

ARS □ CSREES □ ERS □ NASS

Policies and Procedures

Title: ARS Reimbursable and Trust Fund Agreements

Number: 324.0 ARS

Date: 12/15/1999

Originating Office: Financial Management Division
Systems, Analysis, and Policy Branch

This Replaces: ARS Directive 324.0 Dated 3/16/90

Distribution: ARS Headquarters, Areas, and Locations

This P&P states ARS policies and major responsibilities relative to the receipt of funds by ARS from outside sources through reimbursable or trust fund agreements. The Financial Management Manual (FMM), Chapter 2400, provides specific instructions for handling reimbursable and trust fund agreements.

Table of Contents

1.	Authorities	3
2.	Policy	3
	General	3
	Approval to use Funds from Outside Sources.	4
	Reimbursable Agreements	4
	Trust Fund Agreements.	4
	Unconditional Gifts	5
3.	Summary of Responsibilities	5
	Deputy Administrator, National Program Staff	5
	Director, Budget and Program Management Staff	5
	Area Director	5
	Authorized Departmental Officer	6
	Director, Financial Management Division	6
	Research Leader/Scientist	6
	Area Administrative Officer	6
	Area Property Management Officer	6
	Area Budget and Fiscal Officer, and Chief, Fiscal Operations Branch (FOB), FMD, for Headquarters Units	7
	Location Administrative Officer/Technician	7
4.	Glossary	7

1. Authorities

- Title 7, U.S.C., Sections 1292b, 2269, 3318, 450a, 450b, and 450i
- Title 15, U.S.C., Section 3710
- Title 20, U.S.C., Section 195
- Title 31, U.S.C., Sections 1535

2. Policy

General. ARS may accept funds from outside sources such as other USDA agencies; other Federal agencies; State, county, and municipal agencies and institutions; colleges and universities; scientific societies and foundations; private organizations; and individuals for performing research-related or support services under the following conditions:

- ARS has statutory authority for acceptance of such funds as described herein.
- The performance under the terms of the agreement (including duration, work plan and commitment of resources) is within the performing unit's technical expertise and resource capabilities.
- If cooperative research or research-related services are involved, the work to be performed must be in accord with the mission of the Agency as defined in the ARS Program Plan.
- For support services, such as maintenance of vehicles, tenancy at ARS facilities, mail, messenger, data processing support, etc., sufficient resources must be available to undertake the work without impairing the conduct or quality of the research programs.
- ARS must recover the full cost of services provided whether it be the total project/activity cost or a specified shared portion of the total cost, as defined under the terms of the agreement. Full cost recovery includes charges for direct costs (including indirect research costs (IRC), i.e., location maintenance and other common services) and Agency overhead costs, i.e., indirect program support cost (IPSC), unless the latter is waived in accordance with P&P 329.5.
- P&P 321.1, Acceptance of Non-Appropriated Funds to Conduct Research or Perform Services, 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.

Approval to use Funds from Outside Sources.

Approval to enter into an agreement for acceptance of funds above the amount of \$25,000 from any outside source is subject to prior approval by the National Program Staff (NPS) approval process via form ARS-425, Authorization to Apply For and Use Funds From Outside Sources.

The Area Director (AD) has the authority to give final approval to proposals that involve \$25,000 or less or to give final approval to proposals for "Services Only" agreements regardless of amount.

NOTE: AD's have been delegated authority to approve acceptance of funds from profit and nonprofit making organizations under a "letter offer" to pay expenses of ARS travelers for research/work-related activities, e.g., attendance at meetings. Payments contributed by private profit making organizations are restricted to the "in kind" method. "Letter offers" are not subject to the ARS-425 approval process.

Reimbursable Agreements. The Agency will not normally accept advance payments for reimbursable agreements. The two types of reimbursable agreements that can be entered into with another party are:

- An interagency reimbursable agreement with another Federal agency within or outside of USDA under the provisions of 31 U.S.C. 1535 when ARS is requested to perform a service which the ordering agency is unable to undertake.
- A reimbursable cooperative agreement with non-Federal organizations for specified cooperative purposes under the provisions of 7 U.S.C. 3318 and 450a, provided that the ARS negotiating official, i.e., the ADODR, assumes responsibility for determining that payment in arrears for services rendered will not pose an undue risk to the Government.

Trust Fund Agreements. ARS may enter into the following types of trust fund agreements:

- Incoming grants with the organizations listed in **2. Policy, General**, (above), using the authority 7 U.S.C. 450a and 450b.
- Trust fund cooperative agreements with the organizations listed in **2. Policy, General**, (above), using the authority 7 U.S.C. 450a and 3318.

- Technology transfer cooperative research and development agreements with State and local governments as well as the private sector for transfer of Federal technology under 15 U.S.C. 3710.
- Competitive grants awarded by USDA to ARS (scientists) under 7 U.S.C. 450i.

Unconditional Gifts. Statutory authority conferred to the Secretary, USDA, (7 U.S.C. 1292b and 2269, 20 U.S.C. 195) to accept unconditional gifts, donations, and bequests is delegated to the Administrator, ARS, in the Agriculture Property Management Regulation (AGPMR) 104-43-307-5. The authority to accept gifts of personal property and money is delegated to the Area Administrative Officers (AAO's). Gifts of money can only be used in accordance with the “**Approval to use Funds from Outside Sources**” section of this P&P. Gifts of personal property are handled in accordance with the Personal Property, Motor Vehicle, and Aircraft Management Manual (M221.1). The authority to accept gifts of real property is delegated to the Deputy Administrator, Administrative and Financial Management.

3. Summary of Responsibilities

Deputy Administrator, National Program Staff

- If over \$25,000, evaluate the agreement request with respect to ARS mission, program priorities, and commitments and approve or disapprove the agreement request, as appropriate.

Director, Budget and Program Management Staff

- Approve/disapprove waivers of IPSC after consulting with the Deputy Administrator, NPS, and other officials as necessary, and project earnings from IPSC assessments.
- Assure ARS' apportionment authority for reimbursements is not exceeded and issue allocations for reimbursable and trust funds.

Area Director

- Determine if proposed work is compatible with the performing research unit's programs and priorities, technical expertise, and available resources including staff and suitable facilities. Accordingly, if \$25,000 or under, review the agreement request for programmatic and budgetary implications and approve or disapprove the agreement request, as appropriate. If over \$25,000, recommend

approval or disapproval of the request to enter into an agreement of acceptance of outside funds.

- Exercise delegated signature authority for agreements executed with Form AD-672, Reimbursement or Advance of Funds Agreement, (or redelegate this authority to the AAO) providing approval was obtained from Headquarters.

Authorized Departmental Officer

- Develop, negotiate, and exercise delegated signature authority for all agreements executed with form ARS-451, Research Agreement.

NOTE: For Technology Transfer Cooperative Research and Development Agreements, this responsibility is exercised by the Authorized Departmental Officer (ADO) assigned to the Office of Technology Transfer.

- Coordinate with the Area Budget and Fiscal Officer (ABFO) the processing of reimbursable and trust fund transactions that involve receipt of funds from outside sources.

Director, Financial Management Division

- Advise program managers on acceptance or nonacceptance of outside funds where unusual or controversial conditions pertain, including those that may require exceptions to policy.
- Issue pertinent procedural instructions for Agencywide compliance relative to the accounting, expenditure monitoring, fund status reporting, customer billing (where applicable) of reimbursable and/or trust funds and establish an IPSC rate subject to the Administrator's approval.

Research Leader/Scientist

- Propose agreement terms, budgets (including IPSC for full cost recovery), research plans, and duration of work performance, and submit the proposal for approval through proper channels.
- Manage the programmatic and funding execution of the agreement.
- Initiate or recommend that a request for waiver of IPSC be submitted for approval and provide justification for the waiver.

Area Administrative Officer

- Exercise overall coordination of administrative support responsibilities for Area reimbursable and trust fund transactions.

Area Property Management Officer

- Assure that personal property management matters, including the sale/exchange of personal property under the provisions of 40 U.S.C. 481(c), are addressed and properly executed.
- Coordinate with the ABFO the issuance and flow of paperwork relative to the acceptance of gifts and the sale/exchange of eligible property as defined in the AGPMR. Assure that gifts offered meet the criteria of an unconditional gift and that the procedures for acceptance of gifts are followed in accordance with M221.1.
- Assure that appropriate realty documents are in place for use and occupancy of ARS facilities by outside sources under reimbursable and trust fund agreements.

Area Budget and Fiscal Officer, and Chief, Fiscal Operations Branch (FOB), FMD, for Headquarters Units

- Exercise direct control or oversight over the financial aspects of their Area reimbursable and trust fund activity, including the budgeting, accounting, and billing.
- Coordinate, as applicable, the processing of reimbursable and trust fund transactions with the ADO (in the Area Office, frequently the Contract Specialist, Procurement Analyst or Grants and Agreements Specialist) and APMO, as needed.

Location Administrative Officer/Technician

- Ensure that all applicable costs are covered in the development of budget proposals, including all direct costs and the approved agency IPSC, except when the latter is specifically waived.
- Institute sound fund control and accounting procedures, including monitoring of obligations, fund status reporting adjustments to agreement funding and closing out the agreement.

4. Glossary

AAO. Area Administrative Officer

ABFO. Area Budget and Fiscal Officer.

AD. Area Director

AD-451. Research Agreement.

AD-672. Reimbursement or Advance of Funds Agreement.

ADO. Authorized Departmental Officer.

ADODR. Authorized Departmental Officer's Designated Representative.

AGPMR. Agriculture Property Management Regulations.

APMO. Area Property Management Officer.

ARS-425. Authorization to Apply For and Use Funds From Outside Sources

BPMS. Budget and Program Management Staff.

IPSC. Indirect Program Support Cost.

IRC. Indirect Research Costs

LAO/T. Location Administrative Officer/Technician

NPS. National Program Staff.

RL. Research Leader

U.S.C. United States Code.

-/Sd/-

W. G. HORNER
Deputy Administrator
Administrative and Financial Management