



SUBJECT: MGT-Delegation of Authority

TO: Cathee Pullman  
State Conservationist  
Minnesota State Office

File Code: 120-12-11-5

In accordance with the General Manual, Title 130, Part 400, Subpart B, Delegations of Authority, I am approving the following agreement(s) for fiscal year 2016:

Agreement Number	Cooperator	Purpose	Funding Amount	Funded By	Direct/ Reimbursable
68-6322-16-513	Two Rivers Watershed District	Klondike Clean Water Retention Project #11	\$500,000.00	NRCS	Direct

This memorandum provides delegation of authority to sign and administer the above agreement(s) in accordance with the appropriate Federal and Agency guidelines. In addition, please ensure that the following is adhered to:

- In accordance with OMB Circular A-11, 15.4, agreement should not exceed the limitation of funding appropriated by Congress, unless amended.

Please submit a copy of the approved fully executed agreement to your respective Regional G&A Specialist.

**KEVIN  
WICKEY**

Digitally signed by KEVIN WICKEY  
DN: c=US, o=U.S. Government,  
ou=Department of Agriculture, cn=KEVIN  
WICKEY,  
0.9.2342.19200300.100.1.1=12001000298  
985  
Date: 2016.02.11 11:20:11 -05'00'

Kevin Wickey  
Regional Conservationist, Central

cc:  
Tessa Garcia, Business Services Specialist, NRCS, Minnesota  
Karen Minor, Grants Management Specialist, Central G&A Team, NRCS, NHQ

NRCS:MGT:AGM:KMINOR:12/28/15:16-513.ltr

**NOTICE OF GRANT AND AGREEMENT AWARD**

<b>1. Award Identifying Number</b> 68-6322-16-513		<b>2. Amendment No.</b>	<b>3. Award/Project Period</b> Date of Final Signature - 9/30/2019		<b>4. Type of Award Instrument</b> Cooperative-RCPP
<b>5. Agency: Natural Resources Conservation Service (NRCS)</b> (Name and Address) USDA, Natural Resources Conservation Service Minnesota State Office 375 Jackson St., Ste 600 St. Paul, Minnesota 55101-1854			<b>6. Recipient Organization: (Name and Address)</b> Two Rivers Watershed District 410 South 5th Street, Suite 112 Hallock, Minnesota 56728-0112		
		<b>DUNS:</b> 1716413060000		<b>EIN:</b> 41-1347113	
<b>7. NRCS Program Contact:</b> Keith Weston, 701-318-8566 keith.weston@nd.usda.gov		<b>NRCS Administrative Contact:</b> Tessa Garcia, 651-602-7872 tessa.garcia@mn.usda.gov		<b>9. Recipient Program Contact:</b> Dan Money, 218-843-3333 daniel.money@mn.nacdnet.net	
				<b>10. Recipient Administrative Contact:</b> Dan Money, 218-843-3333 daniel.money@mn.nacdnet.net	
<b>11. CFDA Number</b> 10.932	<b>12. Authority</b> RCPP auth in subtitle E of Title II(2401) of the Agr. Act of 2014 (P.L. 113-79) as 1271 of the Food Sec Act...		<b>13. Type of Action</b> New		<b>14. Project Director</b>
<b>15. Project Title/Description:</b> Klondike Clean Water Retention Project #11					
<b>16. Entity Type:</b> ___ Profit ___ Nonprofit ___ Higher Education ___ Federal <input checked="" type="checkbox"/> State/Local ___ Indian/Native American  Other					
<b>17. Select Funding Type:</b>			<b>18. Accounting and Appropriation Data</b>		
		<input checked="" type="checkbox"/> Federal		<input type="checkbox"/> Non-Federal	
Original Funds Total:	\$500,000		Financial Code	Amount	Fiscal Year
Additional Funds Total:			NR.AI.RCP3.27.W669.14 XXT	500,000	2016
Grand Total:	\$500,000				Treasury Symbol
					12X1004
<b>19. APPROVED BUDGET</b>					
Personnel	\$	Fringe Benefits	\$		
Travel	\$	Equipment	\$		
Supplies	\$	Contractual	\$ 500,000.00		
Construction	\$	Other	\$		
Total Direct Cost\	\$ 500,000.00	Total Indirect Cost	\$		
		Total Non-Federal Funds	\$		
		Total Federal Funds Awarded	\$ 500,000.00		
		Total Approved Budget	\$ 500,000.00		

This agreement is subject to applicable USDA NRCS statutory provisions and Financial Assistance Regulations. In accepting this award or amendment and any payments made pursuant thereto, the undersigned represents that he or she is duly authorized to act on behalf of the awardee organization, agrees that the award is subject to the applicable provisions of this agreement (and all attachments), and agrees that acceptance of any payments constitutes an agreement by the payee that the amounts, if any found by NRCS to have been overpaid, will be refunded or credited in full to NRCS.

(Continuation)

NOTICE OF GRANT AND AGREEMENT AWARD			
Award Identifying Number	Amendment No.	Award/Project Period	Type of Award Instrument
68-6322-16-513		Date of Final Signature - 9/30/2019	Cooperative-RCPP

<b>Name and Title of Authorized Government Representative</b> Cathee Pullman State Conservationist, Minnesota State Office	<b>Signature</b>	<b>Date</b> 4/4/2016
<b>Name and Title of Authorized Recipient Representative</b> Daniel Money, District Administrator	<b>Signature</b> <i>Dan Money</i>	<b>Date</b> 3/3/16

**NONDISCRIMINATION STATEMENT**

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or a part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW., Washington, DC 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.

**PRIVACY ACT STATEMENT**

The above statements are made in accordance with the Privacy Act of 1974 (5 U.S.C. Section 522a).

**COOPERATIVE AGREEMENT**

**between the**

**TWO RIVERS WATERSHED DISTRICT – KLONDIKE CLEAN WATER RETENTION  
PROJECT #11**

**(referred to herein as Sponsor or Sponsoring Local Organization (SLO)  
and the**

**NATURAL RESOURCE CONSERVATION SERVICE;  
UNITED STATES DEPARTMENT OF AGRICULTURE  
(referred to herein as NRCS)**

**I. PURPOSE:**

Initiate and perform the development of a Watershed Plan for the Two Rivers Watershed District – Klondike Clean Water Retention Project #11, under the terms of Memorandum of Understanding #14-C-ND-669 between the United States Department of Agriculture, Natural Resource Conservation Service (NRCS) and the Red River Retention Authority (RRRA).

**II. AUTHORITY**

This Cooperative Agreement is entered into between the SLO and the NRCS in accordance with the Regional Conservation Partnership Program (RCPP) authorized in Subtitle E of Title II (§2401) of the Agricultural Act of 2014 (P.L. 113-79) as §1271 of the Food Security Act of 1985 (P.L. 99-198), as amended. 16 U.S.C. 3871-3871f. (CFDA No. 10.932)

RCPP is delivering funds for watershed planning activities through the authorities and rules of PL83-566, the Watershed Protection and Flood Prevention Act of 1954, as amended.

**III. OBJECTIVES**

To complete a Watershed Plan - Environmental Assessment (EA) or Environmental Impact Statement (EIS) under PL83-566 policies and procedures. The Watershed Plan - EA or EIS will be developed in accordance with the procedures and requirements of the NRCS National Watershed Program Manual (NWPM) and National Watershed Program Handbook (NWPH).

Estimated Project funding is up to \$714,286 of which NRCS will contribute up to \$500,000 and the SLO will contribute up to \$214,286.

Upon completion of an NRCS approved Watershed Plan, meeting program eligibility criteria, the SLO will be eligible to submit a request to the RRRA for RCPP funds for Watershed Plan implementation.

**IV. RESPONSIBILITIES OF THE PARTIES**

**A. The SLO will:**

1. Complete all procurement and contract administration functions necessary to hire a professionally licensed engineering firm and/or appropriately qualified technical services firm(s) with the appropriate disciplines to perform interdisciplinary watershed planning services.
2. Ensure that the scope of technical services are within the subset of “watershed planning” activities as defined in Section V of this document.
3. Provide 30% of costs as outlined in Attachment B – Budget Narrative.
4. Provide reports of progress and invoicing as outlined in Attachment A, General Terms and Conditions.
5. Designate an individual (Project Liaison) to serve as liaison between the SLO and NRCS and identify that person to NRCS in writing along with a list of his or her duties, responsibilities and authorities.

<b>Program and Technical Contact</b>
Dan Money, District Administrator
410 S 5 <sup>th</sup> Street, Suite 112, Hallock, MN 56728
Phone: 218-843-3333
Email: daniel.money@mn.nacdnet.net

**B. The NRCS will:**

1. Provide payment to the SLO for 70% of project costs as outlined in Attachment B – Budget, not to exceed \$500,000.
2. Provide initial technical review at Review Points as outlined in the Expected Accomplishments and Deliverables section of this agreement. Review comments will be preliminary in nature, may be incomplete, and will be typically provided via informal phone or email communication.
3. Complete final technical review and approval/acceptance of the Watershed Plan – EA/EIS, per Part 502.11 of the NWPM.
4. Provide formal comments to the SLO resulting from final technical review. These comments will contain findings and recommendations for correcting identified deficiencies in the submitted Watershed Plan – EA/EIS.

5. Appoint the following contacts as liaison to the agreement:

Program Contact	Administrative Contact	Grants Specialist
Keith Weston	Tessa Garcia	Debbie Williams
Phone: (701)356-6641	Phone: (651)602-7872	Phone: (509)323-2928
Email: keith.weston@nd.usda.gov	Email: tessa.garcia@mn.usda.gov	Email: debbie.williams3@wdc.gov

C. It Is Mutually Understood:

1. All parties will work to ensure that public funds are spent in a prudent manner for the intended purpose of this agreement. Each party will communicate issues and concerns with work progress or quality in a clear and timely manner.
2. Either party may terminate this agreement upon 30 day written notification.
3. Technical services related to final engineering design and permitting activities are not within the scope of this agreement.
4. Contract administration costs are not reimbursable by NRCS. Only those costs for technical services incurred after the date of the Cooperative Agreement signature, by NRCS, are reimbursable.
5. For a Watershed Plan – EA the SLO will prepare a Finding of No Significant Impact (FONSI) for NRCS to publish in the Federal Register. For a Watershed Plan - EIS the SLO will prepare a Notice of Intent for NRCS to publish in the Federal Register. The resulting Record of Decision will be prepared by the SLO for NRCS to publish in the Federal Register.
6. NRCS will pursue an exception to the National Economic Development (NED) Plan if determined necessary using documentation provided by the SLO.

**V. EXPECTED ACCOMPLISHMENTS AND DELIVERABLES**

All activities covered under this agreement will be considered “Water Resource Projects” as defined in NWPM Part 501.11. The work consists of the performance of any part or all inventories, surveys, preliminary designs, and planning necessary to complete an NRCS acceptable Watershed Plan – EA/EIS. If it is determined, at any point in the planning process, a Watershed Plan - EIS is necessary further discussions must take place to determine the feasibility of the project.

Work shall conform to NRCS regulations and policy documents, standards, technical guidelines, and references. NRCS policy documents include, but are not limited to, the General Manual, National Engineering Manual, National Operations and Maintenance Manual, National Watershed Program Manual (NWPM), and Environmental Principles and

Guidelines for Water and Related Land Resources Implementation Studies (P&G). NRCS technical guidelines include all of the sections in, but not limited to, the National Watershed Program Handbook (NWPB), National Planning Procedures Handbook, National Engineering Handbook, Water Resources Handbook for Economics, National Environmental Compliance Handbook, National Cultural Resources Procedures Handbook, and the National Handbook of Conservation Practices. Technical references include Technical Releases and Technical Notes.

1. Pre-Planning Activities

- a. Develop a planning structure document that provides information on project sponsors, members of the Planning Team (those responsible for the day to day actions in the project), and Technical Advisory Group (TAG) members (those that serve in an advisory role).
- b. Letters of invitation to be a cooperating agency in the planning process and preparation of the NEPA document shall be developed (see an example letter in exhibit NWPB Part 606.12). Letters are to be provided to NRCS for State Conservationist distribution.
- c. A Plan of Work must be developed per NWPM Part 501.21.
- d. Develop a Public Participation Plan meeting the requirements of NWPM Part 501.24a, NWPB Part 601.24a, and the GM Title 400 Part 400.
- e. Feasibility Report based on preliminary investigations as outlined in NWPM Part 501.20 (example found in NWPB Part 606.11).

NRCS Review Point #1 – Submit the Planning Structure Document, Letters of Invitation, Plan of Work, Public Participation Plan and Feasibility Report to NRCS for Review.

2. Purpose and Need for Action (Problems and Opportunities)

- a. A proposed Purpose and Need for Action will be presented at a public meeting to determine “High”, “Medium”, and “Low” resource concerns from the public perspective. Input from all affected Cooperating Agencies shall also be solicited. At a minimum all resource concerns listed in NWPM 501.24b must be considered, additional guidance for this process can be found in NWPB Part 601.24b. Examples can be found in NWPB Part 606.18.
- b. A draft Purpose and Need for Action document will be developed pursuant to NWPM 501.34, additional guidance can be found in NWPB 601.34.
- c. A final Purpose and Need for Action is developed upon concurrence of “High”, “Medium”, and “Low” resource concerns from SLO.

3. Scope of the EA/EIS

- a. Develop a scope of EA/EIS determining the resource concerns to be carried forward in the planning process by documenting the outcomes of the activities in items 2a above as outlined in NWPM 501.35, additional guidance can be found in NWPB 601.35 with an example in NWPB 606.19.

NRCS Review Point #2 –: Submit copies of the Purpose and Need for Action and Scope of the EA/EIS to NRCS for review.

4. Affected Environment (Inventory Resources and Analyze the Resource Data) (NWPB Part 601.36)
  - a. Establish which Indicators (i.e. units of measurement) will be targeted for inventorying and analyzing resource data for “High”, and “Medium” resource concerns identified in the scoping process with concurrence from NRCS.
  - b. Establish the methodology of analysis for each Indicator with concurrence from NRCS.
  - c. Compile Resource information for each Indicator with NRCS approved methodology of analysis in order to identify current or baseline conditions.
  - d. Determine the evaluation period (period of economic analysis) of the project per NWPM Part 501.12C in conjunction with the SLO and NRCS.
  - e. Establish desired future conditions (goals) for each Indicator with concurrence from SLO and NRCS.
  - f. Analyze compiled resource information against desired future conditions to determine target values.

NRCS Review Point #3: Submit Affected Environment Documentation.

5. Development of Alternatives
  - a. Develop the No Action Alternative (Future Without Project) by forecasting future conditions for a period equal to the evaluation period (NWPM Part 501.12b and NWPB Part 601.12b).
  - b. Develop additional alternatives to ensure that all reasonable alternatives are incorporated into the plan. (NWPM Part 501.12a & Part 501.37, NWPB Part 601.12a & Part 601.37, and P&G Section 1.6.2).
  - c. Documentation of Alternatives Eliminated from Detailed Study with concurrence from SLO and NRCS (NWPM Part 501.37c and P&G Section 1.6.2).
  - d. Describe remaining Alternatives (including the No Action Alternative) according to NWPM Part 501.37d and NWPB Part 601.37d.

NRCS Review Point #4: Submit Alternatives and all associated documentation and supporting technical materials

6. Environmental Consequences (Evaluate Effects of Alternatives)
  - a. Evaluate each Alternative by Resource Concern for the Indicators in 4e above. For example, if Water Quality has three Indicators identified in the Goals, each Indicator must be addressed in the evaluation of Water Quality. All Resources of National Concern identified in P&G Table 1.8.2 must be included in the evaluations. Additional guidance can be found in NWPB 606.13 – Step 6 Evaluate Alternatives.
  - b. Evaluation of Alternatives shall follow NWPM 501.38 and NWPB 601.38.



- c. Determine unavoidable adverse impacts to Resource Concerns identified in 6a above with concurrence from SLO and NRCS.
- d. Conduct interdisciplinary review meetings as necessary to review environmental consequences to determine if the process will result in a Watershed Plan EA or a Watershed Plan EIS.
- e. Develop a mitigation strategy to address adverse impacts, including an estimate of all related costs, if applicable.
- f. Develop summary and comparison of alternative plans table as outlined in NWPM Part 501.37e, NWPH 601.37e. An example table can be found in NWPH Part 606.21.
- g. Complete the Environmental Consequences section of the Watershed Plan (NWPM Part 501.38).

NRCS Review Point #5: Submit the Environmental Consequences section, and any related documentation, of the Watershed Plan.

7. Determination of the Preferred Alternative
  - a. Conduct a public meeting to communicate evaluated Alternatives and their Environmental Consequences and solicit input on selecting the Preferred Alternative. This information shall also be shared with other interested parties for their input.
  - b. The SLO will select the Preferred Alternative with concurrence of NRCS.
  - c. Document the selection of the Preferred Alternative in accordance with NWPM Part 501.40 and NWPH Part 601.40.
  - d. If the selected Preferred Alternative is not the NED, then an exception to the requirement to utilize the NED must be drafted along with reasoning for the exception (NWPM Part 502, NWPH Part 602, and P&G 1.10.2).
  - e. Complete the Preferred Alternative section of the Watershed Plan.
8. Consultation, Coordination, and Public Participation
  - a. Complete final consultation activities with appropriate agencies (NWPM Part 501.39 and NWPH Part 601.39).
  - b. Complete the Consultation, Coordination, and Public Participation portion of the Watershed Plan.
9. Prepare Appendices per NWPM 501.45 and NWPH 601.45. Appendix D or Investigation and Analysis will need to be prepared to disclose all assumptions, data sources, models, and methodologies to support each interdisciplinary team member's analysis and recommendations.
10. Assemble full Watershed Plan per the NWPM Part 501 and NWPH Part 601.

NRCS Review Point #6: Submit Draft Watershed Plan - EA/EIS to NRCS for review.

11. Complete Watershed Plan revisions and resubmittals, as necessary.

**VI. PERIOD OF PERFORMANCE:**

This Agreement is effective from Date of Final Signature to September 30, 2019.

**VII. TIME FRAME**

Review Point	FY 15-16				FY 16-17				FY 17-18				FY 18-19			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
1		x	x	x												
2			x	x	x											
3			x	x	x	x	x	x	x	x	x					
4						x	x	x	x	x	x	x				
5								x	x	x	x	x	x			
6										x	x	x	x	x	x	

1. Review Point #1 – Planning Structure Document, Letters of Invitation, Plan of Work, Public Participation Plan and Feasibility Report.
2. Review Point #2 – Purpose and Need for Action and Scope of the EA/EIS.
3. Review Point #3 - Affected Environment and Documentation.
4. Review Point #4 - Alternatives and all associated documentation and supporting technical materials.
5. Review Point #5 - Environmental Consequences section, and any related documentation, of the Watershed Plan.
6. Review Point #6 - Draft Watershed Plan - EA/EIS.

Attachments:

Attachment A – General Terms & Conditions

Attachment B – Budget with Narrative

Budget: Two Rivers Watershed District - Klondike Clean Water Retention Project #11

<u>Deliverable</u>	<u>COST</u>	<u>NRCS 70%</u>	<u>SLO 30%</u>	<u>Total</u>
NRCS Review Point #1	33,378.50	23,364.95	10,013.55	33,378.50
NRCS Review Point #2	59,514.50	41,660.15	17,854.35	59,514.50
NRCS Review Point #3	54,760.50	38,332.35	16,428.15	54,760.50
NRCS Review Point #4	303,582.50	212,507.75	91,074.75	303,582.50
NRCS Review Point #5	168,101.50	117,671.05	50,430.45	168,101.50
NRCS Review Point #6	94,948.50	66,463.95	28,484.55	94,948.50
<b>Total</b>	<b>714,286</b>	<b>*NTE \$500,000</b>	<b>*NTE \$214,286</b>	<b>\$714,286</b>

\* NTE – Not To Exceed

- Review Point #1 – Planning Structure Document, Letters of Invitation, Plan of Work, Public Participation Plan and Feasibility.
- Review Point #2 – Purpose and Need for Action and Scope of the EA/EIS.
- Review Point #3 - Affected Environment Documentation.
- Review Point #4 - Alternatives and all associated documentation and supporting technical materials.
- Review Point #5 - Environmental Consequences section, and any related documentation, of the Watershed Plan.
- Review Point #6 - Draft Watershed Plan - EA/EIS.

**NATURAL RESOURCES CONSERVATION SERVICE  
U.S. DEPARTMENT OF AGRICULTURE**

**GENERAL TERMS AND CONDITIONS  
GRANTS AND COOPERATIVE AGREEMENTS**

**I. APPLICABLE REGULATIONS**

- a. The recipient, and recipients of any subawards under this award, agree to comply with the following regulations, as applicable. The full text of Code of Federal Regulations references may be found at <http://www.access.gpo.gov/nara/cfr/cfr-table-search.html#page1> and <http://www.ecfr.gov/>.
- (1) 2 CFR Part 25, "Universal Identifier and System of Award Management"
  - (2) 2 CFR Part 170, "Reporting Subaward and Executive Compensation Information"
  - (3) 2 CFR Part 180, "OMB Guidelines To Agencies On Governmentwide Debarment And Suspension (Nonprocurement)"
  - (4) 2 CFR Part 182, "Governmentwide Requirements for Drug-Free Workplace (Financial Assistance)"
  - (5) 2 CFR Part 200, "Uniform Administrative Requirements, Cost Principles, And Audit Requirements for Federal Awards"
- b. The recipient, and recipients of any subawards under this award, assure and certify that they have and/or will comply with the following regulations, as applicable. The full text of Code of Federal Regulations references may be found at <http://www.access.gpo.gov/nara/cfr/cfr-table-search.html#page1> and <http://www.ecfr.gov/>.
- (1) 2 CFR Part 175, "Award Term for Trafficking in Persons"
  - (2) 2 CFR Part 417, "Nonprocurement Debarment and Suspension"
  - (3) 2 CFR Part 418, "New Restrictions on Lobbying"
  - (4) 2 CFR Part 421, "Requirements for Drug-Free Workplace (Financial Assistance)"
- c. Allowable project costs will be determined in accordance with the authorizing statute, the purpose of the award, and to the extent applicable to the type of organizations receiving the award, regardless of tier. The following portions of the Code of Federal Regulations are hereby incorporated by reference (the full text of Code of Federal Regulations references may be found at <http://www.access.gpo.gov/nara/cfr/cfr-table-search.html#page1> and <http://www.ecfr.gov/>).
- (1) 2 CFR Part 200, "Uniform Administrative Requirements, Cost Principles And Audit Requirements For Federal Awards"
  - (2) 48 CFR Part 31, "Contract Cost Principles and Procedures"

**II. UNALLOWABLE COSTS**

The following costs are not allowed:

- a. Costs above the amount authorized for the project
- b. Costs incurred after the expiration of the award including any no-cost extensions of time
- c. Costs that lie outside the scope of the approved project and any amendments thereto
- d. Compensation for injuries to persons or damage to property arising from project activities

This list is not exhaustive. For general information about the allowability of particular items of costs, please see 2 CFR Part 200, "Subpart E - Cost Principles", or direct specific inquiries to the NRCS administrative contact identified in the award.

### **III. CONFIDENTIALITY**

- a. Activities performed under this award may involve access to confidential and potentially sensitive information about governmental and landowner issues. The term "confidential information" means proprietary information or data of a personal nature about an individual, or information or data submitted by or pertaining to an organization. This information must not be disclosed without the prior written consent of NRCS.
- b. The recipient's personnel will follow the rules and procedures of disclosure set forth in the Privacy Act of 1974, 5 U.S.C. Section 552a, and implementing regulations and policies with respect to systems of records determined to be subject to the Privacy Act. The recipient's personnel must also comply with privacy of personal information relating to natural resources conservation programs in accordance with section 1244 of Title II of the Farm Security and Rural Investment Act of 2002 (Public Law 107-171).
- c. The recipient agrees to comply with NRCS guidelines and requirements regarding the disclosure of information protected under Section 1619 of the Food, Conservation, and Energy Act of 2008 (PL 110-246), 7 U.S.C. 8791.

### **IV. PRIOR APPROVAL REQUIREMENTS**

The following are the most common situations requiring prior approval. However, the recipient is also bound by any other prior approval requirements of the applicable administrative provisions and Federal cost principles.

- a. Purpose or Deliverables.—When it is necessary for the recipient to modify the purpose or deliverables, the recipient must submit a written request and justification for the change along with the revised purpose or deliverables of the award to the NRCS administrative contact. The request should contain the following:
  1. Grant or agreement number
  2. Narrative explaining the requested modification to the project purpose or deliverables
  3. A description of the revised purpose or deliverables
  4. Signatures of the authorized representative, project director, or both
- b. Subcontractual Arrangement. — The recipient must submit a justification for the proposed subcontractual arrangements, a statement of work to be performed, and a detailed budget for the subcontract to the NRCS administrative contact. Subcontractual arrangements disclosed in the application do not require additional postaward approval.
- c. Absence or Change in Project Leadership.—When a project director or the person responsible for the direction or management of the project—
  1. Relinquishes active direction of the project for more than 3 consecutive months or has a 25 percent or more reduction in time devoted to the project, the grantee must notify the NRCS administrative contact in writing, identifying who will be in charge during the project director's absence. The notification must include the qualifications and the signature of the replacement, signifying his or her willingness to serve on the project.
  2. Severs his or her affiliation with the grantee, the grantee's options include—
    - i. Replacing the project director. The grantee must request written approval of the replacement from the NRCS administrative contact and must include

the qualifications and the signature of the replacement signifying his or her willingness to serve on the project.

- ii. Subcontracting to the former project director's new organization. The grantee must request approval from the administrative contact to replace the project manager and retain the award, and to subcontract to the former project director's new organization certain portions of the project to be completed by the former project director.
  - iii. Relinquishing the award. The grantee must submit to the NRCS administrative contact a signed letter by the grantee and the project director that indicates that the grantee is relinquishing the award. The letter must include the date the project director is leaving and a summary of progress to date. A final Standard Form (SF) 425 reflecting the total amount of funds spent by the recipient must be attached to the letter.
3. Transfers the award to his or her new organization, the authorized organization's representative at the new organization must submit the following to the NRCS administrative contact as soon as the transfer date is firm and the amount of funds to be transferred is known:
- i. The forms and certifications included in the application package
  - ii. A project summary and work statement covering the work to be completed under the project (deliverables and objectives must be the same as those outlined in the approved proposal)
  - iii. An updated qualifications statement for the project director showing his or her new organizational affiliation
  - iv. Any cost-sharing requirements under the original award transfer to the new institution; therefore, cost-sharing information must be included in the proposal from the new organization

**Note:** The transfer of an award from one organization to another can take up to 90 days to accomplish, which may result in a delay in the project director resuming the project at the new organization.

- d. Budget Revisions.—Budget revisions will be in accordance with 2 CFR Part 200.308.
- e. No-Cost Extensions of Time. —When a no-cost extension of time is required, the recipient must submit a written request to the NRCS administrative contact no later than 30 days before the expiration date of the award. The request must contain the following:
  - The length of additional time required to complete the project and a justification for the extension
  - A summary of progress to date
  - An estimate of funds expected to remain unobligated on the scheduled expiration date
  - A projected timetable to complete the portions of the project for which the extension is being requested
  - Signature of the grantee and the project director
  - A status of cost sharing to date (if applicable)

**Note:** An extension will not exceed 12 months. Only in exceptional cases will more than one extension be granted. Requests for no-cost extensions received after the expiration of the award will not be granted.

**V. PAYMENTS**

- a. Payment by NRCS to the entity will be made monthly or quarterly (whichever is mutually agreed upon by both parties) on a reimbursable or advanced basis upon completion of work outlined herein. Payment will be executed upon the submission of a properly executed form SF-270. The SF-270 must cite the agreement number, remittance address, and billing period. The SF-270 must be sent to the NRCS administrative contact at the address identified in block 8 of the Notice of Grant/Agreement Award.
- b. Unless otherwise specified in the award, the recipient must receive payments through electronic funds transfers.
- c. Recipients requesting advances should request payments in amounts necessary to meet their current needs pursuant to procedures contained in the Federal administrative provisions and **31 CFR Part 205**.
- d. The method of payment between the recipient and its contractors will be in accordance with the policies and procedures established by the recipient except that the contractors may not use the USDA Office of Financial Management/National Finance Center method to request payments. If the grantee makes advance payments to contractors, the grantee must ensure that the timing of such payments is designed to minimize elapsed time between the advance payment and the disbursement of funds. Payment requests from the grantee's contractors will not be sent to NRCS for review or approval.
- e. Accounting records for all costs incurred under this award must be supported by source documentation. Such documentation includes, but is not limited to, canceled checks, paid bills, payroll records, and subcontract award documents. Labor cost charges to this award must be based upon salaries actually earned and the time actually worked on this award. All project costs must be incurred within the approved project period of this award, including any approved no-cost extension of time. Costs that cannot be supported by source documentation or that are incurred outside of the approved project period and budget may be disallowed and may result in award funds being returned to the Federal Government by the recipient.

**VI. FINANCIAL REPORTING**

- a. Recipients must submit a Federal Financial Report (FFR), SF 425 and 425A, in accordance with the following schedule (recipients may download the applicable form at <http://www.forms.gov>):

<u>Quarterly Schedule</u>	<u>Report Due Date</u>
October 1 to December 31	January 31
January 1 to March 31	April 30
April 1 to June 30	July 30
July 1 to September 30	October 30

Reports must be submitted on an accrual accounting basis. Failure to submit reports in accordance with the above schedule may result in suspension or termination of award.

- b. A final Report must be submitted no later than 90 days after the completion of the award. For final FFRs, reporting end date must be the end date of the project or agreement period. The reports should be submitted to the NRCS administrative contact identified in award notifications.

## **VII. PERFORMANCE MONITORING AND REPORTING**

- a. The recipient is responsible for monitoring day-to-day performance and for reporting to NRCS. If the project involves subcontractual arrangements, the recipient is also responsible for monitoring the performance of project activities under those arrangements to ensure that approved goals and schedules are met.
- b. Every 6 months the recipient must submit a written progress report. Each report must cover—
  1. A comparison of actual accomplishments with the goals and objectives established for the reporting period and, where project output can be quantified, a computation of the costs per unit of output.
  2. The reasons why goals and objectives were not met, if appropriate.
  3. Additional pertinent information including, where appropriate, analysis and explanation of cost overruns or high unit cost.
- c. The recipient must submit a final performance report within 90 days after completion of project.

## **VIII. SPECIAL PROVISIONS**

- a. The recipient assures and certifies that it will comply with the minimum-wage and maximum-hour provisions of the Federal Fair Labor Standards Act.
- b. Employees of NRCS will participate in efforts under this agreement solely as representatives of the United States. To this end, they may not participate as directors, officers, employees, or otherwise serve or hold themselves out as representatives of the recipient. They also may not assist the recipient with efforts to lobby Congress or to raise money through fundraising efforts. Further, NRCS employees must report to their immediate supervisor any negotiations with the recipient concerning future employment and must refrain from participation in efforts regarding such parties until approved by the agency.
- c. Employees of the recipient will not be considered Federal employees or agents of the United States for any purposes under this agreement.

## **IX. PATENTS, INVENTIONS, COPYRIGHTS, AND ACKNOWLEDGMENT OF SUPPORT AND DISCLAIMER**

- a. Allocation of rights of patents, inventions, and copyrights must be in accordance with 2 CFR Part 200.315. This regulation provides that small businesses normally may retain the principal worldwide patent rights to any invention developed with USDA support.
- b. In accordance with 37 CFR Section 401.14, each subject invention must be disclosed to the Federal agency within 2 months after the inventor discloses it in writing to contractor personnel responsible for patent matters. Invention disclosure statements pursuant to 37 CFR Section 401.14(c) must be made in writing to:

Acquisitions Division  
Grants and Agreements Team  
1400 Independence Avenue, SW.  
Room 6823 South Building  
Washington, DC 20250



- c. USDA receives a royalty-free license for Federal Government use, reserves the right to require the patentee to license others in certain circumstances, and requires that anyone exclusively licensed to sell the invention in the United States must manufacture it domestically.
- d. The following acknowledgment of NRCS support must appear in the publication of any material, whether copyrighted or not, and any products in electronic formats (World Wide Web pages, computer programs, etc.) that is substantially based upon or developed under this award:
  - “This material is based upon work supported by the Natural Resources Conservation Service, U.S. Department of Agriculture, under number [recipient should enter the applicable award number here].”

In addition, all publications and other materials, except scientific articles or papers published in scientific journals, must include the following statement:

- “Any opinions, findings, conclusions, or recommendations expressed in this publication are those of the author(s) and do not necessarily reflect the views of the U.S. Department of Agriculture.”

The recipient is responsible for ensuring that an acknowledgment of NRCS is made during news media interviews, including popular media such as radio, television, and news magazines, that discuss in a substantial way work funded by this award.

## **X. COST-SHARING REQUIREMENTS**

- a. If the award has specific cost-sharing requirements, the cost-sharing participation in other projects may not be counted toward meeting the specific cost-share requirement of this award, and must come from non-Federal sources unless otherwise stated in the applicable program announcement.
- b. Should the recipient become aware that it may be unable to provide the cost-sharing amount identified in this award, it must—
  1. Immediately notify the NRCS administrative contact of the situation.
  2. Specify the steps it plans to take to secure replacement cost sharing.
  3. Indicate the plans to either continue or phase out the project in the absence of cost sharing.
- c. If NRCS agrees to the organization’s proposed plans, the recipient will be notified accordingly. If the organization’s plans are not acceptable to NRCS, the award may be subject to termination. NRCS modifications to proposed cost sharing revisions are made on a case-by-case basis.
- d. Failure by the recipient to notify NRCS in accordance with paragraph (b) above may result in the disallowance of some or all the costs charged to the award, the subsequent recovery by NRCS of some of the NRCS funds provided under the award, and possible termination of the award, and may constitute a violation of the terms and conditions of the award so serious as to provide grounds for subsequent suspension or debarment.
- e. The recipient must maintain records of all project costs that are claimed by the recipient as cost sharing as well records of costs to be paid by NRCS. If the recipient’s cost participation includes in-kind contributions, the basis for determining the valuation for volunteer services and donated property must be documented.

## **XI. PROGRAM INCOME**

Income derived from patents, inventions, or copyrights will be disposed of in accordance with the recipient's own policies. General program income earned under this award during the period of NRCS support must be added to total project funds and used to further the purpose and scope of this award or the legislation under which this award is made.

## **XII. NONEXPENDABLE EQUIPMENT**

Recipients purchasing equipment or products with funds provided under this award are encouraged to use such funds to purchase only American-made equipment and products. Title to nonexpendable equipment purchased with award funds will vest in the recipient upon completion of the award project and acceptance by NRCS of required final reports. When equipment is no longer needed by the recipient and the per-unit fair market value is less than \$5,000, the recipient may retain, sell, or dispose of the equipment with no further obligation to NRCS. However, if the per-unit fair market value is \$5,000 or more, the recipient must submit a written request to the NRCS administrative contact for disposition instructions.

## **XIII. LIMIT OF FEDERAL LIABILITY**

The maximum financial obligation of NRCS to the recipient is the amount of funds indicated in the award as obligated by NRCS. However, in the event that an erroneous amount is stated on the approved budget, or any supporting document relating to the award, NRCS will have the unilateral right to make the correction and to make an appropriate adjustment in the NRCS share of the award to align with the Federal amount authorized.

## **XIV. MODIFICATIONS AND TERMINATIONS**

NRCS may amend or modify the award through an exchange of correspondence between authorized officials of the recipient and NRCS. The award is subject to termination if NRCS determines that the recipient has failed to comply with the terms and conditions of the award. In the event that the award is terminated, the financial obligations of the parties will be those set forth in 2 CFR Part 200.339.

## **XV. AWARD CLOSEOUT**

Award closeout is the process by which NRCS determines that all required project activities have been performed satisfactorily and all necessary administrative actions have been completed.