

United States Department of Agriculture
Animal and Plant Health Inspection Service

Wildlife Services Directive

WS 2.215
9/23/2019

FINANCIAL MANAGEMENT OF REIMBURSABLE AGREEMENTS AND CARRYOVER ACCOUNTS

1. PURPOSE

The purpose of this Directive is to provide specific guidance for the standardization and consistent financial management of reimbursable agreements and carryover accounts across Wildlife Services (WS) work units. This Directive does not alter policy regarding Congressional appropriations.

2. REPLACEMENT HIGHLIGHTS

This Directive replaces WS Directive 2.215 dated August 23, 2013.

3. AUTHORITY

- a. 7 U.S.C. 8351 to 8353, and 16 U.S.C. 667, authorizes officers, agents, and employees of the United States Department of Agriculture (USDA), Animal and Plant Health Inspection Service (APHIS), Wildlife Services to conduct a program of wildlife services and to enter into agreements with states, local jurisdictions, individuals, and public and private agencies, organizations, and institutions for the purpose of conducting such services.
- b. 26 U.S.C. 6402 (d), Internal Revenue Code. Authority to make credits or refunds, (d) Collection of debts owed to federal agencies
- c. 31 U.S.C. 3720A, Money and Finance. Reduction of tax refund by amount of debt
- d. 15 U.S.C. 3710a et seq., Federal Technology Transfer Act. Cooperative research and development agreements
- e. 31 U.S.C. 1535, Economy Act. Agency agreements
- f. 16 U.S.C. 670a-670o, Sikes Act. (a) Cooperative plan for conservation and rehabilitation, (b) Migratory game birds; hunting permits, (c-1) Cooperative and interagency agreements for land management on installations, (d) Liability for funds; accounting to Comptroller General, (e) Applicability to other laws; national forest lands, (f) Appropriations and expenditures, (g) Wildlife, fish, and game conservation and rehabilitation programs, (h) Comprehensive plans for conservation and

rehabilitation programs, (i) Public land management area stamps for hunting, trapping, and fishing on public lands subject to programs, (j) Enforcement provisions, (k) Definitions, (l) Stamp requirements not applicable to Forest Service and Bureau of Land Management lands; authorized fees, (m) Indian rights; State or Federal jurisdiction regulating Indian rights, (o) Authorization of appropriations

4. POLICY

WS will recover all costs incurred while performing work funded by reimbursable agreements. WS will adhere to the described computational methods for fiscal management of reimbursable agreements and carryover accounts.

Financial agreements must be consistent with WS and the cooperators' internal policies, regulations and procedures. Agreements will be consistent with state and local laws and regulations in accordance with WS Directive 2.210.

5. BACKGROUND

WS accomplishes its mission by utilizing the following funding arrangements:

- a. Appropriations from Congress (not impacted, altered, or augmented by this Directive).
- b. Funds provided by cooperators. These funding agreements can be divided into two major categories:
 - (1.) Federal (e.g., Interagency Agreements)
 - (2.) Non-federal (e.g., Cooperative Service Agreements, Cooperative Research and Development Agreements, Material Transfer and Research Agreements, and Over the Counter Service Agreements)
- c. Combinations of Congressional appropriations and cooperator funds (commonly known as Cost-Share programs).

6. DEFINITIONS

- a. Actual Cost: The cost of a particular cooperatively funded project, established by WS work units that is based upon the full cost of rendering the service (the sum of WS-established direct, indirect, pooled job, and flat rate [as applicable] costs).
- b. Allowable Cost: A cost, as recorded on the WS agreement's Financial Plan, which meets the criteria for authorized expenditures. Generally, it is a cost that WS intends to collect and is necessary for the project objectives.

- c. Carryover: Those funds collected by WS as no-year indirect, pooled job and flat rate costs which remain available until expended for purposes authorized by law.
- d. Cooperative Research and Development Agreement (CRADA): An agreement, made pursuant to 15 U.S.C. 3710a, between a federal laboratory and a non-federal party to perform collaborative research and development in any area that is consistent with the federal laboratory's mission.
- e. Cooperative Service Agreement (CSA): A reimbursable agreement in which a non-federal entity requests, and WS agrees, to provide technical or operational assistance, goods, or services on an annual or greater timeframe (generally from one to five years). These reimbursable agreements are identified by individual financial accounts in the USDA accounting system on a full cost recovery basis. Both pooled job costs and indirect costs are assessed unless formally waived through the waiver process as outlined in this directive and in Enclosure 2.
- f. Cooperator: Any government, public or private agency, organization, institution, corporation, individual, or other entity with which WS programs enter into a reimbursable agreement.
- g. Cost-Share: A formalized arrangement through which Congressional appropriations are used in conjunction with other funding sources toward a common goal. Cooperators, both federal and non-federal, can participate in cost-shares with WS. Cost-share arrangements outline the roles of each participant and the intent of each funding agreement that complements or directly aligns with Congressional appropriations. Each participant is responsible for the payment of all costs pertaining to its portion of the cost-share.
- h. Direct Cost: Any item of expense which can be specifically identified and computed, as is directly associated with a product, service, activity, or project.
- i. Financial Plan: A categorized summary of WS costs to perform a program or project.
- j. Flat Rate: An hourly rate applied to an agreement that allows WS to recover and retain funds to pay for large maintenance, repair, and replacement costs that may be incurred outside of the period of performance of any particular agreement.
- k. Indirect Cost (Overhead): Any item of expense incurred for a common objective that is not readily identifiable with a particular project or program but necessary to the general administration and conduct of cooperatively funded program activities.
- l. Interagency Agreement: A reimbursable agreement made in accordance with the Economy Act, 31 USC 1535, in which WS is requested, and agrees, to provide technical or operational assistance, goods or services for another federal entity (generally from one to five years). These reimbursable agreements are identified by individual financial accounts in the USDA accounting system.

- m. Material Transfer and Research Agreement (MTRA): An agreement between a federal laboratory and a non-federal party to perform collaborative research and development in any area that is consistent with the Federal laboratory's mission. The MTRA outlines the conditions and rights of transfer of material, may involve transfer of funds to WS, and is used primarily for proof of concept. A MTRA may lead to more extensive research that would be conducted under a CRADA.
- n. Over the Counter Service Agreements (OTCS): Agreements, previously known as Cooperative Service Field Agreements (CSFA), in which WS is requested to provide technical or operational assistance, goods, or services on a short-term basis (less than one year) with a financial value no greater than \$7,500. Payment is due at the time of service and no USDA accounting system bill is sent to cooperators. These agreements are implemented through a consolidated financial account in the USDA accounting system that references the WS work unit responsible for performing the related work or providing the requested product. Individual accounts are not required. Due to the short term nature of these agreements, pooled job costs are always waived without the need for a waiver request. Indirect costs are always assessed.
- o. Pooled Job Cost: Any item of expense that may be directly identified with a project or program, but is not readily identified with a single agreement, and is distributed across identifiable projects or programs to which it pertains. These costs are assessed on Cooperative Service Agreements, Interagency Agreements, CRADAs, and MTRAs because of the long-term time frame of the agreement and the associated expenses that accumulate over this time frame.
- p. Projects: Products, work tasks, or similar activities resulting in an output(s) or an accomplishment(s).
- q. Reimbursable Closeout Figures: The sum of all reimbursable expenses that occurred October 1st through September 30th of the just ended FY, as recorded in the USDA accounting system.
- r. Reasonable Cost: A cost, as recorded on the WS Agreement's Financial Plan, which does not exceed an amount that a prudent person, under the circumstances prevailing at the time the decision is made, would incur.
- s. Reimbursable Agreement: An agreement through which WS is reimbursed for the cost of technical and operational assistance, goods, or services provided to a cooperator. This includes cost-share programs in which a cooperator reimburses WS for their portion of assistance provided. Cooperative Service Agreements, CRADAs, Interagency Agreements, MTRA and OTCS agreements are types of reimbursable agreements.
- t. Work Breakdown Structure (WBS)/Funded Program Element: A unique project code assigned to reimbursable agreements to properly track and account for expenses. This is a piece of master data that is utilized in the USDA accounting system.

7. IMPLEMENTATION

REIMBURSABLE AGREEMENTS

WS and its personnel will adhere to federal, USDA, APHIS, and WS policy when projecting costs, charging expenses, billing, collecting, and monitoring all reimbursable agreements under this Directive.

- a. Projecting Cost: WS work units project and assign costs to projects by expense type. Costs must be associated with individual projects, to the extent feasible. Direct cost estimates will be determined by the office responsible for performance under the agreement and indirect, pooled job and flat rate costs will be applied as appropriate to create the actual cost of the agreement.
- b. Financial Plan Creation: Each Agreement's Financial Plan will be created as a result of the actual cost projection and shall reflect as much detail as necessary to support the resources required to provide the goods and services. Expense categories within financial plans shall also be in alignment with invoice categories to ensure timely payment of invoices and reduce confusion and questions from cooperators.
- c. Reimbursable Agreement Creation: Agreements will include a Financial Plan that provides for direct costs, and the application of indirect, pooled job, and flat rate (if applicable) costs. See Enclosure 1. If indirect and/or pooled job costs are waived, the agreement should include the executed waiver.

WS will use the most recent language provided in the APHIS Agreements Management Manual and WS reimbursable agreement templates. Appropriate contact information will be included with the agreement. Interagency agreements shall be used with cooperating federal agencies.

- d. Waiver Requests: Indirect and pooled job costs rates must be included in reimbursable agreements unless waived by the WS Regional or NWRC Directors, with the concurrence of the WS Deputy Administrator. Waivers can be requested for each of the specific indirect cost items (i.e., WS 11% or APHIS 5.15%) or the pooled job cost (i.e., WS 11%). If waivers are granted, the entire specific cost item is waived. There is no variability within these cost items.

Waivers will be requested and considered on a case-by-case basis. Directors are to consider the relevant factors (e.g. state laws, insignificant need, etc.) and their overall knowledge of the WS work unit for which they are responsible. A cooperator's lack of complete funding of an agreement is not a relevant factor to consider for waiver requests of either the APHIS or WS indirect costs. The request form for waiver of WS indirect and pooled job costs is contained in Enclosure 2.

- e. Billings & Collections: Applicable costs (direct, indirect, pooled and flat rate) will be appropriately charged to the Agreement's account(s), and billed as stipulated in the Agreement. All financial transactions will be recorded in the official topic-specific system (e.g. webTA, Access Online, WEX, etc.) which feed into the larger USDA accounting system. Costs will be reviewed to determine that they are allowable, reasonable and consistent with the Reimbursable Agreement's Financial Plan. Any expenses that are determined to be inappropriately charged to the Agreement will be removed and redirected to other appropriate agreements or appropriations. When cooperators demonstrate a history of late or non-payment, WS state offices will identify those cooperators and may require subsequent agreements with this cooperator to be paid in advance.
- f. Surplus Collections: Collected funds remaining at the expiration of a reimbursable agreement (expenses that occurred within the period of performance, have disbursed and been billed for) will be handled in one of the following ways:
 - (1.) Where a subsequent agreement is executed between WS and the cooperator, and there is no break between periods of performance, the "excess" funds may be credited to the cooperator's account and will function as an available balance pursuant to the work considered under the new agreement; or
 - (2.) Remaining funds may be credited to other debts owned by the same cooperator for other projects or financial agreements. These debts may be to APHIS or other Federal Agencies due to the treasury offset process, in accordance with 26 U.S.C. 6402 (d) (collection of debts owed to federal agencies), 31 U.S.C. 3720A (reduction of tax refund by amount of debts), and other applicable laws; or
 - (3.) Any funds collected in advance and remaining in a cooperator's account after an agreement has expired will be considered "excess" and returned to the cooperator within sixty (60) days of the final billing of the agreement.

FINANCIAL MANAGEMENT AND MONITORING

- a. Status of Funds (SOF): Every month, WS program offices will review the status of funds (SOFs), including open and recently expired agreements to make determinations on next financial steps. The SOFs and any identified challenges for agreements will be reported to the Operational Support Staff (OSS) upon request of OSS or the WS Deputy Administrator, or as deemed necessary by the WS executive who oversees the funds.
- b. Accountability and Oversight: The OSS Director will ensure that OSS staff conduct a summary level review of the SOFs for all WS programs on a monthly basis, and will provide the review results to the Deputy Administrator and Regional Directors. OSS will notify the appropriate Regional or National Office of any concerns and will provide a reasonable timeframe for resolving them.

- c. Indirect/Pooled Job Cost Category and Rate Review: Regional and National Program Offices will conduct periodic reviews of the sufficiency of published indirect/pooled job cost categories and rates and will provide recommended changes to the OSS Director. Reviews will be conducted upon request by the Deputy Administrator or the Director of OSS, and reviews may be conducted at any time the Regional and National Program Offices determine a review is warranted. The Deputy Administrator considers and approves/disapproves proposed changes to indirect or pooled job categories or rates, or changes to the flat rate.
- d. Annual Indirect Costs: WS work units will closely monitor one-year indirect and pooled job funds collected from Interagency Agreements. Those funds will be accounted for separately and are not considered carryover funds because they are appropriated by Congress.

CARRYOVER ACCOUNTS AND CARRYOVER BALANCES

“Carryover” balances represent those funds that are collected by WS as no-year indirect, pooled job, and flat rate costs which remain available until expended for purposes authorized by law. Carryover balances are found only in carryover accounts which include the IDCT, POOL, and FE.FR accounts for each work unit.

Unexpended available funds intended for future direct costs associated with multi-year agreements are not considered when calculating carryover balance limits. In addition, funds within the OTCS accounts are not considered when calculating carryover balance limits. The OTCS account is coded as a no-year account in order for the accounting system to process correctly across fiscal years. This account is a consolidated financial account for payments from small, short-term agreements (less than one year) to be entered into and expended against. As a result, this account has high turnover and will never contain funds collected more than 24 months prior. This high turnover rate prevents OTCS from being considered a carryover account or being included in the carryover balance limits. There may a balance in this account at the end of a fiscal year, however funds are expected to be spent on specific OTCS agreements or returned to cooperators.

- a. Need for Carryover Balances: Requests for WS assistance vary over time. Factors such as federal, state and local cooperator appropriation timelines, work seasonality, commodity prices, weather conditions, and disease prevalence affect variability in work. Carryover balances allow WS to manage wide fluctuations in its workload and continue providing critical services at the state and national levels. Mitigating performance risk requires having resources available to maintain organizational capacity during periods between peak demands. It is cost prohibitive and logistically impossible to release and reacquire the personnel, facilities, and equipment partially funded with carryover without WS mission degradation. Carryover balances provide relief from unforeseeable program expenses such as property damage, litigation, and accidents.

- b. General Operating and Personnel Costs: Carryover balances may be used to pay for any general operating costs, including payment of accumulated balances for compensatory time, earned credit hours, annual leave, and sick leave, as well as buyouts/voluntary separation incentives, and severance pay. Specifically, it is permissible to use carryover balances to pay for the aforementioned benefits accumulated by both temporary and full-time employees.
- c. Upper and Lower Limits: To ensure carryover balances are not unbounded, percentages of total fiscal year reimbursable expenses are used to calculate upper and lower limits for carryover balances. Carryover limits are unique to each state or NWRC program. These limits are set based upon the most recently ended fiscal year reimbursable closeout figures. The targeted carryover range should be between 20 and 25 percent of the closeout figures.

Exception: In programs that manage agency-owned aircraft, the upper limit may be higher than 25 percent due to the need for additional resources to maintain these assets and prepare for known and expensive maintenance requirements and parts replacement.
- d. Accountability and Oversight: Regional and National Offices will conduct a review of their respective State and Field Station carryover balances annually and shall inform the Deputy Administrator of the results of these reviews. These offices will provide guidance whenever carryover balances fall outside of the carryover account limits.

8. SCOPE

This Directive is applicable to all WS programs.

9. REFERENCES

WS Directive 2.210, Compliance with federal, state, and local laws and regulations

10. ENCLOSURES

Enclosure 1: Table and guidance related to Direct, Indirect, and Pooled Job Costs
Enclosure 2: Sample WS Indirect/Pooled Job Cost Waiver Request

Janet L. Bucknall
Deputy Administrator

Table of Direct, Indirect, and Pooled Job Costs

Categories	Direct		Indirect* (16.15%)		Pooled Job (11%)	
	YES	NO	YES	NO	YES	NO
Personnel Compensation						
Accrued Annual, Compensatory and Sick Leave	X		X		X	
Awards	X		X		X	
Buyouts and Voluntary Separation Incentives		X	X		X	
Salary and Benefits	X		X		X	
Severance Pay and Lump Sum Leave Payout	X		X		X	
All Other Expenses						
Accidents (Tort)	X		X		X	
Agency Costs*		X		X		X
Equipment & Associated Maintenance – Project	X			X	X	
Equipment & Associated Maintenance – General		X	X			X
Information Technology/Software – Project Related	X			X	X	
Information Technology/Software - General		X	X			X
NEPA	X		X		X	
Relocations – Project Related	X			X	X	
Relocations – General		X	X			X
Rent/Lease – Project Related	X			X	X	
Rent/Lease – General		X	X			X
Security Systems – Project Related	X			X	X	
Security Systems – General		X	X			X
Services – Project Related	X			X	X	
Services – General		X	X			X
Supplies – Project Related	X			X	X	
Supplies – General		X	X			X
Telecommunications – Project Related	X			X	X	
Telecommunications - General		X	X			X
Training – Project Related	X			X	X	
Training – General		X	X			X
Travel – Project Related	X			X	X	
Travel – General		X	X			X
Travel (Volunteer)	X		X		X	
Utilities – Project Related	X			X	X	
Utilities – General		X	X			X
Vehicle Purchase – Project Related	X			X	X	
Vehicle Purchase - General		X	X			X
Vehicle Usage – Project Related	X			X	X	
Vehicle Usage – General		X	X			X

*Agency indirect costs calculated at a rate of 5.15% of direct costs – includes services such as financial management, human resources, purchasing, and other agency level services provided to Agency program projects. Not available to WS.

Personnel Compensation

Accrued Annual, Compensatory, and Sick Leave:

Direct Cost – Accrued leave of staff working directly on the project.

Indirect Cost – Accrued leave of administrative staff that conduct work on behalf of the entire work group.

Pooled Job Cost – Accrued leave of field staff working directly on more than one related project, pooled to spread costs across many projects.

Buyouts and Voluntary Separation Incentive Program (VSIP):

Indirect Cost – Buyouts and VSIP costs of administrative staff working on behalf of the entire work group.

Pooled Job Cost – Buyouts and VSIP costs of field staff working directly on more than one project, pooled to spread costs across many projects.

Salary, Benefits, and Awards:

Direct Cost – Compensation and awards for field staff working directly and for time worked exclusively on the project.

Indirect Cost – Compensation and awards for administrative or field staff working on behalf of the entire work group (example, state director or budget analyst).

Pooled Job Cost – Compensation and awards for administrative or field staff working directly on more than one project (example, district supervisor).

Severance Pay and Lump Sum Leave Payout:

Direct Cost – Severance pay/lump sum leave payouts of staff working directly on the project.

Indirect Cost – Severance pay/lump sum leave payouts of administrative or field staff that conduct work on behalf of the entire work group.

Pooled Job Cost – Severance pay/lump sum leave payouts of field staff working directly on more than one project, pooled to spread costs across many projects.

All Other Expenses

Accidents (Tort):

Direct Cost – Tort claim costs related to a specific project.

Indirect Cost – Tort claim costs not related to a specific project or projects but are tied to work supporting the entire work group.

Pooled Job Cost – Tort claim costs related to project work but not tied to any specific project, pooled to spread costs across many projects.

All Other *General* Expenses:

Indirect Cost – General expenses that benefit the entire work group which are not specific to a specific project or project work. This includes general expenses for equipment and associated maintenance, information technology/software, NEPA, relocations, rent/leases, security systems, services, supplies, telecommunications, training, travel, utilities, vehicle purchases, and vehicle usage.

All Other *Project Related* Expenses:

Direct Cost – Project specific expenses which are incurred specifically for a particular project and are easily identified. This includes equipment and associated maintenance, information technology/software, NEPA, relocations, rent/leases, security systems, services, supplies, telecommunications, training, travel, utilities, vehicle purchases and vehicle usage.

Pooled Job Cost – Expenses which are incurred for project work but not associated with a specific project, pooled to spread costs across many projects. This includes equipment and associated maintenance, information technology/software, relocations, NEPA, rent/leases, security systems, services, supplies, telecommunications, training, travel, volunteer travel, utilities, vehicle purchases and vehicle usage.

WS Indirect/Pooled Job Cost Waiver Request Form

Agreement Number:

Cooperator:

Agreement Amount:

Indirect Costs Waived (16.15%)

WS Portion of Indirect Costs Waived (11%): \$ _____

Project has insignificant indirect costs (e.g., direct costs are on-hand supplies)

Required by statute or policy (*specify the statute or policy*)

 Indirect Costs are cost-shared by WS (where the cost share is identified and documented within the supporting financial plan)

Department, Agency, Program strategic priority (*provide additional information*)

 Other:

APHIS Portion of Indirect Costs Waived* (5.15%): \$ _____

*Requires APHIS Administrator approval

Project has insignificant indirect costs (e.g., direct costs are on-hand supplies)

Required by statute or policy (*specify the statute or policy*)

 Indirect Costs are cost-shared by WS (where the cost share is identified and documented within the supporting financial plan)

Department, Agency, Program strategic priority (*provide additional information*)

 Other:

WS Indirect/Pooled Job Cost Waiver Request Form

Pooled Job Costs Waived (11%)

Program Pooled Job Costs Waived (11%): \$ _____

Program does not involve Pooled Job Costs (e.g., small project, all costs are directly charged)

Required by statute or policy (*specify the statute or policy*)

 Pooled Job Costs are cost-shared by WS (where the cost share is identified and documented within the supporting financial plan)

Department, Agency, Program strategic priority (*provide additional information*)

 Other:

Regional Director/NWRC Director

Date

Concurrence:

Wildlife Services, Deputy Administrator

Date