

U.S. Fish and Wildlife Serv., Interior

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percent if two or more States have mutually agreed to cooperate in projects.

(b) The State share of project costs:

(1) May be in the form of cash or in-kind contributions, subject to the limitations described in § 83.5 and the following conditions:

(i) The allowability and valuation of in-kind contributions shall be in accordance with the provisions of OMB Circular A-102 and the policies and standards as described in the Federal Aid Manual.

(ii) Volunteers proposed by the State to provide personal services to be claimed as in-kind contributions must possess qualifications appropriate to the service to be performed. The State must attest to such qualifications of all such volunteers based on the volunteers' training, experience or employment status, or upon an endorsement provided by a recognized institution, agency, or professional society.

(2) May not be derived from other Federal funds.

§ 83.11 Cooperation between States.

Whenever two or more States propose to cooperate in the revision of a conservation plan or in a conservation action which will result in a higher rate of Federal costsharing, such States shall describe in documentation the plan or action to be jointly undertaken. The proposed cooperation shall:

(a) Require each cooperating State to accept and carry out a substantial share of the described undertaking;

(b) Enhance the effectiveness of or reduce the total cost in accomplishing the project purpose;

(c) Be supported by a memorandum of understanding executed by the cooperating States.

§ 83.12 Project requirements.

Each project proposed for funding under the Act shall be substantial in character and design and shall be in conformance with the policies and standards contained in the Federal Aid Manual.

(a) A substantial project for plan development or plan maintenance is one which:

(1) Provides defined objectives related to completion or revision of the plan, with schedules for completion;

(2) Utilizes accepted planning techniques and appropriate procedures;

(3) Provides for public involvement;

(4) Accomplishes its purpose at a reasonable cost;

(5) Provides assurance that, upon completion of the plan, the State intends to be guided by the conservation plan being developed or maintained.

(b) A substantial project for implementation of approved conservation plans is one which:

(1) Identifies specific conservation actions contained in the plan;

(2) Identifies the objectives to be accomplished related to the needs described in the plan;

(3) Utilizes accepted conservation and management principles, sound design, and appropriate procedures.

(c) A substantial project for actions in lieu of an approved conservation plan is one which:

(1) Identifies and describes a need within the purposes of the Act;

(2) Identifies the objectives to be accomplished based on the stated need;

(3) Utilizes accepted conservation and management principles, sound design, and appropriate procedures;

(4) Will yield benefits which are pertinent to the identified need at a level commensurate with project costs.

§ 83.13 Application of funds provided under the Act.

(a) Funds provided under this Act shall be applied only to activities or purposes approved by the regional director or contained in a conservation plan approved by the regional director. If otherwise applied, such funds must be replaced by the State to maintain eligibility.

(b) Real property acquired or constructed with Federal Aid funds must continue to serve the purpose for which acquired or constructed:

(1) When such property passes from management control of the designated State agency, either the control must be fully restored to the designated State agency or the real property must be replaced using non-Federal Aid funds. Replacement property must be of equal value at current market prices and with equal or commensurate nongame fish and wildlife benefits as the original property. The State may

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be granted up to 3 years from the date of notification by the regional director, to acquire replacement property before becoming ineligible.

(2) When such property is used for purposes which interfere with the accomplishment of approved purposes, the violating activities must cease and any adverse effects resulting must be remedied.

(3) When such property is no longer needed or useful for its original purpose, and with prior approval of the regional director, the property shall be used or disposed of as provided in Attachment N of OMB Circular A-102.

(c) Federal Aid funds shall not be used for the purpose of producing income. However, income producing activities incidental to accomplishment of approved purposes are allowable. Income derived from such activities shall be accounted for in the project records and its disposition shall be in accordance with Attachment E of OMB Circular A-102.

§ 83.14 Allowable costs.

Allowable costs are limited to those which are necessary and reasonable for accomplishment of the approved project or action and are in accordance with the cost principles of OMB Circular A-87.

(a) All costs must be supported by source documents or other records as necessary to substantiate the application of funds. Such documentation and records are subject to review by the Secretary to determine the allowability of costs.

(b) Costs incurred prior to the effective date of the project agreement are allowable only when specifically provided for in the project agreement.

(c) Projects or facilities designated to include purposes other than those eligible under the Act shall provide for the allocation of costs among the various purposes. The method used to allocate costs shall produce an equitable distribution of costs based on the relative used or benefits provided.

§ 83.15 Payments.

Payments to the State shall be made for the Federal share of allowable costs incurred by the State in accomplishing approved projects.

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(a) Requests for payments shall be submitted on forms furnished by the regional director.

(b) Payments shall be made only to the office or official specified by the designated State agency and authorized under the laws of the State to receive public funds for the State.

(c) All payments are subject to final determination of allowability based on audit. Any overpayments made to the State shall be recovered as directed by the regional director.

§ 83.16 Maintenance.

The State is responsible for maintenance of all capital improvements acquired or constructed with Federal Aid funds throughout the useful life of each improvement. Costs for such maintenance are allowable when provided for in approved projects. The maintenance of improvements acquired or constructed with non-Federal Aid funds are allowable costs when such improvements are necessary to accomplishment of project purposes as approved by the regional director, and when such costs are otherwise allowable by law.

§ 83.17 Responsibilities.

In the conduct of activities funded under the Act, the State is responsible for:

(a) The supervision of each project to assure that it is conducted consistent with the project documents and that it provides:

- (1) Proper and effective use of funds;
- (2) Maintenance of project records;
- (3) Timely submission of reports;
- (4) Regular inspection and monitoring of work in progress.

(b) The selection and supervision of project personnel to assure that:

(1) Adequate and competent personnel are available to carry the project through to a satisfactory and timely completion;

(2) Project personnel perform the work to ensure that time schedules are met, projected work units are accomplished, other performance objectives are achieved, and reports are submitted as required.

(c) The accountability and control of all assets to assure that they serve the purposes for which acquired throughout their useful life.