipient agreement and develop monitoring policies and procedures for staff use. In addition States should document the findings or recommendations following the site visit.

2 CFR 200.331

	Exercise: Subrecipient/Subaward or Contractor/Contract?

Use **2 CFR 200.22, 2 CFR 200.92, 2 CFR 200.93, 2 CFR 200.330**, and **2 CFR 200.331** to answer the questions below.

1. A university conducts annual research projects for the state fish and wildlife agency. The research projects are funded with an annual SFR grant. According to the terms of the financial assistance agreement with the state fish and wildlife agency, the university is required to submit final performance reports to the state fish and wildlife agency to determine if project objectives were met. What type of financial assistance agreement exists between the state fish and wildlife agency and the university?

   Subaward because the university has its performance measured to determine if objectives of a federal program were met **2 CFR 330 (a) (2)**

2. A state and wildlife agency has an annual SFR operations/maintenance grant for its five fish hatcheries. A fish hatchery supervisor acquires the services of a commercial construction company to dig a new fish hatchery pond. What type of agreement likely exists between the hatchery supervisor and the construction company?

   Contract.. because goods and services are being provided within normal business operations (2) Provides similar goods or services to many different purchasers **2 CFR 200.330 (b) (1) & (2)**

3. A state fish and wildlife agency is conducting a research study to improve turkey populations. The agency enters into an agreement with a university to analyze complex datasets because their staff lacks the resources (software programs) to do such analyses. The university analyzes the data and provides the results back to the state fish and wildlife agency who in turn produces the final management report. What type of financial assistance agreement exists between the state fish and wildlife agency and the university?

   Contract.. because goods and services are being provided within normal business operations (2) Provides similar goods or services to many different purchasers **2 CFR 200.330 (b) (1) & (2)**

	Exercise: Subrecipient/Subaward or Contractor/Contract?

4. A state environmental protection agency receives a CVA grant to construct marine sewage pumpout facilities across the state. The agency enters into agreement with a private marina to construct a sewage pumpout facility. What type of financial assistance agreement exists between the agency and the private marina.

   Subaward because the marina has its performance measured in relation to whether objectives of the Federal program were met **2 CFR 200.330 (a)(2).** Also, meets characteristics of **2 CFR 200.330 (a)(1)(3)(4)(5)**

5. A state fish and wildlife agency receives an annual SFR survey and monitoring grant to manage the sport fishery at Beaver Lake. The agency enters into agreement with a local private individual to operate a bait and tackle / concessionaire shop at the lake. What type of financial assistance agreement exists between the agency and the private individual?

   Contract or vendor relationship because the individual is providing goods and services that are ancillary to the operation of the Federal program **2 CFR 200.330 (b)(4)**.

6. A state fish and wildlife agency receives a Basic Hunter Education (BHE) grant to construction public firearms and archery ranges across the state. The agency enters into agreement with a county government who will construct and operate the range on a parcel of land that they own. What type of financial assistance agreement exists between the agency and the county government?

   Subaward because the county has its performance measured in relation to whether objectives of the Federal program were met **2 CFR 200.330 (a)(2).** Also, meets characteristics of **2 CFR 200.330 (a)(1)(3)(4)(5)**

	Exercise: Subrecipient/Subaward or Contractor/Contract?

7. What data elements must pass through entities provide in all subawards regarding the identification of the Federal Award?

Federal Award Identification, Subrecipient name and DUNS number

Federal Award Identification Number, Federal Award Date

Subaward Period of Performance, Amount of Federal Funds Obligated by

this Action, Total Amount of Federal Funds Obligated to the Subrecipient;

Total Amount of the Federal Award, Federal Award Project Description;

Name of Federal Awarding Agency, Pass Through Entity;

CFDA # & Name; Is award R&D?; Indirect cost rate. **2 CFR 200.331 (a)(1)**

Additionally, must provide terms & conditions; any additional/special terms

& conditions; approved indirect cost rate; must allow audits/pass-through

entity access to records/financial statements; and any closeout conditions

of the subaward. **2 CFR 200.331 (a)(2-6)**.

8. What additional responsibilities fall upon pass through entities when providing subawards to the subrecipients?

See 2 CFR 200.331 (b-h)

Conduct a risk assessment of each subrecipient prior to award.

Consider imposing specific award conditions if appropriate.

Monitor activities of subrecipients as necessary.

Depending on risk assessment, provide additional monitoring tools to ensure

proper accountability and compliance.

Verify the subrecipient has received an audit if they meet the minimum

criteria for a Single Audit.

Determine whether results of such audits result in necessary adjustments to

the pass-through entities own records.

Take enforcement action against subrecipient noncompliance.

Learning Points

- ✓ When entering into an agreement with an outside entity to perform grant related functions or activities, the grantee must determine the nature of the relationship and the proper financial assistance instrument
- ✓ Typically, a subrecipient relationship involves a non-Federal entity who has its performance measured against whether the objectives of the Federal award were met, has programmatic decision making, adheres to Federal program compliance requirements, and uses Federal funds to carry out a program for a public purpose, as opposed to simply providing goods or services for the benefit of the pass-through entity.
- ✓ A contractor provides goods or services for the pass-through entity's own use and normally operates within a competitive environment and offers similar goods or services to many different purchasers.
- ✓ Grantees are responsible for identifying and providing the subrecipient with information concerning requirements, monitoring, etc., in the agreement
- ✓ Grantees are responsible for monitoring subrecipients for performance and compliance with federal regulations as well as any State regulations

U.S. Fish and Wildlife Service

Financial Assistance Recipient Risk Assessment

Date Completed: _____ FY: ____

Recipient Name: _____

Recipient Type (select from drop down): _____ Recipient DUNS: _____

Completed By-Name: _____

Completed By-Program: _____ Region: _____

Instructions:

1. Read the "Recipient Risk Assessment Guidance" posted on the Intranet at https://inside.fws.gov/go/post/FAPO-NewAwards.
2. Complete this form once a Fiscal Year (FY) for each recipient who will be awarded one or more grant or cooperative agreement awards from the program in the open FY. The results of this risk assessment will apply to all awards to the recipient in the open FY.
3. For each category below, enter a numerical rating of 0=Not applicable (N/A), 1=Low, 2=Medium or 3=High in the Rating box. Use the information provided under the Rating Description sections to assist you in assigning a rating to each category. If not a new recipient, consider the recipient's performance on all currently open and recently closed awards, when applicable to the risk category.
4. For each category below, specify in the "Basis for Rating and Other Comments" field the factors that contributed to the rating entered. Provide enough detail to give an independent reviewer a clear understanding of the rationale used to determine the rating. If documents exist to support your rating (e.g., performance report on previous award) identify the document(s) and specify the location of the document(s). Here is an example of the type of detail to be entered in the "Basis for Rating and Other Comments" fields:

   Category 1 Rating = 1; "Basis for Rating and Other Comments" field reads: *The recipient has successfully implemented awards under our program in the past. Some projects include sub-recipients and construction, but awards with these complexities have been well managed. Summaries of past project results are available in our program database.*

Category 1: POTENTIAL FOR IMPLEMENTATION PROBLEMS — Rating: _____

Category 1 Rating Descriptions

0=N/A:	Not a valid response.
1=Low:	Project has no identifiable challenges; no past issues; typical project period for the program or project type; well-qualified recipient; project not complex; no sub-recipients; recipient has all equipment required for the performance of the project.
2=Medium:	New project for recipient; one or more sub-recipients; longer than typical project period for the program or project type; unproven recipient; recipient has had some issues with implementation on other awards; some challenges or potential challenges identified, such as recent staff turnover or reorganization that could affect implementation; recipient does not have all equipment required for the performance of the project but, as noted in its application package, has plans in place to obtain necessary equipment in advance of need.
3=High:	Project has multiple sub-recipients; complex project; multiple partners; construction project; recipient has had significant issues with implementation on other awards; significant challenges identified; recipient does not have all equipment required for the performance of the project and has not secured sufficient resources to make sure lack of equipment does not significantly delay planned project activities.

Basis for Rating and Other Comments:

Category 2: FINANCIAL MANAGEMENT SYSTEM AND FUNDS MANAGEMENT RECORD — Rating: _____

Category 2 Rating Descriptions

0=N/A:	Recipient is a Commercial Organization, Foreign Entity, or Individual.
1=Low:	Recipient has received a Federal financial assistance award in the past, has a financial management system in place that meets the applicable funds management requirements in 43 CFR Part 12, and the program has never identified any funds management issues on previous awards to recipient.
2=Medium:	Recipient has received an award in the past, has a financial system in place that meets the applicable funds management requirements in 43 CFR Part 12, but has had funds management issues on a current or previous award(s). Recipient was responsive to USFWS communications or requests for information or action in regards to identified issues. Issues were resolved.

3=High:	Recipient has never received a Federal financial assistance award and does not have experience managing Federal funds, or recipient has received an award in the past and has had significant funds management issues on a current or previous award(s), such as routinely submitting incorrect financial reports, requesting more than immediate cash needs, major variances between budget and actual expenditures, difficulty maintaining required matching funds, disallowed costs, among others. One or more reports of waste, fraud or abuse currently under investigation or determined to be valid. Recipient was not responsive to USFWS communications or requests for information or action in regards to identified issues. Issues were never resolved.

Basis for Rating and Other Comments:

Category 3: PERFORMANCE TRACK RECORD — Rating:

Category 3 Rating Descriptions

0=N/A:	Not a valid response.
1=Low:	Recipient met all proposed outcomes and/or deliverables on previous award(s); on schedule to meet proposed outcomes and/or deliverables on current award(s). Recipient met most proposed outcomes and/or deliverables on previous award(s) and reason(s) for delay or non-performance was (were) unavoidable; on schedule or only slightly delayed to meet proposed outcomes and/or deliverables on current award(s).
2=Medium:	Recipient may have had issues related to compliance with award terms and conditions on current or past award(s) but recipient was responsive to USFWS communications or requests for information or action related to the issues. Issues were resolved.
3=High:	Recipient has no past or current award with the USFWS or failed to deliver proposed outcomes and/or deliverables on previous award(s); reason(s) for delay or non-performance was (were) unavoidable; significantly behind schedule or failing to meet maintenance of effort required on current award(s) due to failures within recipient's control to correct. Recipient significantly failed to comply with award terms and conditions. Recipient was not responsive to USFWS communications or requests for information or action related to the issues. Issues were never resolved.

Basis for Rating and Other Comments:

Category 4: STAFF LEVEL AND KEY STAFF QUALIFICATIONS — Rating:

Category 4 Rating Descriptions

0=N/A:	Recipient is an Individual.
1=Low:	Recipient provided information detailing the experience and qualifications of key project personnel. All personnel appear qualified to meet the project objectives; no past issues with recipient in regards to key staff qualification. The project is fully staffed.
2=Medium:	Recipient provided information detailing the experience and qualifications for some key project personnel. All of the identified personnel appear qualified to meet the project objectives, but other key project personnel have not yet been hired.
3=High:	Recipient has not yet identified/hired any key project personnel; one or more of the personnel identified do not appear qualified to meet the project objectives; or one or more key personnel left the project and replacement(s) have not been identified.

Basis for Rating and Other Comments:

Category 5: DELIVERY EXPERIENCE — Rating:

Category 5 Rating Descriptions

0=N/A:	Not a valid response.

1=Low:	Recipient has delivered the funded project/program or similar projects/programs for USFWS or other Federal agencies for at least five years.
2=Medium:	Recipient has delivered the funded project/program or similar projects/programs for USFWS or other Federal agencies for at least two years.
3=High:	Recipient has never delivered the funded project/program or similar projects/programs, or has delivered the funded project/program or similar projects/programs for USFWS or other Federal agencies for less than two years.

Basis for Rating and Other Comments:

Category 6: AWARD ADMINISTRATION AND REPORTING COMPLIANCE — Rating:

Category 6 Rating Descriptions

0=N/A:	Recipient has no past or current award from the program.
1=Low:	Recipient has been timely in the submission of budget and project amendment requests, prior approval requests, financial and performance reporting, extensions of performance period and reporting due dates, and significant development reports, as applicable.
2=Medium:	Recipient has mostly been timely in the submission of budget and project amendment requests, prior approval requests, financial and performance reporting, extensions of performance period and reporting due dates, and significant development reports, as applicable. When out of compliance, recipient was responsive to written notifications and requests from the USFWS regarding late or incomplete requests or reports.
3=High:	Recipient has consistently been late in the submission of budget and project amendment requests, prior approval requests, financial and performance reporting, extensions of performance period and reporting due dates, and significant development reports, as applicable. Recipient is seldom or not at all responsive to written notifications and requests from the USFWS regarding late or incomplete requests or reports.

Basis for Rating and Other Comments:

Category 7: A-133 SINGLE AUDIT — Rating:

Category 7 Rating Descriptions

0=N/A:	Recipient is a Commercial Organization, Foreign Entity, or Individual.
1=Low:	Recipient is a government or non-profit entity and their application indicates that they were not required to submit an A-133 report for their most recently closed fiscal year; recipient completed A-133 audit for at least one of their two most recently closed fiscal years. Recipient submitted required A-133 report to the Single Audit Clearinghouse on time. Recipient did not have any Qualified or Adverse/Disclaimer opinions, significant internal control deficiencies or findings for non-compliance.
2=Medium:	Recipient has not had any Adverse/Disclaimer opinions, more than two significant internal control deficiencies, or more than two findings for non-compliance on A-133 audits conducted in the last five years. Recipient was late in submitting required A-133 report to the Single Audit Clearinghouse.
3=High:	Recipient has had an Adverse/Disclaimer opinion, more than two significant internal control deficiencies, or more than two findings for non-compliances on A-133 audits conducted in the last five years. Recipient has a history of not submitting A-133 reports to the Single Audit Clearinghouse on time. Recipient currently working under an A-133 Corrective Action Plan related to a current or previous award funded by the program.

Basis for Rating and Other Comments:

U.S. Fish and Wildlife Service

Financial Assistance Recipient Risk Assessment

Category 8: OTHER AUDITS REQUIRED BY FUNDING PROGRAM LEGISLATION	**Rating:**

Category 8 Rating Descriptions

0=N/A:	Recipient has no past or current award from the program; or previous/current/pending award funded in full with Resource Management funds. If previous/current/pending award funded by other types of funds, program authorizing legislation does not require recipients to conduct a formal audit.
1=Low:	Recipient has had no significant internal control deficiencies or findings for non-compliance.
2=Medium:	Recipient has had less than two significant internal control deficiencies and less than two findings for non-compliance.
3=High:	Recipient has had more than two significant internal control deficiencies and more than two findings for non-compliance.

Basis for Rating and Other Comments:

RISK RATING AVERAGE (auto-calculated based on numerical scores entered in Rating boxes above):	**0.00**

Instructions: In the Preliminary Risk Level box below, enter the preliminary risk level that corresponds with the risk rating average calculated above, as follows:

Enter "**Low**" if the number in the Risk Rating Average box above is between **0-1.49**
Enter "**Medium**" if between **1.5-2.49**
Enter "**High**" if between **2.5-3**

PRELIMINARY RISK LEVEL (Low, Medium or High):	

OTHER FACTORS IMPACTING RISK LEVEL:

Instructions: Consider if there are any other factors that impact, either by raising or lowering, the recipient's preliminary risk level. If there are such factors, describe each factor and explain how each raised or lowered the preliminary risk level in the text box below, and then enter either "Low", "Medium" or "High" in the Final Risk Level box below.

If no such factors exist, enter "No other factors impact the preliminary risk level" in the text box below, and then enter the same value as entered in the Preliminary Risk Level box above in the Final Risk Level box below.

FINAL RISK LEVEL (Low, Medium or High):	

Instructions: Based on the result of this risk assessment, incorporate the required monitoring activities into all notices of award to the recipient in the open FY following the "Recipient Risk Assessment Guidance" posted on the Intranet at https://inside.fws.gov/go/post/FAPO-NewAwards.

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Objectives:

1. Identify and discuss the regulations grantees must follow for administrative, audit, and cost principles
2. Describe the various methods used to track and report grant expenditures and reimbursements
3. Discuss the importance of internal controls
4. Define allowable costs to grants according to cost principles and program requirements
5. Discuss the level of accountability for grant awards, matching or cost sharing, and budgeting

Handouts:

None

Financial Management

The Financial management system of each non-Federal entity must provide for the following

- Identify in all its accounts Federal awards received and expended
    - CFDA
    - Federal award identification number and year
    - Name of Federal awarding agency
    - Name of pass-through entity, if any.
- Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements
- Records that identify adequately the source and application of funds for federally-funded activities
- Records that identify adequately the source and application of funds for federally-funded activities
- Comparison of expenditures with budget amounts for each Federal award
- Written procedures to implement the requirements of §200.305 payment
- Written procedures for determining the allowability of costs in accordance with Subpart E —Cost Principles of this part and the terms and conditions of the Federal award

2 CFR 200.302

Internal Controls

- Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award
- Comply with Federal statutes, regulations, and the terms and conditions of the Federal awards
- Evaluate and monitor the non-Federal entity's compliance with statute, regulations and the terms and conditions of Federal awards
- Take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings
- Take reasonable measures to safeguard protected personally identifiable information and other information the Federal awarding agency or pass-through entity designates as sensitive or the non-Federal entity considers sensitive consistent with applicable Federal, state and local laws regarding privacy and obligations of confidentiality.

2 CFR 200.303

	Exercise: Examining the Cost Principles

Use 2 CFR 200.400 and 2 CFR 200 Subpart E to answer the questions.

1. What are the factors affecting the allowability of costs?

   Be necessary and reasonable, Adhere to limitations in cost principles for type Be consistent between federal and non-federal charges, Be consistent between direct and indirect, In accordnace with GAAP, Not in other fed award (double dip), Be adequately documented **2 CFR 200.403**

2. The State fish and game agency conducts an agency-wide reduction-in-force (RIF) as required by their state legislature, eliminating 30 positions. The agency would like to charge the severance payments of its RIF to the applicable grants the employees worked on prior to being laid off. Is this an allowable cost? What are the restrictions? Are there any other considerations?

   Compensation- Fringe Benefits Yes allowable but prior approval by Fed awarding agency or cognizant agency for indirect cost, as appropriate, is Required **2 CFR 200.431 (i)(2)(ii)**

3. The Hunter Education Coordinator is planning a meeting for all volunteer instructors to provide updated agency procedures and plans. Training sessions will be held in conjunction with the meeting. Are costs associated with providing meals and snacks at the meeting and reimbursement of travel costs to volunteer instructors allowable costs to a federal award?

   Conferences. Yes is allowable cost but must be necessary conference hosts/sponsors must exercise discretion and judgement in ensuring that conference costs are appropriate, necessary and managed in a manner that minimizes cost to the award **2 CFR 200.432**

4. A State agency uses vehicles and heavy equipment while preforming grant work. What are the acceptable methods for charging the associated costs to the grant?

   If not acquired with Federal funds then the cost of acquisition can be recovered via depreciation. The operational cost of equipment can be recovered as a direct cost or indirect cost. **2 CFR 200.436**

	Exercise: Examining the Cost Principles

5. The State holds a planning meeting where proposed wildlife regulations, federal grant overview, and general operations are on the agenda. Can those in attendance charge time for attending the meeting to the coordination grant?

   Yes, conferences (meeting) costs allowable but must be necessary. What about eligibility of the items on the agenda? Law enforcement not eligible for WSFR funding. Must properly allocate costs between fed and non-federal activities on timesheets **2 CFR 200.403 (d)**

6. The State Fish and Wildlife agency is planning to purchase land and an office building to use as their headquarters office. Is the purchase price of the land and building an allowable cost to a federal award?

   Yes, however the cost of the land and building must be properly allocated between federal and non-federal objectives. (law enforcement and public relations) **2 CFR 200.403 (d)**

7. A heavy equipment company donated use of a dozer and an operator to a State boat access construction project funded by a SFR grant. Are the donations allowable? If yes, how would the donation be valued and documented?

   Yes, this is a 3rd party donation. The donation would be valued at market price for equipment rental and labor rate of an equipment operator. Get written quotes for rates.. **2 CFR 200.306**

8. The State purchases a mobile display both for $ 8,000. The display booth will be used at National Hunting and Fishing Days and other public events. The display booth displays information regarding the State's research funded with Wildlife Restoration funds, hunting regulations and promotion of the State's online licensing system. Management wants to charge the cost 100% to the statewide research grant for wildlife. Would this be allowable?

   No, law enforcement (regulations) and general agency promotion are ineligible activities under **50 CFR 80.54.** The eligible part of the display could be allocated to the applicable federal award**.2 CFR 200.403 (d)**

Composition of Cost

Total cost
The total cost of Federal awards is comprised of the allowable direct cost of the program, plus its allocable portion of allowable indirect costs, less applicable credits.

Classification of costs
There is no universal rule for classifying certain costs as either direct or indirect under every accounting system. A cost may be direct with respect to some specific service or function, but indirect with respect to the Federal award or other final cost objective. Therefore, it is essential that each item of cost be treated consistently in like circumstances either as a direct or an indirect cost.

Direct Costs
+
Indirect costs
-
Credits
=
Total Cost

Direct Costs

Direct costs are those that can be identified specifically with a particular final cost objective.

- Typical direct costs chargeable to Federal awards are
  - Compensation of employees for the time devoted and identified specifically to the performance of those awards
  - Cost of materials acquired, consumed, or expended specifically for the purpose of those awards
  - Equipment and other approved capital expenditures
  - Travel expenses incurred specifically to carry out the award

2 CFR 200.402 | 2 CFR 200.413

The 10 Percent Rule

The Federal awarding agency may, at its option, restrict the transfer of funds among direct cost categories or programs, functions and activities for Federal awards in which the Federal share of the project exceeds the Simplified Acquisition Threshold and the cumulative amount of such transfers exceeds or is expected to exceed 10 percent of the total budget as last approved by the Federal awarding agency.

The Federal awarding agency cannot permit a transfer that would cause any Federal appropriation to be used for purposes other than those consistent with the appropriation.

The Current Federal Simplified Acquisition level is $150,000

Rule does not apply to projects where federal share is less than simplified acquisition ($150,000) or to any construction project regardless of federal share.

Budget Changes Requiring Federal Approval

- The inclusion, unless waived by the Federal awarding agency, of costs that require prior approval in accordance with 2 CFR 200 Subpart E—Cost Principles or applicable program regulation
- Unless described in the application and funded in the approved Federal awards, the subawarding, transferring or contracting out of any work under a Federal award. This provision does not apply to the acquisition of supplies, material, equipment or general support services
- Changes in the amount of approved cost-sharing or matching provided by the non-Federal entity

No other prior approval requirements for specific items may be imposed unless a deviation has been approved by OMB

Learning Points

- ✓ Grantees must follow applicable administrative, audit and cost principles when accounting for Federal financial assistance awards
- ✓ States expend and account for grant funds in accordance with State laws and procedures
- ✓ Costs charged to Federal awards must be allowable and in accordance with applicable cost principles
- ✓ Pre-award costs are those incurred prior to the effective date of the award, must be documented, approved and are allowable only to the extent that they would have been allowable if incurred after the date of the award and only with the written approval of the awarding agency

10

Objectives:

1. Describe indirect costs rates, proposals and plans.
2. Explain the requirement for Federal agencies and pass-through entities to honor a recipient's / subrecipient's negotiated indirect rate.
3. Discuss the limitation on rates for statewide central services required by the WR and SFR Acts.
4. Discuss the level of accountability for grant awards, matching or cost sharing, and budgeting.

Handouts:

- 10-1 Indirect Cost Organizational Chart
- 10-3 Cost Breakdown
- 10-5 Grants and Contract Detail
- 10-7 Exercise Calculating and Applying Indirect Rates
- 10-9 Examples of Negotiated Indirect Cost Agreements (NICRA)

Indirect Costs

Indirect costs are those incurred for a common or joint purpose benefiting more than one cost objective, and not readily assignable to the cost objectives specifically benefited without effort disproportionate to the results achieved.

Indirect costs are normally charged to Federal awards by the use of an indirect cost rate. A separate indirect cost rate(s) is usually necessary for each department or agency of the governmental unit claiming indirect costs under Federal awards.

Typical examples of indirect costs may include

- State/local-wide central service costs
- General administration of the department or agency
    - Finance and accounting
    - Human resources
    - Procurement
    - Information technology
    - Agency leadership
- Depreciation or use allowances on buildings and equipment
- Costs of operating and maintaining facilities (utilities, janitorial, rent, etc.)

What is an Indirect Cost Rate?

An “indirect cost rate’’ is a device for determining in a reasonable manner the proportion of indirect costs each program should bear. It is the ratio (expressed as a percentage) of the indirect costs to a direct cost base.

An indirect cost rate is developed by preparing a cost allocation plan or an indirect cost rate proposal.

2 CFR 200.414

Obtaining an Approved Indirect Cost Rate

Development and submission of the Indirect Cost Rate Proposal Package

You must have a Federal award to enter into the negotiation process with the Federal cognizant agency.

- o Immediately after being advised in writing that a Federal award will be made, and no later than 90 calendar days of the date the award is made.
- Within six months of the end of the recipient's fiscal year on an annual basis for the life of the Federal award.

Indirect cost rates must be negotiated with your cognizant Federal agency

- Prepare an indirect cost rate proposal for a given period (ICRP)
  - o Includes the rates proposed and supporting documentation
  - o A copy of the financial data upon which the rate is based
  - o The approximate amount of direct base costs incurred under Federal awards
  - o An organizational chart for the agency during the period which the proposed rate will apply
  - o A Certificate of Indirect Costs
- Submit ICRP to the cognizant Federal Agency
  - o The cognizant Federal agency is determined by the Office of Management and Budget's (OMB) Federal Register Notice 51 FR 552. If the grantee agency is not listed then the cognizant Federal agency is the agency providing the greatest amount of funds

2 CFR 200 Appendix V

Obtaining an Approved Indirect Cost Rate

Review and Negotiation by the Cognizant Federal Agency

- Cognizant Federal agency's indirect cost unit reviews and negotiates the rate with the non-federal entity.
- Rate is agreed upon and approved for that period through the issuance of the negotiated indirect cost rate agreement (NICRA).
- The non-federal entity is required to submit a new Indirect Cost Rate Proposal for future periods.
- The non-federal entity may apply for a one-time extension of a current negotiated indirect cost rates for a period of up to four years. Federal entity may not request a rate review until the extension period ends. At the end of the 4-year extension, the non-Federal entity must re-apply to negotiate a rate. Fixed rate with carryforward rate types are not eligible for extensions.

  The following information be included with the extension request.

  - Most recently completed Audited Financial Statements
  - Estimates on federal grant funding for the extension periods
  - Information regarding any significant anticipated changes in indirect cost expenditures during the extension periods

Only current final or predetermined rates issued for periods beginning on or after December 26,2014 are eligible for a rate extension.

2 CFR 200 Appendix V | 2 CFR 414(g)

Indirect Costs

Can a recipient charge all costs directly?

Yes. If the recipient does not have a negotiated indirect cost rate agreement, they can use the direct cost allocation method, if they have only a few funding sources. This method is not recommended if the recipient has more than three funding sources.

Must a recipient's federally-negotiated indirect cost rate be honored?

Yes. The provisions of **2 CFR 200.414** and related Department policy DOI-AAAP-0007 require programs to accept federally-negotiated indirect cost rates

The only exceptions are:

- Statutory limitation
- Program has received approval from the Department of the Interior to deviate from recipient negotiated rates for a program or class of awards.
    - The Cooperative Fish and Wildlife Research Unit Program
    - Cooperative Ecosystem Studies Unit Network
- The recipient attributes some or all of their allowable indirect costs as voluntary cost-share or, when allowable, to satisfy cost-sharing or matching requirements.
- The recipient voluntarily charges less than the full amount of indirect costs allowed under the award. The election must be voluntary; Service employees must not require or otherwise solicit such a reduction. To document the voluntary nature of the lower rate, the applicant/recipient must submit to the Service a written statement, signed by the official having the authority to negotiate indirect cost rates for the recipient organization.

Limitation on State Central Services

50 CFR 80.53

Administrative costs in the form of overhead or indirect costs for State central services outside of the State fish and wildlife agency must be in accord with an approved cost allocation plan and shall not exceed in any one fiscal year three per centum of the annual apportionment.

Additional guidance can be found in the policy memorandum titled "3% Central Services Limitation (WR/SFR)" located in the Toolkit

Calculation of Statewide Central Services Limitation

The State of Protection has an approved State Wide Cost Allocation Plan (SWCAP) for allocating the cost of providing centralized computer, purchasing and accounting services to all State (operating) departments and agencies.

The State of Protection has determined that the central services cost allocable to Protection Department of Fish and Wildlife is **$575,000**.

Protection Department of Fish and Wildlife is developing an indirect cost rate proposal to obtain an approved indirect cost rate to recoup indirect costs from Wildlife and Sport Fish Restoration awards.

Calculate the limit according to 50 CFR 80.53:

14,000,000 (Annual Apportionment) X 3% (Max % Allowed) = ***$420,000 Limit***

Indirect costs included in indirect cost rate proposal:

Protection Dept of Fish and Wildlife - Indirect costs		15,000,000
Statewide Central Services *(3% Limit)*	+	420,000
Total Indirect Cost Pool		15,420,000

Indirect Rate Calculation:

Total Indirect Cost Pool		15,420,000
Direct Cost Base (*Salaries and Fringe)*	/	50,000,000
Indirect Rate		30.84%

Types of Indirect Rates

- Provisional Rate – This is a temporary rate established for a period of time and based on estimated costs until a final rate can be determined. A provisional rate is often sought by grantees that have no prior federal grants or contracts. The provisional rate, which is based on estimated costs, is later revised to a final rate
- Final Rate – The rate established after an organization's actual costs for an operating period are known
- Predetermined Rate – This is a rate established for a specified period (usually 1 to 3 years) and it is not subject to adjustment. This rate is used when financial data demonstrate a reasonable assurance that a reimbursement rate is likely to remain stable based on the grantee's actual costs, both previous and forecasted
- Fixed Rate with Carry-Forward: This is a permanent rate established for a future (prospective) period of time. The grantee is reimbursed at this rate, but after actual costs have been determined, the difference between fixed and actual is carried forward to a future period in order to adjust the fixed rate for under or over recovery of indirect costs
- Special Rate: Special rates may be developed to deal with unique situations. They are often used by colleges and universities when indirect costs are different for on-campus and off-campus activities
- *10% de minimus* - charged to modified total direct costs as defined in **(2 CFR 200.68)**. This option is available only to recipients who have never negotiated a rate with their cognizant agency and have indicated on their application that, in the event an award is made, they will not be able to meet the requirement to submit an indirect cost rate proposal to their cognizant agency within 90 calendar days after award. This option is available to all entities that have never negotiated a rate with their cognizant agency except U.S. state and local governments receiving more than $35 million in direct Federal funding per year. **(2 CFR 200.414(f))**

Selecting the Type of Indirect Cost Base

- Salaries/Wages
- Salaries/Wages and Fringe Benefits
- Total Modified Direct Costs (TMDC)
    - Less Distorting items
        - Capital Expenditures
            - Land
            - Equipment
        - The indirect rate may only be applied to the first $25,000 of each subaward or subcontract
    - Any other class of expenditure that would inequitably distribute indirect costs (e.g fish food, grass seed)

> The direct cost base selected should result in each award bearing its fair share of indirect costs in reasonable relation to the benefits received

The Calculation

*(Direct Base) * (Rate) = Total Indirect Costs*

Applying the Indirect Cost Rate

Approved indirect cost rates are included in the grant application package in the estimated budget as part of the grant costs. The approved rate is applied against the base (all direct costs, direct salaries or direct salaries plus fringe depending on the base approved in the indirect cost rate proposal). Please note, when using a total direct cost rate, you must exclude distorting items from your base prior to applying the rate. Some examples of distorting items would be pass-through funds and capital expenditures.

As direct costs are incurred and charged to the award the approved indirect cost rate is applied to determine the total grant costs.

The total cost of the grant award may then be reimbursed based on the federal / state cost share (75/25). The indirect rate will also be documented on the Federal Financial Report SF-425.

If more than one indirect rate applies during the period of performance, the appropriate rates should be used for each period.

Indirect cost rate proposals are typically prepared by State fiscal year. When a Federal award crosses State fiscal years, more than one rate will apply to an award

In our previous example for the Protection Department of Fish and Wildlife:

The 30.84% would then be applied against total direct salaries and fringe from protect costs, since the only salaries and fringe were included in the total direct costs.

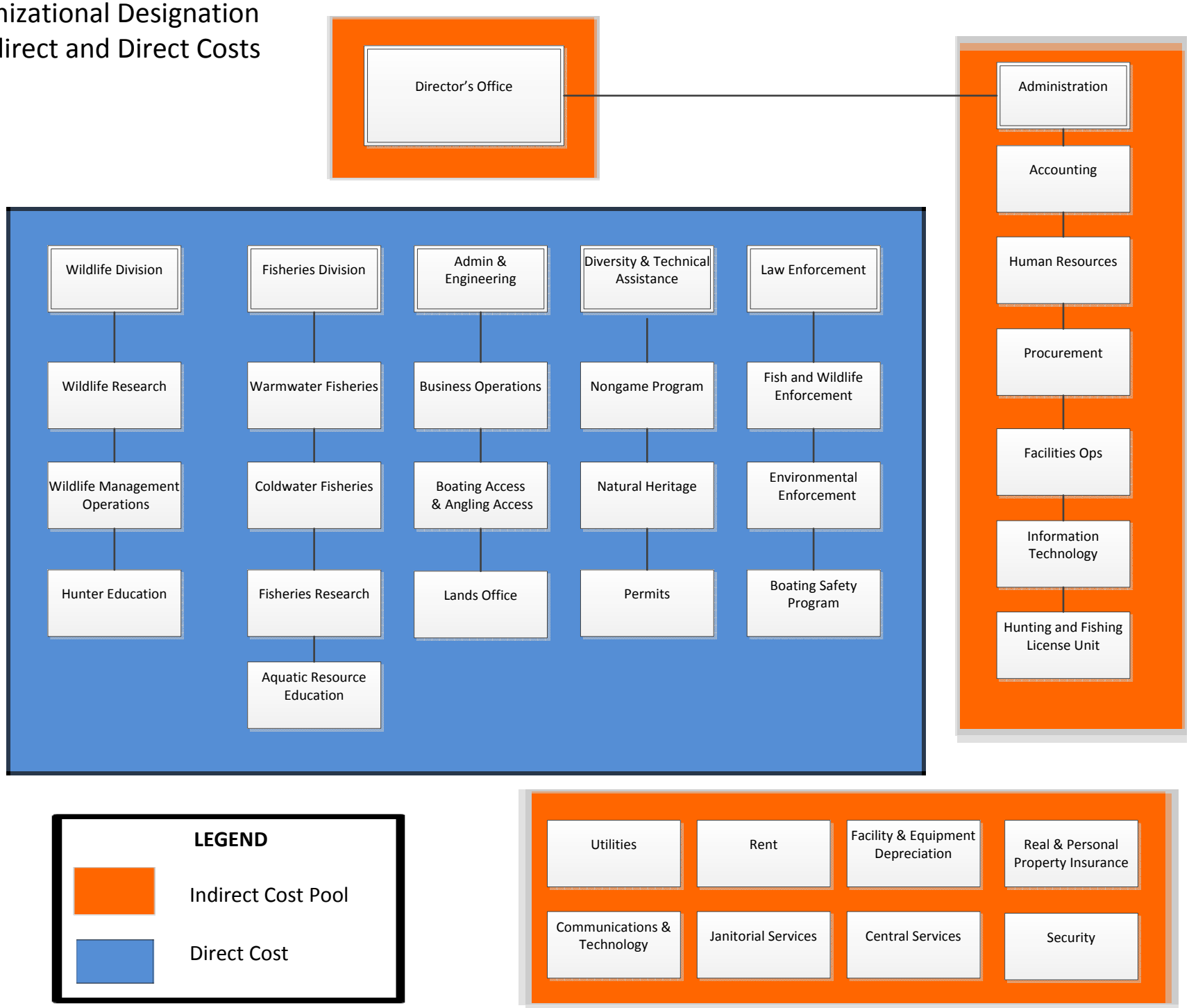
Fisheries Research Activities

	Direct Costs	**Indirect Costs**	**Total Costs**
Salaries/Wages	245,000		245,000
Fringe Benefits	55,000		55,000
Indirect Base Subtotal		300,000	
Travel	20,000		20,000
Supplies	80,000		80,000
Approved Indirect Rate 30.84%		92,520	92,520
Total	400,000		492,520

Learning Points

- ✓ Indirect costs are those costs incurred for a common or joint purpose and cannot be readily identified with a particular cost objective
- ✓ An indirect cost rate is the ratio or percentage of an organization's total indirect costs (overhead/administrative costs) to its direct cost base. The rate is used by a non-federal entity to distribute indirect costs to individual Federal awards by applying the rate to either total direct or modified direct costs of the award
- ✓ Non-Federal entities (NFE) submit indirect cost rate proposals to and receive the approved indirect cost rate from their cognizant Federal agency. An indirect cost rate cannot be used unless approved.
- ✓ States must ensure that indirect costs for statewide central services are limited to 3% of the apportionment for WR and SFR programs
- ✓ Federal agencies and pass-through entities must honor a negotiated indirect rate.

Organizational Designation of Indirect and Direct Costs



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Simplified Allocation Method for Indirect Cost

(Dollars in 1,000)

Expense Category	Direct Cost Base		Indirect Cost Pool	Total Expenses
	Federal Projects	Non-Federal Projects		
Salaries / Wages	9,600	32,000	8,000	49,600
Employee Benefits	2,000	6,400	2,500	10,900
Central Services			575	575
Travel	600	1,500	600	2,700
Materials and Supplies	850	1,800	750	3,400
Rent			1,200	1,200
Communications			400	400
Utilities			850	850
Advertising			150	150
Equipment	800	2,400	700	3,900
Subcontracts / Grants	365	150	0	515
Land Acquisition	1,000	3,000	0	4,000
Total	14,215	44,250	15,725	78,190
Less Unallowable				
Advertising			150	
Central Services			155	
Allowable Costs	14,215	44,250	15,420	78,190

Notes:

1 The Federal project expenses are total costs associated with Federal awards (federal & match).

2 Advertising is an unallowable cost for Federal awards

3 The 3% limitation on central services makes part of the central services unallowable for Wildlife and Sport Fish funded projects

4 Only the first $25,000 of contracts and grants can be claimed using MTDC base

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Grants and Contracts Detail
(Dollars in 1,000)

Recipient	Federal F&W	Non-Federal F&W	Award / Contract Purpose
University of Protection	125		Elk reintroduction feasibility study
Protection Tech	75		Analysis of riparian zone in central Protection
Smith Construction Company	20		Construction of boating access facility
Yummy Fish Food Inc.	100		Fish food for hatcheries
Sky High Flight Services		50	Flights to support aerial telemetry work on white-tailed deer
University of Protection	15		Genetic tissue analysis
University of Protection		25	Survey of woodrats in northern counties of Protection
Protection Tech		30	Statistical analysis of Ruffed Grouse data
The Result U Want Consulting	30		Development of environmental assessment for boating access
You Do the Work We Get Paid Consulting		45	Study on alternative funding for agency
TOTALS	365	150	

Worksheet for Calculating Allowable Contracts/Grants for Modified Total Direct Cost Base

				Totals
Number of contracts/grants greater $\geq$ $ 25		X 25	=	
Total $ value of all contracts/grants < $ 25	→			
TOTAL ALLOWABLE CONTRACTS/GRANTS				

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Calculating Indirect Rates using Different Bases

(Dollars in 1,000)

Indirect Base Method	Indirect Cost Pool	Direct Cost Base	Indirect Cost Rate
Salaries / Wages	15,420		
Salaries / Wages + Fringe	15,420		
Modified Total Direct Costs	15,420		

Notes:

1 - Divide the indirect cost pool by the direct cost base to determine the rate

2- For modified total direct costs the exclusions are capital outlays, equipment and the first 25,000 of each contract/subaward

Applying Indirect Using Different Bases

(Dollars in 1,000)

Expenditure by Class	Dollar Amount
Salaries and Wages	125
Fringe Benefits	25
Supplies	12
Travel	14
Vehicle Expense	18
Equipment	25
Contracts / Grants	50
TOTAL DIRECT CHAGES	269

Notes:

1- The Contracts / Grants expenditures consist of 3 procurements ($10, $7 and $33).

Calculate the dollar amount for each indirect cost rate base

Indirect Rate Base Types	Rate	Base	Total Amount of Indirect
Salaries / Wages			
Salaries / Wages + Fringe			
Modified Total Direct Costs			

Calculate the total charges to the award under each scenario

Indirect Rate Base Types	Total Direct	Total Indirect	Total Outlays
Salaries / Wages			
Salaries / Wages + Fringe			
Modified Total Direct Costs			

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State and Local Governments
Indirect Cost Negotiation Agreement

EIN: 82-6000952

Organization:

Idaho Department of Fish and Game
P.O. Box 25
Boise, ID 83707-0025

Date: August 24, 2015

Report No(s).: 15-A-1034

Filing Ref.:
Last Negotiation Agreement
dated September 10, 2014

The indirect cost rate contained herein is for use on grants, contracts, and other agreements with the Federal Government to which 2 CFR Part 200 applies for fiscal years beginning on or after December 26, 2014 subject to the limitations in Section II.A. of this agreement. Applicable OMB Circulars and the regulations at 2 CFR 225 will continue to apply to federal funds awarded prior to December 26, 2014. The rate was negotiated by the U.S. Department of the Interior, Interior Business Center, and the subject organization in accordance with the authority contained in applicable regulations.

Section I: Rate

Effective Dates

Rate

Rate Type

Type	Effective Period From	Effective Period To	Rate*	Locations	Applicable To
Fixed Carryforward	07/01/15	06/30/16	29.52	All	All Programs

***Base:** Total direct salaries and wages, <u>including</u> fringe benefits. The rate applies to all programs administered by the non-federal entity. To determine the amount of indirect costs to be billed under this agreement, direct salaries and wages and related fringe benefits should be summed and multiplied by the rate. All other program costs should be eliminated from the calculation.

Description of Base

Treatment of fringe benefits: Fringe benefits applicable to direct salaries and wages are treated as direct costs; fringe benefits applicable to indirect salaries and wages are treated as indirect costs.

Section II: General

A. **Limitations:** Use of the rate(s) contained in this agreement is subject to any applicable statutory limitations. Acceptance of the rate(s) agreed to herein is predicated upon these conditions: (1) no costs other than those incurred by the subject organization were included in its indirect cost rate proposal, (2) all such costs are the legal obligations of the grantee/contractor, (3) similar types of costs have been accorded consistent treatment, and (4) the same costs that have been treated as indirect costs have not been claimed as direct costs (for example, supplies can be charged directly to a program or activity as long as these costs are not part of the supply costs included in the indirect cost pool for central administration).

B. **Audit:** All costs (direct and indirect, federal and non-federal) are subject to audit. Adjustments to amounts resulting from audit of the cost allocation plan or indirect cost rate proposal upon which the negotiation of this agreement was based will be compensated for in a subsequent negotiation.

State and Local Governments
Indirect Cost Negotiation Agreement

EIN: 91-1632572

Organization:

State of Washington
Department of Fish and Wildlife
600 Capitol Way N
Olympia, WA 98501-1091

Date: July 14, 2015

Report No(s).: 15-A-0880

Filing Ref.:
Last Negotiation Agreement
dated June 24, 2014

The indirect cost rate contained herein is for use on grants, contracts, and other agreements with the Federal Government to which 2 CFR Part 200 applies for fiscal years beginning on or after December 26, 2014 subject to the limitations in Section II.A. of this agreement. Applicable OMB Circulars and the regulations at 2 CFR 225 will continue to apply to federal funds awarded prior to December 26, 2014. The rate was negotiated by the U.S. Department of the Interior, Interior Business Center, and the subject organization in accordance with the authority contained in applicable regulations.

Section I: Rate

Type	Effective Period From	Effective Period To	Rate*	Locations	Applicable To
Fixed Carryforward	07/01/15	06/30/16	29.21%	All	All Programs

***Base:** Total direct costs, less capital expenditures and passthrough funds. Passthrough funds are normally defined as payments to participants, stipends to eligible recipients, subcontracts and subgrants, all of which normally require minimal administrative effort.

Treatment of fringe benefits: Fringe benefits applicable to direct salaries and wages are treated as direct costs; fringe benefits applicable to indirect salaries and wages are treated as

Clarifying language regarding subgrants and subcontracts

Section II: General

A. **Limitations:** Use of the rate(s) contained in this agreement is subject to any applicable statutory limitations. Acceptance of the rate(s) agreed to herein is predicated upon these conditions: (1) no costs other than those incurred by the subject organization were included in its indirect cost rate proposal, (2) all such costs are the legal obligations of the grantee/contractor, (3) similar types of costs have been accorded consistent treatment, and (4) the same costs that have been treated as indirect costs have not been claimed as direct costs (for example, supplies can be charged directly to a program or activity as long as these costs are not part of the supply costs included in the indirect cost pool for central administration).

B. **Audit:** All costs (direct and indirect, federal and non-federal) are subject to audit. Adjustments to amounts resulting from audit of the cost allocation plan or indirect cost rate proposal upon which the negotiation of this agreement was based will be compensated for in a subsequent negotiation.

State and Local Governments
Indirect Cost Negotiation Agreement

EIN: 64-0897726

Organization:

Mississippi Department of Wildlife,
Fisheries and Parks
1505 Eastover Drive
Jackson, MS 39211

Date: July 15, 2014

Report No(s).: 14-A-0928

Filing Ref.:
Last Negotiation Agreement
dated September 30, 2013

Example of a multiple allocation method

The indirect cost rates cont grants, contracts, and other agreements with t hich 2 CFR 225 (OMB Circular A-87) applies, subje ction II.A. of this agreement. The rates were ne ent of the Interior, Interior Business Center, and the subject organization in accordance with the authority contained in 2 CFR 225.

Section I: Rates

Type	Effective Period From	Effective Period To	Rate	Locations	Applicable Federal To	%in Base
Fixed Carryforward	07/01/14	06/30/15	42.86%*	All	Fisheries (DJ)	85%
Fixed Carryforward	07/01/14	06/30/15	78.43%*	All	Game (PR)	65%
Fixed Carryforward	07/01/14	06/30/15	45.18%*	All	Hunter Edu.(PR)	100%
Fixed Carryforward	07/01/14	06/30/15	37.58%*	All	Law Enforc.	20%
Fixed Carryforward	07/01/14	06/30/15	19.55%*	All	Boat Safety	10%
Fixed Carryforward	07/01/14	06/30/15	81.85%*	All	Boat Regis.	90%
Fixed Carryforward	07/01/14	06/30/15	129.36%*	All	Parks	0%
Fixed Carryforward	07/01/14	06/30/15	125.24%**	All	Museum	40%

***Base:** Total direct salaries and wages, including fringe benefits.
****Base:** Total direct costs, less capital expenditures and passthrough funds.

Treatment of fringe benefits: Fringe benefits applicable to direct salaries and wages are treated as direct costs; fringe benefits applicable to indirect salaries and wages are treated as indirect costs.

Section II: General

A. **Limitations:** Use of the rate(s) contained in this agreement is subject to any applicable statutory limitations. Acceptance of the rate(s) agreed to herein is predicated upon these conditions: (1) no costs other than those incurred by the subject organization were included in its indirect cost rate proposal, (2) all such costs are the legal obligations of the grantee/contractor, (3) similar types of costs have been accorded consistent treatment, and (4) the same costs that have been treated as indirect costs have not been claimed as direct costs (for example, supplies can be charged directly to a program or activity as long as these costs are not part of the supply costs included in the indirect cost pool for central administration).

B. **Audit:** All costs (direct and indirect, federal and non-federal) are subject to audit. Adjustments to amounts resulting from audit of the cost allocation plan or indirect cost rate proposal upon which the negotiation of this agreement was based will be compensated for in a subsequent negotiation.

State and Local Governments
Indirect Cost Negotiation Agreement

EIN: 94-1697567

Organization:

California Department of Fish
and Wildlife
1416 9th Street, Suite 117
Sacramento, CA 95814

Date: June 25, 2015

Report No(s).: 15-A-0810

Filing Ref.:
Last Negotiation Agreement
dated June 4, 2014

The indirect cost rates contained herein are for use on grants, contracts, and other agreements with the Federal Government to which 2 CFR Part 200 applies for fiscal years beginning on or after December 26, 2014 subject to the limitations in Section II.A. of this agreement. Applicable OMB Circulars and the regulations at 2 CFR 225 will continue to apply to federal funds awarded prior to December 26, 2014. The rates were negotiated by the U.S. Department of the Interior, Interior Business Center, and the subject organization in accordance with the authority contained in applicable regulations.

Example of where 3% limitation in SWCAP impacted indirect rate

Section I: Rates

Type	Effective Period From	Effective Period To	Rate*	Locations	Applicable To
Fixed Carryforward	07/01/15	06/30/16	27.63%	All	PR-SFRA
Fixed Carryforward	07/01/15	06/30/16	38.44%	All	All Others

***Base:** Total direct costs less capital expenditures, passthrough funds, fish foods and contractual costs.

Treatment of fringe benefits: Fringe benefits applicable to direct salaries and wages are treated as direct costs; fringe benefits applicable to indirect salaries and wages are treated as indirect costs.

Example of a distorting items based on the mission of the agency

Section II: General

A. **Limitations:** Use of the rate(s) co[illegible]ct to any applicable statutory limitations. Acceptance of the rate(s) agreed to herein is predicated upon these conditions: (1) no costs other than those incurred by the subject organization were included in its indirect cost rate proposal, (2) all such costs are the legal obligations of the grantee/contractor, (3) similar types of costs have been accorded consistent treatment, and (4) the same costs that have been treated as indirect costs have not been claimed as direct costs (for example, supplies can be charged directly to a program or activity as long as these costs are not part of the supply costs included in the indirect cost pool for central administration).

B. **Audit:** All costs (direct and indirect, federal and non-federal) are subject to audit. Adjustments to amounts resulting from audit of the cost allocation plan or indirect cost rate proposal upon which the negotiation of this agreement was based will be compensated for in a subsequent negotiation.

State and Local Governments
Indirect Cost Negotiation Agreement

EIN: 73-6502734

Organization:

North Carolina Wildlife Resources Commission
1701 Mail Service Center
Raleigh, NC 27699-1701

Date: March 31, 2014

Report No(s).: 14-A-0552

Filing Ref.:
Last Negotiation Agreement
dated June 10, 2013

The indirect cost rate(s) contained herein are for use on grants, contracts, and other agreements with the Federal Government to which 2 CFR 225 (OMB Circular A-87) applies, subject to the limitations in Section II.A. of this agreement. The rate(s) were negotiated by the U.S. Department of the Interior, Interior Business Center, and the subject organization in accordance with the authority contained in 2 CFR 225.

Section I: Rate(s)

Is this a high rate?

Type	Effective Period From	Effective Period To	Rate*	Locations	Applicable To
Fixed Carryforward	07/01/14	06/30/15	75.20%	All	All Programs

***Base:** Total direct salaries and wages, excluding fringe benefits.

Treatment of fringe benefits: Fringe benefits applicable to both direct and indirect salaries and wages are treated as indirect costs.

Section II: General

A. **Limitations:** Use of the rate(s) contained in this agreement is subject to any applicable statutory limitations. Acceptance of the rate(s) agreed to herein is predica costs other than those incurred by the su n its indirect cost rate proposal, (2) a l obligations of the grantee/contractor, (3) similar types of costs have been accorded consistent treatment, and (4) the same costs that have been treated as indirect costs have not been claimed as direct costs (for example, supplies can be charged directly to a program or activity as long as these costs are not part of the supply costs included in the indirect cost pool for central administration).

Fringe for both direct and indirect staff is treated as indirect

B. **Audit:** All costs (direct and indirect, federal and non-federal) are subject to audit. Adjustments to amounts resulting from audit of the cost allocation plan or indirect cost rate proposal upon which the negotiation of this agreement was based will be compensated for in a subsequent negotiation.

C. **Changes:** The rate(s) contained in this agreement are based on the organizational structure and the accounting system in effect at the time the proposal was submitted. Changes in organizational structure, or changes in the method of accounting for costs which affect the amount of reimbursement resulting from use of the rate(s) in this agreement, require the prior approval of the responsible negotiation agency. Failure to obtain such approval may result in subsequent audit disallowance.

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AQUATIC RESOURCE EDUCATION PROGRAM

UPDATED JUNE 2015

U.S.Fish and Wildlife Service, Wildlife and Sport Fish Restoration Program

DISTRIBUTION METHOD

Apportioned based on formula:
Maximum 15% of Sport Fish Restoration Funding

Governing Guidance

- Sport Fish Restoration Act also known as Dingell-Johnson (DJ) Act of 1950 (enabling legislation)
- 50 CFR 80
- 2 CFR 200
- USFWS Service Manual Chapters

ELIGIBLE GRANTEES: ALL STATE/TERRITORY FISH AND WILDLIFE AGENCIES WITH ASSENT LEGISLATION

Purpose Enhance the public's understanding of water resources, aquatic life forms, sport fishing, and develop responsible attitudes and ethics toward the aquatic environment

ELIGIBLE PROJECTS

→ Projects that enhance the public's understanding of aquatic resources

→ Projects that improve communications with anglers, boaters, and the general public on sport fishing and boating opportunities

→ Projects that increase participation in sport fishing and boating

→ Projects that advance the adoption of sound fishing and boating practices, including safety

→ Projects that promote conservation and responsible use of aquatic resources

SOURCE OF FUNDS

Sport Fish Restoration & Boating Trust Fund

Includes Revenues from:

- **Excise taxes on sport fishing equipment, electric motors, and sonar**
- **Import duties on fishing tackle, yachts, and pleasure craft**
- **Portion of gasoline tax attributable to motorboats and small engines**
- **Interest earned on Trust Fund**

MATCHING REQUIREMENTS AND LIMITATIONS ON AVAILABILITY OF FUNDS

- **Provides reimbursement of up to 75% federal funds, 25% match requirement from non-federal sources**
- **100% federal funding for District of Columbia, Puerto Rico, Northern Mariana Islands, Guam, Virgin Islands, and American Samoa**
- **Annual apportionment available for obligation to grants for two years before it reverts. Reverted funds are reapportioned to the Sport Fish Restoration program during the subsequent year**

SPECIAL CONDITIONS OR REQUIREMENTS

∗ State fish and wildlife agencies must pass and maintain assent legislation

∗ State fish and wildlife agencies must submit annual license certifications

∗ State fish and wildlife agencies may spend a maximum of 15% of their annual Sport Fish Restoration apportionment on aquatic education programs.

∗ 15% maximum does not apply to DC, Puerto Rico, Northern Mariana Islands, Guam, Virgin Islands, and American Samoa

For More Information: http://wsfrprograms.fws.gov/Subpages/GrantPrograms/AquaticEd/AE.htm

UPDATED JUNE 2015

BOATING INFRASTRUCTURE GRANTS

Fish and Wildlife Service, Wildlife and Sport Fish Restoration Program

DISTRIBUTION METHOD

Tier 1-State:
Provides up to $200,000 per year to each state
Tier 2-National:
Nationwide funding based on set ranking criteria

Governing Guidance

- Sport Fishing and Boating Safety Act of 1998 (Enabling Legislation)
- 50 CFR 86
- 2 CFR 200
- USFWS Manual Chapters

ELIGIBLE GRANTEES: GOVERNOR DESIGNATED AGENCIES OF STATES AND TERRITORIES

Purpose

Provide grants to States and Territories to construct, renovate, or maintain tie-up facilities for transient recreational vessels twenty-six feet or more in length

ELIGIBLE PROJECTS

→ Construction, renovation, and maintenance of boating infrastructure tie-up facilities solely for transient recreational vessels twenty six feet or more in length

→ Produce information and education materials specific to BIG or BIG-funded projects (i.e. charts, cruising guides, and brochures)

SOURCE OF FUNDS

Two percent of amount in Sport Fish Restoration & Boating Trust Fund.

Includes Revenues from:

- **Excise taxes on sport fishing equipment, electric motors, and sonar**
- **Import duties on fishing tackle, yachts, and pleasure craft**
- **Portion of gasoline tax attributable to motorboats and small engines**
- **Interest earned on Trust Fund**

MATCHING REQUIREMENTS AND LIMITATIONS ON AVAILABILITY OF FUNDS

- Requires minimum of 25% matching funds, federal share not to exceed 75% total costs
- Funds not obligated within three years are reverted and are made available to the U.S. Coast Guard for Boating Safety
- Maximum amount of federal share for Tier 2-National is $1,500,000
- Funds are available from time of obligation until the grant closure. Unspent funds are added to new funds in the subsequent fiscal year

SPECIAL CONDITIONS OR REQUIREMENTS

* Facilities constructed, operated, or maintained with grant funds must offer reasonable access for all transient recreational vessels for the full period of their useful life
* Facilities must be open to the public during reasonable time periods
* Entities may charge fees. Fees must be comparable to the prevailing rate in the area
* New construction and renovations must be designed to last throughout its useful life

For More Information: http://wsfrprograms.fws.gov/Subpages/GrantPrograms/BIG/BIG.htm

BOATING ACCESS PROGRAM

UPDATED JUNE 2015

Fish and Wildlife Service, Wildlife and Sport Fish Restoration Program

DISTRIBUTION METHOD

Apportioned based on formula

Governing Guidance

- Sport Fish Restoration Act also known as Dingell-Johnson (DJ) Act of 1950 (enabling legislation)
- 50 CFR Part 80
- USFWS Manual Chapter 517 FW 7

ELIGIBLE GRANTEES: ALL STATE/TERRITORY FISH AND WILDLIFE AGENCIES WITH ASSENT LEGISLATION

Purpose Provide facilities that create or add to public access for recreational boating

ELIGIBLE PROJECTS

→ A broad range of access facilities and associated amenities that benefit recreation boaters may qualify

→ Projects that seek to acquire, develop, renovate, maintain, or improve facilities that create or improve public access to the waters of the United States or improve the suitability of these waters for recreational boating. These facilities may include auxiliary structures to ensure safe use by recreational boaters. Projects may include surveys to determine information needed to plan for providing access to recreational waters for any size or type of recreational boat

→ Maintenance and operations projects can be funded for boating access sites, facilities, and structures, even if the Sport Fish Restoration Program did not fund their acquisition or construction

→ Facilities funded through the subprogram must be available to all recreational boaters, but States may restrict uses for public safety, property protection, noise abatement, or aquatic resource protection. Examples of restrictions include limiting the horsepower or types of boat motors and setting speed limits, no-wake zones, or hours of use

→ States are responsible for maintenance of all capital improvements they acquire or construct using Sport Fish Restoration Boating Access funds throughout the improvement's planned useful life.

SOURCE OF FUNDS

Annual apportionment from the Sport Fish Restoration & Boating Trust Fund (authorized through 2015)

Includes Revenues from:

- **Federal excise taxes on boating and angling equipment**
- **Import duties on boating and angling equipment**
- **Portion of gasoline tax attributable to motorboats and small engines**
- **Interest earned on Trust Fund**

MATCHING REQUIREMENTS AND LIMITATIONS ON AVAILABILITY OF FUNDS

- At least fifteen percent of the Region's Sport Fish Restoration apportionment over a five-year period must be used for Boating Access projects
- WSFR calculates the Regional allocations for separate five-year periods that coincide with Federal fiscal calendars
- If total Regional allocation for the five-year period is less than fifteen percent, States may agree among themselves in a memorandum of understanding which State(s) will make the additional allocations to meet the Regional requirement
- With Regional Director approval, a State may change its current-year allocation up to, but not after, the close of the Federal fiscal year which funds were apportioned
- States must use Recreational Boating Access funds in the year that the State receives them, or in the following four fiscal years, otherwise the funds will revert to the Service and be reapportioned
- Primary project purpose must be to benefit recreational boaters and other uses must be incidental or secondary
- If the primary project purpose is to benefit users who are not recreational boaters, program funds may only be used to the extent that recreational boaters use a facility and other expenses must be matched through other methods. For example, if survey information shows that only 40% of facility's users are recreational boaters, program funds can account for no more than 40% of project costs

SPECIAL CONDITIONS OR REQUIREMENTS

- Send to Regional Director an application for Federal assistance to use funds available under Act
- Commit to provide the required match
- Propose to use funds for specific activities eligible under the subprogram and demonstrate compliance with applicable policies and regulations

For More Information: http://wsfrprograms.fws.gov/Subpages/GrantPrograms/BoatAccess/BA.htm

CLEAN VESSEL ACT

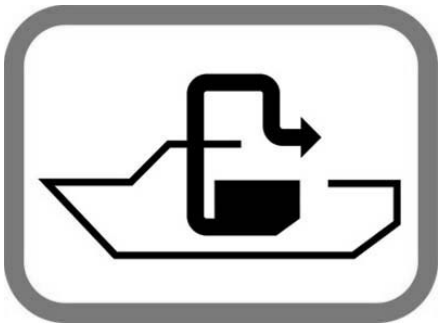
Fish and Wildlife Service, Wildlife and Sport Fish Restoration Program

DISTRIBUTION METHOD

Nationally competitive based on ranking criteria

Governing Guidance

- Clean Vessel Act of 1992, Amendment to the Sport Fish Restoration Act (Enabling Legislation)
- 50 CFR 85
- 2 CFR 200
- USFWS Manual Chapters



ELIGIBLE GRANTEES: GOVERNOR DESIGNATED AGENCIES OF STATES AND TERRITORIES

Purpose Provide grants to States and Territories for pumpout stations and waste reception facilities to safely dispose of recreational boater sewage.

ELIGIBLE PROJECTS

Coastal States:

→ Identify operational pumpout and dump stations

→ Survey of recreational vessels in coastal waters with holding tanks/portable toilets

→ Developing list of operational pumpout & dump stations and plans for construction/renovation of pumpout & dump stations in coastal zones

All States:

→ Construction, renovation, operation, and maintenance of pumpout & dump stations including floating restrooms used solely by boaters

→ Education / information programs to educate / inform recreational boaters about environmental pollution resulting from sewage discharges from vessels

→ Location of pump out & dump stations

→ Activities involved with holding, transporting, and getting sewage treatment facilities to accept sewage

SOURCE OF FUNDS

Two percent of the amount in Sport Fish Restoration & Boating Trust Fund

Includes revenues from:

- **Excise taxes on sport fishing equipment, electric motors and sonar**
- **Import duties on fishing tackle, yachts and pleasure craft**
- **Portion of gasoline tax attributable to motorboats and small engines**
- **Interest earned on Trust Fund**

MATCHING REQUIREMENTS AND LIMITATIONS ON AVAILABILITY OF FUNDS

- Require 25% match, Federal share not to exceed 75% of total costs
- Unspent funds are returned to the CVA Program to be awarded in addition to new funds in the subsequent year
- Must be spent on needs identified in the Act
- Funds not obligated three years from date of availability are reverted and made available to the U.S. Coast Guard for use on Recreational Boating Safety.

SPECIAL CONDITIONS OR REQUIREMENTS

* Requires each coastal State to develop and submit plan for construction and/or renovation of facilities within coastal zone
* Only equitable fees may be charged
* Facilities constructed, operated, or maintained with grant funds must be accessible to public for the full period of their useful life
* CVA signage must be displayed and visible to boaters from the water

For More Information: http://wsfrprograms.fws.gov/Subpages/GrantPrograms/CVA/CVA.htm

ENDANGERED SPECIES GRANTS

Fish and Wildlife Service, Wildlife and Sport Fish Restoration Program

DISTRIBUTION METHOD

Traditional Conservation Grants
Funding allocated by formula to USFWS Regions based on number of species covered in cooperative agreements. Regions further allocate funding to States by formula or competitive basis

Habitat Conservation Planning Assistance
Awarded based on National competition

Habitat Conservation Plan Land Acquisition
Awarded based on National competition

Recovery Land Acquisition Grants
Awarded based on Regional competition

Governing Guidance

- Endangered Species Act of 1973 —Section 6 (Enabling Legislation)
- 2 CFR 200
- Notice of Availability of Federal Assistance for Section 6 ESA Grant Program
- USFWS Manual Chapters

ELIGIBLE GRANTEES: ALL STATE AND TERRITORY AGENCIES THAT HAVE ENTERED INTO A COOPERATIVE AGREEMENT WITH THE SECRETARY OF THE INTERIOR

Purpose Provide assistance to State fish and wildlife agencies to assist in development of programs for the conservation of endangered and threatened species on non-federal lands

ELIGIBLE PROJECTS

Animal, plant and habitat surveys; research; planning; monitoring; habitat protection, restoration, management and acquisition; and public education

SOURCE OF FUNDS

Cooperative Endangered Species Conservation Fund

MATCHING REQUIREMENTS AND LIMITATIONS ON AVAILABILITY OF FUNDS

- Provides up to 75% federal funding, 25% required from non-federal sources (up to 90% federal funding when two or more States cooperate to conserve an endangered or threatened species of common interest)
- 100% federal funds for Virgin Islands, Guam, American Samoa, and Northern Mariana Islands

SPECIAL CONDITIONS OR REQUIREMENTS

* State or Territory must currently have or enter into a cooperative agreement with USFWS
* Submit proposals meeting eligibility requirements for specific grant program

For More Information: http://www.fws.gov/endangered/grants/index.html

HUNTER EDUCATION PROGRAM

UPDATED JUNE 2015

Fish and Wildlife Service, Wildlife and Sport Fish Restoration Program

DISTRIBUTION METHOD

Apportioned based on formula that includes a factor for population size

Governing Guidance

- Wildlife Restoration Act, also known as Pittman-Roberson Act of 1937 (Enabling Legislation)
- 50 CFR 80
- 2 CFR 200
- USFWS Manual Chapters

ELIGIBLE GRANTEES: ALL STATE/TERRITORY FISH AND WILDLIFE AGENCIES WITH ASSENT LEGISLATION

Purpose

To teach students to be safe, responsible, conservation-minded hunters; provide instruction in safe firearm operations, wildlife management, ethics, game laws, outdoor survival, wilderness first aid; and build/operate archery and firearm range facilities.

ELIGIBLE PROJECTS

Basic Hunter Education (BHE):

→ Teach the skills, knowledge, and attitudes necessary to become a responsible hunter

→ Construct, operate, or maintain firearm and archer ranges for public use

Enhanced Hunter Education (EHE):

→ Enhance programs for hunter education, hunter development, and firearm and archery safety. Hunter-development programs introduce individuals to and recruit them to take part in hunting, bow hunting, target shooting, or archery

→ Enhance interstate coordination of hunter-education and firearm- and archery-range programs

→ Enhance programs for education, safety, or development of bow hunters and archers

→ Enhance construction and development of firearm and archery ranges

→ Update safety features of firearm and archery ranges

SOURCE OF FUNDS

Wildlife Restoration Trust Fund
Includes Revenues from:

- **Excise taxes on sporting arms and ammunitions (firearms, ammunition, pistols, handguns, revolvers, bows, archery, arrow components)**
- **BHE funds: 1/2 of taxes collected on pistols, handguns, revolvers, and archery equipment**
- **EHE funds: $8 million from Wildlife Restoration Trust fund**

MATCHING REQUIREMENTS AND LIMITATIONS ON AVAILABILITY OF FUNDS

- Provides reimbursement of up to 75% federal funding, 25% from nonfederal sources.
- 100% federal funding for Puerto Rico, Virgin Islands, Guam, American Samoa, and Northern Mariana Islands.
- BHE apportionment available for two years before it reverts.
- BHE reverted funds are provided to the Migratory Bird Program.
- EHE apportionment available for one year before it reverts. Reverted funds are apportioned, the following year, to those States who fully obligated their current year BHE apportionment to BHE eligible activities.

SPECIAL CONDITIONS OR REQUIREMENTS

* If a state fails to obligate all of its current year BHE apportionment on BHE eligible activities, then EHE apportionment funds may only be used for EHE eligible activities.

* If a state fully obligates all of its current year BHE apportionment on BHE eligible activities, then that state may use its current year EHE apportionment on any eligible activity authorized under the Wildlife Restoration Act (WR, BHE, or EHE) AND that state becomes eligible to receive reverted EHE funds the following fiscal year.

For More Information: http://wsfrprograms.fws.gov/Subpages/GrantPrograms/HunterEd/HE.htm

LANDOWNER INCENTIVE PROGRAM

WSFR LIP FACT SHEET
UPDATED OCTOBER 2014

Fish and Wildlife Service, Wildlife and Sport Fish Restoration Program

DISTRIBUTION METHOD

TIER ONE

For eligible projects meeting Tier 1 criteria

- Each state receives $180,000
- Territories and DC receive $75,000

TIER TWO

Nationally competitive based on criteria

Governing Guidance

- Annual Appropriations Act
- USFWS Service Manual
- 43 CFR Part 12
- Landowner Incentive Grant Program Implementation Guidelines

ELIGIBLE GRANTEES: ALL STATE AND TERRITORY AGENCIES

WITH PRIMARY RESPONSIBILITY FOR FISH AND WILDLIFE

Purpose

Grants to States for pumpout stations and waste reception facilities to dispose of recreational boater sewage.

ELIGIBLE PROJECTS

Tier One Grants:

→ Grants to fund staff and associated support necessary to develop or enhance existing landowner program to benefit private landowners and other partners to help manage and protect habitats that benefit species at-risk

Tier Two Grants:

→ Tier Two grants to provide funding for technical and financial assistance to private landowners for the protection and restoration of habitats that benefit Federally listed, proposed, or candidate species or other at-risk species on private land

→ Tier Two grants to expand existing landowner incentive programs or those created under Tier One

SOURCE OF FUNDS

Land & Water Conservation Fund (annual appropriation).

Includes revenues from:

- **Outer Continental Shelf Oil & Gas**

MATCHING REQUIREMENTS AND LIMITATIONS ON AVAILABILITY OF FUNDS

- Provides up to seventy-five percent federal funding, twenty-five percent required from non-federal sources
- One hundred percent federal funds for Virgin Islands, Guam, American Samoa and N. Mariana Islands
- Funds are available from time of obligation on awarded grant until grant closing date. Unspent funds are returned to the LIP to be awarded in addition to new funds in the subsequent year

SPECIAL CONDITIONS OR REQUIREMENTS

Submit proposals meeting eligibility requirements for Tier One and/or Tier Two funding

For More Information: http://wsfrprograms.fws.gov/Subpages/GrantPrograms/LIP/LIP.htm

MULTI-STATE CONSERVATION GRANTS

UPDATED JUNE 2015

Fish and Wildlife Service, Wildlife and Sport Fish Restoration Program

DISTRIBUTION METHOD

Awarded through cooperative process with Association of Fish and Wildlife Agencies (AFWA)

Governing Guidance

- Wildlife and Sport Fish Restoration Programs Act of 2000, amended Sport Fish Restoration and Wildlife Restoration (Enabling Legislation)
- 50 CFR 80
- 2 CFR 200
- USFWS Manual Chapters

ELIGIBLE GRANTEES

→ States or Groups of States

→ USFWS, a State or group of States for the purpose of carrying out the National Survey of Fishing, Hunting and Wildlife Associated Recreation

→ Non-governmental organizations

Purpose

- Provide funding for wildlife and sport fish restoration projects identified as priority projects by the Association of Fish and Wildlife Agencies (AFWA)
- Program is intended to address regional or national level priorities of state fish and wildlife agencies

ELIGIBLE PROJECTS

→ Sports fisheries, wildlife management, research projects, boating access development, hunter safety, aquatic education, habitat improvements, and other projects consistent with the Wildlife and Sport Fish Restoration Acts

→ Projects must benefit at least twenty-six States or a majority of States in any USFWS or AFWA Region

SOURCE OF FUNDS

Sport Fish Restoration & Boating Trust Fund, three million dollars

Includes Revenues from:

- **Excise taxes on sport fishing equipment, electric motors and sonar**
- **Import duties on fishing tackle, yachts and pleasure craft**
- **Portion of gasoline tax attributable to motorboats and small engines**
- **Interest earned on Trust Fund**

Wildlife Restoration Trust Fund, three million dollars

Includes Revenues from:

- **Excise taxes on sporting arms and ammunitions (firearms, ammunitions, pistols, handguns, revolvers, bows, archery, and arrow components).**
- **Interest earned on Trust Fund**

MATCHING REQUIREMENTS AND LIMITATIONS

- Six million dollars available annually
- Funds available to be obligated for two years
- Funds not obligated within two years revert back to both the SFR and WR programs for use by the States
- Once obligated, funds remain available until the grant closing date. Any unspent funds at closing are returned to the multi-state program to be awarded in the subsequent year, in addition to new funds
- No matching requirements

SPECIAL CONDITIONS OR REQUIREMENTS

* Applicants must satisfy all standard Federal Application and assurance requirements as well as standards set by AFWA
* Non-governmental applications must provide certification to AFWA that grant funds will not be used for any activities, projects or programs that promote or encourage opposition to regulated hunting or trapping of wildlife or angling for or taking of fish
* Submit proposals to AFWA

For More Information: http://wsfrprograms.fws.gov/Subpages/GrantPrograms/MultiState/MS.htm

NATIONAL COASTAL WETLANDS

UPDATED JUNE 2015

Fish and Wildlife Service, Wildlife and Sport Fish Restoration Program

DISTRIBUTION METHOD

Nationally competitive to only coastal States

Governing Guidance

- Coastal Wetlands Planning, Protection, and Restoration Act of 1991 (Enabling Legislation)
- 50 CFR 84
- 2 CFR 200
- USFWS Manual Chapters

ELIGIBLE GRANTEES: ANY AGENCY OR AGENCIES OF A COASTAL STATE DESIGNATED BY THE GOVERNOR AS HAVING RESPONSIBILITY FOR COASTAL WETLANDS

Purpose Provide funding for long-term conservation of coastal wetland ecosystems by helping States to protect, restore and enhance coastal habitats

ELIGIBLE PROJECTS

→ Acquisition of real property interest in coastal land or waters providing that terms and conditions ensure property will be administered for long-term conservation

→ Restoration, enhancement, or management of coastal wetlands ecosystems, providing restoration, enhancement, or management will be administered for long-term conservation

SOURCE OF FUNDS

15% annually of the 18.5% distributed to Coastal Wetlands Planning, Protection and Restoration Act from the Sport Fish Restoration & Boating Trust Fund

Includes revenues from:

- **Interest earned on Trust Fund**
- **Import duties on fishing tackle, yachts and pleasure craft**
- **Excise taxes on sport fishing equipment, electric motors and sonar**
- **Portion of gasoline tax attributable to motorboats and small engines**

MATCHING REQUIREMENTS AND LIMITATIONS

- Provides up to 50% federal funding, remaining 50% of costs must be from non-federal source (funds increased to 75% federal share for coastal States that have and are using a fund for acquiring coastal wetlands or other natural areas or open spaces)
- 100% federal funding for American Samoa, Guam, Northern Mariana Islands and Virgin Islands

SPECIAL CONDITIONS OR REQUIREMENTS

* Designated agencies of coastal States submit eligible proposals
* Grantees must provide non-federal matching funds

For More Information: http://wsfrprograms.fws.gov/Subpages/GrantPrograms/CW/CW.htm

SPORT FISH RESTORATION PROGRAM

UPDATED SEPT 2015

Fish and Wildlife Service, Wildlife and Sport Fish Restoration Program

DISTRIBUTION METHOD

Apportioned based on formula:
60% paid license holders + 40% land/water area

Governing Guidance

- Sport Fish Restoration Act, also known as Dingell-Johnson Act of 1950 (Enabling Legislation)
- 50 CFR 80
- 2 CFR 200
- USFWS Manual Chapters

ELIGIBLE GRANTEES: ALL STATE/TERRITORY FISH AND WILDLIFE AGENCIES WITH ASSENT LEGISLATION

Purpose

- Restoration and management of fish species of material value for sport-fishing and recreation
- Provide facilities that create or add to public access for recreational boating
- Provide aquatic education to public to increase understanding of water resources and associated aquatic life

ELIGIBLE PROJECTS

→ Projects restoring, conserving, managing, and enhancing sport fish having material value for sport or recreation

→ Projects enhancing the public's understanding of water resources and aquatic life, assisting them in developing attitudes toward the aquatic environment

SOURCE OF FUNDS

Fifty-seven percent of amount in Sport Fish Restoration & Boating Trust Fund

Includes Revenues from:

- **Excise taxes on sport fishing equipment, electric motors and sonar**
- **Import duties on fishing tackle, yachts and pleasure craft**
- **Portion of gasoline tax attributable to motorboats and small engines**
- **Interest earned on Trust Fund**

MATCHING REQUIREMENTS AND LIMITATIONS ON AVAILABILITY OF FUNDS

- Provides reimbursement of up to 75% federal funding, 25% required from non-federal sources
- 100% federal funding for Puerto Rico, Virgin Islands, Guam, American Samoa, and Northern Mariana Islands
- Annual apportionment available for obligation to grants for two years before they revert. Reverted funds are reapportioned to the Sport Fish Restoration program during subsequent year
- Amount allocated by States for freshwater programs each fiscal year cannot be less than amount allocated in fiscal year 1988
- Up to 15% of annual apportionment may be allocated for aquatic education (no limit for PR, DC, CNMI, Guam, VI, and American Samoa)
- At least 15% of annual apportionment must be allocated to the boating access subprogram (each USFWS region's boating access allocation must be at least 15% during each 5 year period. If not, those states below 15% revert funds).
- Coastal States must equitably allocate apportionment between freshwater and marine projects in proportion to number of resident marine/freshwater anglers

SPECIAL CONDITIONS OR REQUIREMENTS

* State Fish and Wildlife Agencies must pass and maintain assent legislation
* Submit annual license certifications
* Ineligible projects include law enforcement, public relations, and revenue producing activities

For More Information: http://wsfrprograms.fws.gov/Subpages/GrantPrograms/SFR/SFR.htm

STATE WILDLIFE GRANTS

U.S. Fish and Wildlife Service, Wildlife and Sport Fish Restoration Program

DISTRIBUTION METHOD

All Annually Distributed

Competitive

Nationally competitive based on ranking criteria

Noncompetitive—Formula

Apportioned based on formula:

1/3 land area + 2/3 population

Governing Guidance

- Annual Interior Appropriations Acts (Enabling Legislation)
- 2 CFR 200
- State Wildlife Grant (SWG) Program Implementation Guidelines (*see http://fawiki.fws.gov/*)
- USFWS Manual Chapter (*http://www.fws.gov/policy/517fw10.pdf*)

ELIGIBLE GRANTEES

→ ALL STATE AND TERRITORY FISH AND WILDLIFE AGENCIES

→ REGIONAL ASSOCIATIONS OF FISH AND WILDLIFE AGENCIES

Purpose

Provide funds for development and implementation of programs that benefit sensitive and imperiled wildlife and their habitats, especially species not hunted or fished (referred to as "species of greatest conservation need")

ELIGIBLE PROJECTS

Conservation actions such as research, surveys, species and habitat management, and monitoring that are identified in an approved State Wildlife Action Plan; or updating, revising, or modifying a State's Plan; or addressing approved "emerging issues"

SOURCE OF FUNDS

Land and Water Conservation Fund (annual appropriations)

Includes revenues from:

- **Outer Continental Shelf Oil & Gas**
- **General treasury since 2006**

MATCHING REQUIREMENTS AND LIMITATIONS ON AVAILABILITY OF FUNDS

- Annual appropriation available for two years
- Competitive grants require 25% matching, federal share not to exceed 75% of total costs
- 100% federal funds for Virgin Islands, Guam, American Samoa and Northern Mariana Islands
- Formula planning grants require 25% matching, federal share not to exceed 75% of total costs
- Formula implementation grants require 35% matching, federal share not to exceed 65% of total costs

SPECIAL CONDITIONS OR REQUIREMENTS

* State/Territory must develop or commit to develop a comprehensive wildlife conservation plan by October 1, 2005.
* Approved plans must be reviewed and updated at maximum intervals of ten years.

For More Information: http://wsfrprograms.fws.gov/Subpages/GrantPrograms/SWG/SWG.htm

TRIBAL WILDLIFE GRANTS

Fish and Wildlife Service, Wildlife and Sport Fish Restoration Program

DISTRIBUTION METHOD

Competitive based on Request for Grant Proposals and Final Policy and Implementation Guidelines

Governing Guidance

- Annual Appropriations Act (Enabling Legislation)
- Tribal Wildlife Grant Program Implementation Guidelines
- 2 CFR 200
- USFWS Manual Chapters

ELIGIBLE GRANTEES: FEDERALLY RECOGNIZED TRIBES IN UNITED STATES INCLUDING FEDERALLY RECOGNIZED TRIBES, PUEBLOS, RANCHEROS, AND ALASKA NATIVE VILLAGES OR TRADITIONAL COUNCILS AS DEFINED BY THE ALASKA NATIVE CLAIMS SETTLEMENT ACT

Purpose

Provide funding to federally recognized Tribes for development and implementation of programs that benefit wildlife and their habitat, including species of tribal culture or traditional importance and species that are not hunted or fished.

ELIGIBLE PROJECTS

→ Development and implementation of programs for the benefit of wildlife and their habitat, including species of tribal cultural or traditional importance and species that are not hunted or fished

→ Activities may include, but are not limited to, planning for wildlife and habitat conservation, ongoing and/or new fish and wildlife management actions, fish and wildlife related laboratory and field research, natural history studies, habitat mapping, field surveys and population monitoring, habitat preservation, land acquisition, conservation easements, and outreach efforts.

SOURCE OF FUNDS

Land and Water Conservation Fund (annual appropriation).

Includes Revenues from:

- **Outer continental shelf oil and gas**
- **General treasury since 2006**

MATCHING REQUIREMENTS AND LIMITATIONS ON AVAILABILITY OF FUNDS

- Cost reimbursement
- Provides up to 100% of federal funding
- Annual appropriation available for two years

SPECIAL CONDITIONS OR REQUIREMENTS

Eligible grantees submit applications including Tribal resolution of support to Regional Native American Liaisons of U.S. Fish and Wildlife Service.

For More Information: http://wsfrprograms.fws.gov/Subpages/GrantPrograms/TWG/TWG.htm

WILDLIFE RESTORATION PROGRAM

UPDATED SEPT 2015

Fish and Wildlife Service, Wildlife and Sport Fish Restoration Program

DISTRIBUTION METHOD

Apportioned based on formula:
50% paid license holders +
50% land/water area

Governing Guidance

- Wildlife Restoration Act, also known as Pittman-Roberson Act of 1937 (Enabling Legislation)
- 50 CFR 80
- 2 CFR 200
- USFWS Manual Chapters

ELIGIBLE GRANTEES: ALL STATE/TERRITORY FISH AND WILDLIFE AGENCIES WITH ASSENT LEGISLATION

Purpose

- Restoration, conservation, management and enhancement of wild birds and mammals and their habitat
- Provide public use and access to wildlife resources
- Provide for education of hunters and development of shooting ranges

ELIGIBLE PROJECTS

Selection, restoration, rehabilitation and improvement of areas of land or water adaptable as feeding, resting, or breeding places for wildlife

SOURCE OF FUNDS

Wildlife Restoration Trust Fund

Includes Revenues from:

- **Excise taxes on sporting arms and ammunitions (firearms, ammunition, pistols, handguns, revolvers, bows, archery, arrow components)**

MATCHING REQUIREMENTS AND LIMITATIONS ON AVAILABILITY OF FUNDS

- Provides reimbursement of up to 75% federal funding, 25% required from non-federal sources
- 100% federal funding for Puerto Rico, Virgin Islands, Guam, American Samoa, and Northern Mariana Islands
- Annual apportionment available for two years before it reverts
- Reverted funds are returned to U.S. Fish and Wildlife Service for use in Migratory Bird Program
- Basic Hunter Education (separate formula and apportionment) - may be used for hunter education or other WR Act authorized projects
- Enhanced Hunter Education (eight million dollars set aside) - must be used for hunter education or shooting range enhancements (if all Basic Hunter Education funds are used for hunter education, Enhanced HE may be used for any WR Act authorized projects)

SPECIAL CONDITIONS OR REQUIREMENTS

- State Fish and Wildlife Agencies must pass and maintain assent legislation
- Submit annual license certification
- Ineligible projects include law enforcement, public relations, and revenue producing activities

For More Information: http://wsfrprograms.fws.gov/Subpages/GrantPrograms/WR/WR.htm

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Instructors

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Phil joined the Wildlife and Sport Fish Restoration (WSFR) training team as an instructor in April 2009. He works as an instructor developing and delivering grant management training courses.

Prior to joining WSFR, Phil was the Federal Aid Coordinator for the Ohio Department of Natural Resources (ODNR), Division of Wildlife for 8 years. Phil served a total of 21 years with ODNR holding positions as Hunter Education Coordinator, Project WILD Coordinator, Becoming an Outdoors Woman Coordinator and State Park Naturalist.

Phil received an A.A.S. degree in Recreation and Wildlife from Hocking College in Nelsonville, Ohio.

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Scott is currently the Chief of the Branch of Information Management. In March of 2005, he joined the WSFR National Training Program as an instructor.

Prior to working with WSFR, Scott was the Business Manager for the Wildlife Resources Section of West Virginia Division of Natural Resources (WVDNR) for 10 years. He served as the Fiscal Coordinator for Federal Assistance projects, administrator for the Hunting and Fishing License Unit, and project leader for West Virginia's online hunting and fishing license system and the in-house point-of-sale system.

Scott holds a Bachelor's degree in Accounting from West Virginia State University. Prior to joining the WVDNR, Scott served in the military as a communications specialist including service during the Gulf War (1991).

Instructors

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Tj has worked with the US Fish and Wildlife Service since 2009 and joined the WSFR team as the Grants Fiscal Officer in Region 7 in December 2011.

Prior to this Tj worked in a variety of roles with the National Park Service in several locations including Virgin Islands National Park on St. John, VI, Lava Beds National Monument near Tule Lake, CA, San Juan Island National Historical Park in Friday Harbor, WA and Wrangell-St. Elias National Park and Preserve near Glennallen, AK.

Tj received her BS in Kinesiology (Pre-med) with a minor in Fine Arts from Humboldt State University in Arcata, CA.

When she is not working, Tj spends her time with her husband and her 2 year old son, Cole. She enjoys hiking, traveling, gardening, sewing and building things and is guaranteed to have a home improvement project, or two, in progress at all times.