



United States  
Department of  
Agriculture

research



education



extension



# CSREES



Cooperative State **Research, Education, and Extension** Service



2008 CSREES Administrative  
Officers' Conference  
Session #42, May 6, 2008,  
2:45pm-4:00 pm  
Savannah, Georgia

## **Financial Reporting**

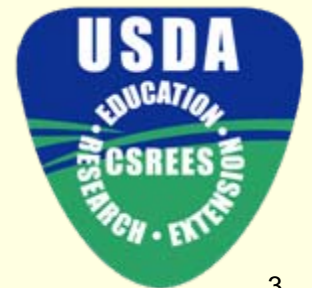
By Barry Sims, Staff Accountant, Oversight Section,  
and Kenneth Keys, Team Leader, Funds Management  
Section

Office of Extramural Programs, CSREES-USDA

# Research Formula Grants

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- Hatch Act of 1887
- Evans-Allen (Section 1445 of the National Agriculture Research, Extension, and Teaching Policy Act of 1977 - NARETPA) (1890s only)
- McIntire-Stennis Act of 1962
- Animal Health & Disease Research (Section 1433 – NARETPA, 1977)



# Hatch Requirements

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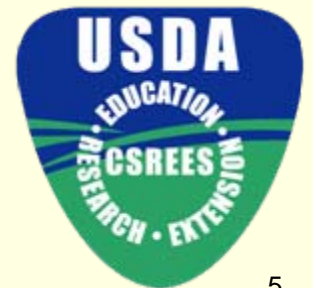
- Matching:
  - 100% for 1862 LGIs on Hatch Regular and by formula for Multi-state Research funds
  - Insular 1862s must match 50% of their allocation. Matching waivers may be requested
- Carryover:
  - 100% may be carried over for one full year
  - Funds must be expended by the end of the second year



# Carryover Scenario

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\$100,000 October 1, 2006 (FY07) Hatch award  
-80,000 Expended by September 30, 2007  
20,000 Carryover balance of FY07 funds  
-15,000 Expended by September 30, 2008  
\$5,000 FY2010 Hatch Award reduced by this amount



# Evans-Allen (Section 1445 of NARETPA)

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- Matching:
  - 100%, but matching waivers to 50% may be requested
- Carryover: 100% for one year

# McIntire-Stennis Act

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- Matching:
  - 100% match with non-Federal funds and must certify use for expenditure on forestry research in State; no matching for U.S. Territories if Federal allocation is \$200,000 or less
- Carryover:
  - 5% can be carried forward for one year. Excess carryover waiver requests will be considered. Please submit the request to Dr. Catalino Blanche at [cblanche@csrees.usda.gov](mailto:cblanche@csrees.usda.gov) or (202) 401-1706.



# Animal Health & Disease Research

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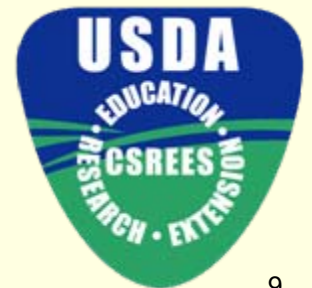
- Matching:
  - States receiving more than \$100,000 must match the excess with non-Federal funds dollar for dollar
  - States with more the one recipient institution share in the matching requirement
- Carryover:
  - None



# Extension Formula Grants

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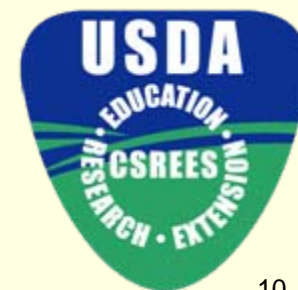
- Sections 3(b) and 3(c), Smith-Lever Act of 1914
- Smith-Lever Special Needs
- Expanded Food and Nutrition Education Program (1862s and 1890s)
- Cotton Pest Management
- Integrated Pest Management
- District of Columbia Public Postsecondary Reorganization Act
- Section 1444 of NARETPA, 1977 (1890s only)
- Renewable Resource Extension Act of 1978 (RREA)



# Smith-Lever Act, Sections 3(b) & (c)

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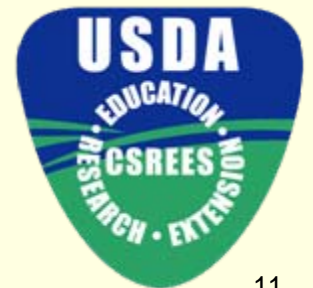
- Matching:
  - 100% match for 1862 LGIs
  - 50% for 1862 Insular LGIs
  - Matching waivers may be requested for Insular 1862s
- Carryover:
  - 100% of funds may be carried over for 5 years, subject to the “cancelled year” restrictions



# Smith-Lever Act, Section 3(d)

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- Matching:
  - None
- Carryover:
  - 100% of CPM and EFNEP funds can be carried over for 5 years
    - Subject to the “cancelled year” restrictions
    - FY 2007 funds terminate on 9/30/2008
  - 20% of IPM funds can be carried over for one year



# RREA

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- Matching:
  - None
- Carryover:
  - 50% for one year
  - Institution may request a waiver to carry over more than 50% of funds. Please submit this request to Dr. Eric Norland at [enorland@csrees.usda.gov](mailto:enorland@csrees.usda.gov) or (202) 401-1706.

# RREA Excess Carryover Waiver Request

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- Request for waiver should address:
  - Request to expend (enter the FY's) excess RREA carryover.
  - Provide a short (4-6 sentences) description of how the carryover would be used.
  - Provide a brief description of the circumstances that resulted in having excess carryover.
  - Provide a brief description of plans and processes that will be used to avoid future excess carryover funds

# Matching/Carryover Matrix

FORMULA	MATCHING REQUIREMENT	CARRYOVER LIMIT
ANIMAL HEALTH & DISEASE RESEARCH	AMOUNT OVER \$100K	NONE
COTTON PEST MANAGMENT	NONE	100% FOR FIVE YEARS
CIVIL SERVICE RETIRMENT SYSTEM	100%	100% FOR FIVE YEARS
ENDOWMENT INTEREST	NONE	INDEFINITE
EVANS ALLEN	90% IN 2006, 100% IN 2007	100% FOR ONE YEAR
EXPANDED FOOD NUTRITION EDUC PROGRAM	NONE	100% FOR FIVE YEARS
FEDERAL EMPLOYEES RETIREMENT SYSTEM	100%	100% FOR FIVE YEARS
HATCH ACT – MULTISTATE RESEARCH	PER FORMULA	100% FOR ONE YEAR
HATCH ACT – REGULAR FORMULA	100% (50% for Territories)	100% FOR ONE YEAR
INTEGRATED PEST MANAGMENT	NONE	20% FOR ONE YEAR
MCINTIRE-STENNIS	100% (none for Territories)	5% FOR ONE YEAR
PESTICIDE SAFETY EDUCATION PROGRAM	100%	100% FOR ONE YEAR
RENEWABLE RESOURCE EXTENSION ACT	NONE	50% FOR ONE YEAR
SECTION 1444	90% IN 2006, 100% IN 2007	20% FOR ONE YEAR
SMITH-LEVER 3(B) & (C)	100% (50% for Territories)	100% FOR FIVE YEARS
SPECIAL NEEDS	100%	100% FOR FIVE YEARS

# Meeting the Match-1862 LGIs in the Insular Areas

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- Same requirements as 1862s in the States, but:
  - Must meet only 50% of the matching requirement
  - CSREES may waive the entire matching requirement

# Meeting the Match-1890 LGIs

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- Applies to:
  - NARETPA Section 1444
  - NARETPA Section 1445
- Must use funds from non-Federal sources
- Must be cash; excludes in-kind contributions
- May be used for:
  - Research
  - Extension
  - Qualifying Educational Activities

# Qualifying Educational Activities- Teaching and Education

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- “The terms “teaching” and “education” mean formal classroom instruction, laboratory instruction, and practicum experience in the food and agricultural sciences and matters relating thereto (such as faculty development, student recruitment and services, curriculum development, instructional materials and equipment, and innovative teaching methodologies) conducted by colleges and universities offering baccalaureate or higher degrees. (7 U.S.C. 3103(15))

# Qualifying Educational Activities- Food and Agricultural Sciences

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- The term “food and agricultural sciences” means basic, applied, and developmental research, extension, and teaching activities in food and fiber, agricultural, renewable natural resources, forestry, and physical and social sciences, including activities relating to the following:
  - (A) Animal health, production, and well-being.
  - (B) Plant health and production.
  - (C) Animal and plant germ plasm collection and preservation.
  - (D) Aquaculture.
  - (E) Food safety.
  - (F) Soil and water conservation and improvement.
  - (G) Forestry, horticulture, and range management.
  - (H) Nutritional sciences and promotion.
  - (I) Farm enhancement, including financial management, input efficiency, and profitability.
  - (J) Home economics.
  - (K) Rural human ecology.
  - (L) Youth development and agricultural education, including 4–H clubs.
  - (M) Expansion of domestic and international markets for agricultural commodities and products, including agricultural trade barrier identification and analysis.
  - (N) Information management and technology transfer related to agriculture.
  - (O) Biotechnology related to agriculture.
  - (P) The processing, distributing, marketing, and utilization of food and agricultural products.  
(7 U.S.C. 3103(8))

# Matching Waiver Requests-General

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- Submitted as an attachment to the “Attachments Form” of the SF-424M package
- Contents of Requests:
  - A request for the waiver
  - A statement of the fiscal year(s) for which the waiver is requested
  - A statement of the amount of waiver being requested by fiscal year and how the amount was computed (by matching fund category)
  - A statement of why the waiver is required
  - Documentation supporting the need for a waiver
  - The institution’s efforts to meet future matching needs

# Matching Waiver Requests- Documentation

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- Please include the institution's approved budget for the program for both the current and previous budget cycles.
- May also submit items such as a statement from the State asserting what portion of the required match amount the State contribution to the institution for the program will cover, a schedule of projected cash flows showing what portion of the matching funds the institution will have available or other documents.
- Please consider the availability of all permissible forms of matching in detail

# Reallotments

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- Necessary if:
  - A waiver is granted for less than the amount required; and
  - The institution can not meet the minimum matching requirement:
    - 100 percent for 1862s in the States (applies to Hatch, Smith-Lever, McIntire-Stennis, and possibly Animal Health)
    - 100 percent for 1890s (applies to Section 1444 and Evans-Allen Research; can be waived to 50 percent)
    - 50 percent for the 1862s in the Insular Areas (applies to Hatch and Smith-Lever, and possibly McIntire-Stennis and Animal Health; full amount can be waived)

# Formula Grants Contacts

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- For Policy Questions:
  - Barry S. Sims, Staff Accountant
  - Phone (202) 205-0453
  - E-mail [Formulagrantsquestions@csrees.usda.gov](mailto:Formulagrantsquestions@csrees.usda.gov)
  - Fax (202) 690-3002
  
- For Funds Release, SF-269, or Other Questions:
  - Arnita Cross
  - Phone (202) 401-8982
  - E-mail [Across@csrees.usda.gov](mailto:Across@csrees.usda.gov)
  - Fax (202) 690-3002
  
  - Jillian Worthen
  - (202) 401 - 4248
  - E-mail [JWorthen@csrees.usda.gov](mailto:JWorthen@csrees.usda.gov)
  - Fax (202) 690-3002

# Forms Submissions

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- Submit SF-424-Mandatory package through Grants.gov website ([www.grants.gov](http://www.grants.gov))
- Submit SF-269s to:
  - E-mail: [formulagrantsforms@csrees.usda.gov](mailto:formulagrantsforms@csrees.usda.gov)
  - Fax: (202) 690-3002

# Extensions to File Forms

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- In all but extenuating circumstances, extensions will not be granted.

# Revised SF-269

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- Write “REVISING REPORT DATED” and place the date of the previous report, on top of the revised form.

# Program Income

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- 7 CFR 3019(b) and (d):
  - Program income should only be deducted from the total project or program allowable cost in determining the net allowable costs on which the Federal share of costs is based. It should not be added to funds committed to the project by CSREES and the recipient and used to further eligible project or program objectives, or used to finance the non-Federal share of the project or program.

# Unused Grant Funds

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- Within 90 days of termination date of grant award, unused Federal funds must be deobligated and funds deauthorized at DHHS-PMS or returned by check.
- Excess funds still available at DHHS-PMS:
  - Final SF-269 will trigger deauthorization of funds by CSREES.

# Unused Grant Funds

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- Draws through DHHS-PMS exceed final expenditures:
  - Return funds via a negative draw.
  - If account closed, contact FMS to reopen account, so funds can be returned via a negative draw.
  - If needed, funds can be returned via check payable to CSREES-USDA and mailed to Funds Management Section.
  - Annotate the check with the award number and the words "Refund of Excess Draw."

# Interest Earned on Federal Funds

- 7 CFR 3019.22(k): Recipients must maintain advances of Federal funds in interest-bearing accounts unless:
  - (1) The recipient receives less than \$120,000 in Federal awards per year[,]
  - (2) The best reasonably available interest bearing account would not be expected to earn interest in excess of \$250 per year on Federal cash balances[, or]
  - (3) The depository would require an average or minimum balance so high that it would not be feasible within the expected Federal and non-Federal cash resources."
- 7 CFR 3019.22(l): "Interest amounts up to \$250 per year may be retained by the recipient for administrative expense."

# Interest Earned on Federal Funds

- 7 CFR 3015.46(a): “Except when exempted by Federal statute ..., recipients shall remit to the Federal government any interest or other investment income earned on advances of USDA grant funds. This includes any interest or investment income earned by subrecipients and cost-type contractors on advances to them that result from advances of USDA grant funds to the recipient. Unless the recipient receives other instructions from the responsible USDA awarding agency, the recipient shall remit the amount due by check or money order payable to the awarding agency. This requirement may not be administratively waived.”
- Make the check or money order payable to USDA-CSREES and list the award number and the reason the interest accrued, such as “Refund of Interest on Advances” or “Refund of Interest on Excess Draws.”
  - Remit to the Funds Management Section.
  - **Even if excess Federal funds drawn must be remitted by a “negative draw” to the Department of Health and Human Service’s Payment Management System, interest earned must still be remitted by check.**

# Important CSREES URLs

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- Formula guidance and allocation history:
  - <http://www.csrees.usda.gov/business/awards/formula.html>
- Formula News Updates:
  - [http://www.csrees.usda.gov/business/awards/formula/ff\\_updates.html](http://www.csrees.usda.gov/business/awards/formula/ff_updates.html)



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