

# ARS □ CSREES □ ERS □ NASS

## *Policies and Procedures*

**Title:** Acceptance of Non-Appropriated Funds to Conduct Research or Perform Services

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This DIRECTIVE establishes policies, authorities, delegations, and guidelines to reduce the time and paperwork associated with the approval process for introduction of most "soft funds" into ARS.

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## 1. Summary

This DIRECTIVE establishes policies, authorities, delegations, and guidelines to reduce the time and paperwork associated with the approval process for introduction of most "soft funds" into ARS.

For the purpose of this DIRECTIVE, "soft funds" are funds or other resources legally provided from sources other than direct congressional appropriations. "Soft funds" are provided to ARS through the use of special funding authorities which include Interagency Agreements (Reimbursable Agreements), Reimbursable Cooperative Agreements, Trust Fund Cooperative Agreements, Trust Funds, and incoming grants from certain other sources.

## 2. Abbreviations

- ABFO - Area Budget and Fiscal Officer
- AD - Area Director
- ADA - Associate Deputy Administrator
- ADO - Authorized Departmental Officer
- ADODR - Authorized Departmental Officer's Designated Representative
- BPMS - Budget and Program Management Staff
- CD - Center Director
- ID - Institute Director
- IPSC - Indirect Program Support Cost
- LC - Location Coordinator
- MASC - Management Accounting Structure Code
- NPL - National Program Leader
- NPS - National Program Staff
- NSF - National Science Foundation
- PAA - Program Analyst/Assistant
- PAO - Procurement Assistance Officer
- RATS - Research Agreement Tracking System
- RL - Research Leader
- RMIS - Research Management Information System
- U.S.C. - United States Code

## 3. Forms

- AD-416 - Research Work Unit/Project Description - Research Resume
- AD-417 - Research Work Unit/Project Description Classification of Research
- AD-672 - Reimbursement or Advance of Funds Agreement

- AD-757 - Miscellaneous Payment System
- ARS-425 - Authorization to Apply for and Use Funds from Outside Sources
- ARS-451 - Research Agreement

#### **4. Authorities**

- 7 U.S.C. 450, 2269, 3318, 3391, 3710; 20 U.S.C. 195, and 31 U.S.C. 1535
- 7 CFR Subtitle A (1/1/92 Edition), #2.1106 APMR #104-43.8003

(See EXHIBIT 1 for specific AUTHORITIES) E POLICY

#### **5. Policy**

ARS may enter into Reimbursable Trust Fund and Cooperative Agreements with other Federal agencies, States, local governments, private firms, institutions, and individuals and receive funds or other resources for conducting research and service work, making or compiling surveys and reports, and carrying out other related activities when the work:

- Supports the mission of ARS.
- Is of mutual interest to ARS and the outside source of funds or other resources.
- Supplements without detracting from the programs of the scientist and the unit performing the work.
- Is related to the expertise and assignment of the individual(s) performing the work.
- Does not interfere with the work assigned by ARS to the unit and individual(s) performing the work.
- Is approved by the vehicle of an ARS-425 before a proposal is submitted to a potential source of outside funds or other resources.
- Is fully documented and tracked with respect to:
  - the work and the funds or other resources as required by ARS and
  - the source of outside funds or other resources.

## 6. Responsibilities

Before submitting an application to receive "soft funds" to the potential source of "soft funds":

- **The Scientist** seeking approval to apply for "soft funds" will:
  - Prepare the electronic ARS-425 documenting the proposed work and source of funds.
  - Forward the ARS-425 to the RL.
  - If the ARS-425 is approved at all required levels of management as outlined in EXHIBIT 2, scientist submits proposal to the outside organization from which funds or resources are sought.
  - If a proposal is not approved by management or NPS, the scientist is responsible for deleting the ARS-425 from the RMIS system. If proposal is approved by ARS but not funded by the outside organization, the scientist is responsible for changing the status of the ARS-425 to unfunded in the RMIS system.
- **The RL (and CD ID or LC where these management levels exist)** will:
  - Review ARS-425 for appropriateness of proposed work to the scientist's assignment and the mission of the unit.
  - Approve or disapprove the proposal.
  - If approved, forward to AD.
- **The AD** will:
  - Review ARS-425 for appropriateness of proposed work to the scientist's assignment and the mission of the unit.
  - If approved, the AD forwards proposals for over \$25,000 to NPS. d The PAA will:
  - Coordinate processing of ARS-425 once entered in RMIS.
  - Track progress of the ARS-425 in RMIS and report to management any delays that could result in failure to meet management standards for maximum total time of 14 days allowed for review and approval/disapproval (including NPS review) after RL approval.

- Inform scientist when ARS-425 is approved or disapproved.
- **The BPMS will:**
  - Review and approve/disapprove requests for IPSC waivers within 24 hours of entry into RMIS.
- **The NPS will:**
  - Assign proposal (ARS-425) to appropriate NPL Team Leader and ADA for review of ARS-425 and approval/disapproval.

NOTE: The management standard for completing review and approval/disapproval of ARS-425 is 14 days from date of RL approval.

Following notification by the outside organization that "soft funds" will be provided in response to the ARS application:

- **The Scientist will:**
  - Prepare AD-416 and AD-417 for funding of over \$25,000 and forward electronically for approval by line management and NPS.
  - Notify PAA.
  - Prepare Statement of Work. Scientist will usually serve as the ADODR for the agreement.
- **The RL, CD, ID, LC, AD, NPS** will process AD-416 and AD-417 (if required) for approval and entry into the RMIS system.
- **The PAA** will access RMIS daily and notify PAO of need for processing action.
- **The PAO** will coordinate with ADODR on the subsequent processing steps within 24 hours of notification by PAA.
- **The ADO** will execute ARS-451 for Trust Fund and Reimbursable Cooperative Agreements and enter start/stop dates for "soft funds" in RATS within 24 hours of signing agreement. Start date will be the date signed by ADO; stop date will be based on input from scientist.

- **The ABFO** will execute AD-672 for Federal Government sources of "soft funds." For all sources of "soft funds," ABFO enters ARS Table 78 and AD-729c data into the MASC system and prepares AD-757 and Financial Plan.

## **7. All Agreements**

- The AD has authority to give final approval to proposals that involve \$25,000 or less or to give final approval to proposals for "Services Only" regardless of amount.
- The management standard for review and approval or disapproval of the ARS-425 is 14 days from approval at the RL level in RMIS.
- AD's are responsible for accounting for receipt and disposition of funds. This includes maintaining compilation of documentation demonstrating compliance with the ARS mission and applicable laws, rules, and regulations.
- Scientists are encouraged to initiate agreements for periods longer than 1 year but not longer than 5 years. This will eliminate the need for additional paperwork and effort required to obtain extensions or additions of funds.
- The general ARS policy is that IPSC will always be taken when legally allowed on "soft funds." See Directive 329.5 for information on waivers. If in doubt about the possibility of a waiver, contact BPMS before preparing ARS-425.
- BPMS approval is required only when waiver of IPSC is requested on the ARS-425.
- Flowcharts showing the responsibilities and processes for seeking ARS approval to apply for "soft funds" and the documentation of "soft funds"
- received by ARS are presented as Exhibits 2 and 3.
- Funds are not available for use until all ARS actions are completed by all parties to the agreement.

## **8. Agreements With A Value of \$25,000 or Less**

- Within applicable Agency policy, as described in this DIRECTIVE and elsewhere, AD's are delegated authority to approve agreements of \$25,000 or less.
- AD's also are delegated authority to approve "Services Only" agreements for the full- or part-time effort of an ARS employee without the commitment of other resources or

facilities. Although not a requirement to such an agreement, an outside organization may reimburse ARS for the salary of the employee and IPSC costs associated with the agreement.

- Form ARS-425 is used to obtain ARS approval to submit an application to an outside source of "soft funds."
- Forms AD-416 and AD-417 are not required for approval or for later documentation of agreements with a value less than \$25,000.

## **9. Agreements With A Value Greater Than \$25,000**

- Applicants are to use form ARS-425 to obtain ARS approval to submit an application to an outside source for "soft funds."
- Forms AD-416 and AD-417 are required only after notification is received that the agreement will be funded. However, these forms must be submitted and approved before the scientist initiates funded work and before BPMS and the ABFO release the funds for use.
- Funds are not available for use until all ARS actions are completed by all parties to the agreement.
- Review and approval/disapproval of the ARS-425 by NPS will involve only the ADA and the NPL Team Leader or their designated acting officials. Forms ARS-425, AD-416, and AD-417 will not be routed within NPS for review by NPL's who are out of their office during the time allowed for review.

## **10. Special Considerations**

Even though "soft funds" from NSF are handled through a university cooperator and the accounting system of the university, application for a NSF grant when an ARS scientist is a co-investigator requires pre-approval through the vehicle of an ARS-425.

R. D. PLOWMAN  
Administrator

### Exhibits

- 1 Reimbursable and Trust Fund Agreements and Authorities for Incoming Soft Funds
- 2 Internal Actions Required in ARS Before Application to Receive "Soft Funds" May be Submitted to the Potential Outside Source of "Soft Funds"
- 3 Actions Required in ARS Following Notification from the Outside Source that "Soft Funds" Will be Provided



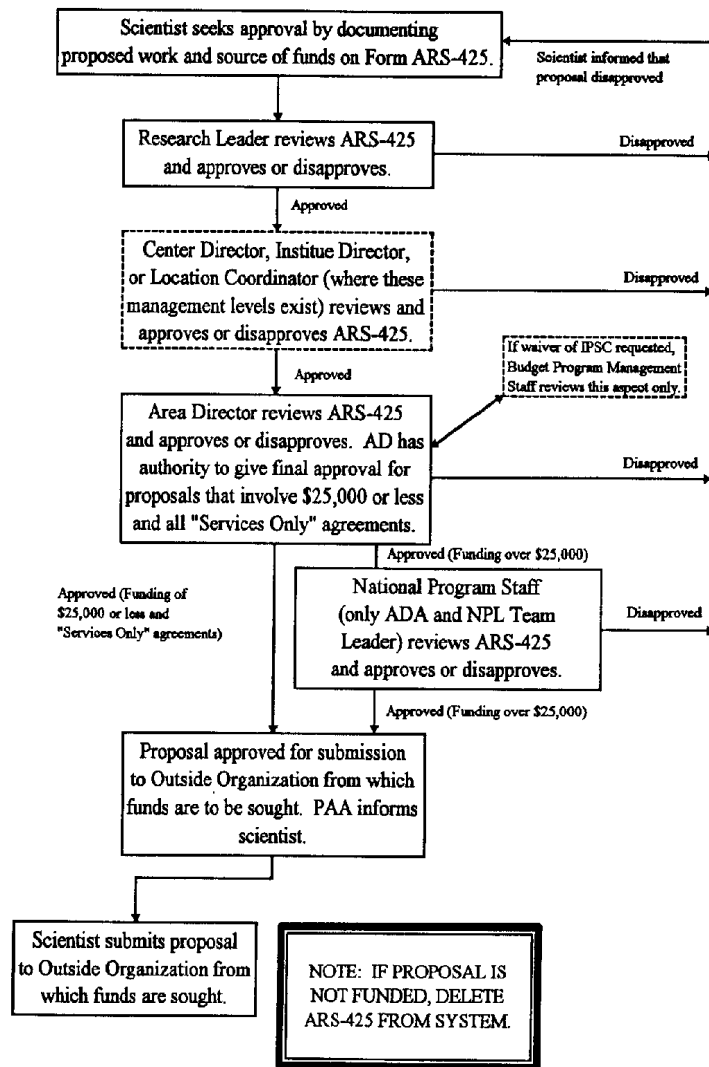
## Exhibit 1

### INCOMING (SOFT) FUNDS REIMBURSABLE AND TRUST FUND AGREEMENTS

CATEGORY	AUTHORITIES	EXPLANATION
Reimbursable Agreements	31 U.S.C.1535 7 U.S.C.450	Federal interagency agreements for services, supplies, and equipment.
Reimbursable Cooperative Agreements, Contracts or Grants	7 U.S.C.3318 7 U.S.C.450	Contract, grant and cooperative agreement authorities. Arrangements of cooperative research or cost-sharing of research project(s) expenses (i.e., funds, services, facilities, equipment, etc.) with federal, public and private agencies and organizations, contractors, colleges and universities or other research or educational institutions and organizations for furthering agricultural research programs.
Trust Fund Agreement and Grants (includes competitive grants, excludes gifts)	7 U.S.C.450 20 U.S.C.195	Incoming funds provided in advance of the actual start of the in-house research or related services agreed upon by ARS and the contributor(s); gifts, donations and requests received for the National Arboretum.
Trust Fund Agreements-Gifts and Donations	7 U.S.C.2269 APMR 104-43-8003	Incoming gift funds (or personal property) from public and private institutions and individuals.
Trust Fund Agreements-Cooperative Research and Development Agreements (Technology Transfer Act)	15 U.S.C.3710	Incoming funds from consortiums under the authority of the Technology Transfer Act.

# Exhibit 2

## INTERNAL ACTIONS REQUIRED IN ARS BEFORE APPLICATION TO RECEIVE "SOFT FUNDS" MAY BE SUBMITTED TO THE POTENTIAL OUTSIDE SOURCE OF "SOFT FUNDS"



# Exhibit 3

## ACTIONS REQUIRED IN ARS FOLLOWING NOTIFICATION FROM THE OUTSIDE SOURCE THAT "SOFT FUNDS" WILL BE PROVIDED

