

Guidelines for Use of Funds
USDA APHIS
American Rescue Plan
Cooperative and Interagency Agreements

This guidance describes costs allowed or unallowed for reimbursement through an APHIS Cooperative or Interagency Agreement funded via American Rescue Plan resources awarded through competitive funding opportunities.

INTERAGENCY AGREEMENTS

An interagency agreement is an acquisition arrangement developed between at least two Federal agencies whereby a requesting agency obtains needed goods and services from a performing agency.

APHIS enters into an interagency agreement under the "The Economy Act of 1932" (31 U.S.C. 1535-1537). While APHIS enters into interagency agreements under the Economy Act, authority to cooperate is found in APHIS' enabling legislation which provides our mission area/program authority and in the Agency's funding authority provided by the United States Congress.

APHIS must have authority to acquire or provide the goods or services desired before entering into an interagency agreement. APHIS cannot move monies to another Federal agency that possesses the authority to accomplish a particular task or project, that APHIS is not authorized to perform.

Costs associated with Interagency Agreements are described below:

- In the fiscal year that the annual appropriation applies, the agency is authorized to collect fees to cover the total costs of providing technical assistance, goods, or services requested by States, other political subdivisions, domestic and international organizations, foreign governments, or individuals, provided that such fees are structured such that any entity's liability for such fees is reasonably based on the technical assistance, goods, or services provided to the entity by the agency, and such fees shall be reimbursed to this account, to remain available until expended, without further appropriation, for providing such assistance, goods, or services.

For USDA to legally cite the Economy Act as the authority, an Interagency Agreement must meet four Agency agreement conditions listed under 31 USC § 1535, as follows:

- **Funds are available:** amounts are available (availability encompasses purpose, time, and amount);
- **Best interest is determined:** the head of the ordering agency or unit decides the order is in the best interest of the United States Government;
- **Order fulfillment is possible:** the agency or unit to fill the order is able to provide or obtain by contract the ordered goods or services;
- **Convenience/cost benefit exists:** the head of the agency decides ordered goods or services cannot be provided by contract as conveniently or cheaply by a commercial enterprise

Cooperative Agreements

The Office of Management and Budget (OMB) cost principles ([2 CFR Subpart E](#)) must be used to determine whether a cost can be charged to the project and, if so, the extent which it can be charged. A review of the detailed Financial Plan will focus on reasonable requests for expenses that support the accomplishment of Work Plan objectives.

Allowable Costs

Allowable costs must be reasonable, allocable, and necessary for project completion.

When identifying the resources needed, the Applicant must comply with Federal and State policy and should include the following details:

1. **Personnel:** APHIS will allow costs for salary and wages for personnel who are essential to complete the activities described in the Work Plan. The total compensation per individual employee must be reasonable for the work performed, conform to established policy of the organization, and be consistently applied to Government and nongovernmental activities. Applicants must:

- List all personnel needed to accomplish the project, including position titles, number of hours, hourly rate (or percentage of staff year), and the total number needed for each employee classification.
- Identify employee's appointment type, e.g., full-time, temporary, or part-time workers.
- Explain how employee compensation was calculated.
- Identify any compensation increases projected during the award period.

2. **Fringe Benefits:** List the fringe benefits rate and a description of what the rate includes.

- Benefits may include health and life insurance, unemployment insurance, workers' compensation, retirement, social security, pensions, etc.
- Identify benefits included in the wages or salary (e.g., vacation and sick leave).

3. **Travel:** Funds may be requested for field work, training, attendance of meetings and conferences, and other travel costs associated with the proposed work. Funds may be requested for international field work and other travel costs associated with the proposed work but may not be requested for training, attendance at meetings or conferences. Recipients should follow their State or organization's written travel policies when calculating travel costs. If there is no State or organization travel policy, Federal per diem rates should be used. Federal per diem rates can be found on [GSA](#). Reference 2 CFR Part 200.474.

- **Local Travel:** Identify any local travel to project work sites as outline in proposed activities. Indicate, by position type, who will be traveling, total projected mileage, and rate per mile. Include number of days and per diem rates for extended or overnight travel. Indicate the number of trips per day/week/month, as appropriate.
- **Domestic travel:** Identify the number of travelers, cost of transportation, lodging, subsistence and related items, number of days, rate per day, and the total. If out of state travel is necessary to attend a meeting/training, include the event title and destination. Registration fees should be included in the "Other" cost category.

- **International Travel:** Not authorized for conferences, symposia, or trainings for this Funding Opportunity Announcement. Provide the number of travelers, cost of transportation, lodging, subsistence and related items, number of days, rate per day, and the total related to international travel other than for conferences, symposia, or trainings. Prior approval is required for all foreign travel which is accomplished by reference to it in the Work Plan and Financial Plan.

4. **Equipment:** The Federal definition of equipment is tangible personal property (including information technology systems) having a useful life of more than 1 year and a unit value of \$5,000 or more unless the Recipient definition of equipment is more restrictive. Provide a description of the equipment to be purchased or leased, including unit cost, and total purchase or leasing costs. The purpose of each equipment item and how it will benefit or be used for the project must be provided in the proposed activities.

5. **Supplies:** Provide a general description of the supplies required to perform the proposed activities. Provide an itemized breakdown of the types of supplies and total estimated cost per type when the cumulative value of supplies exceeds \$5,000. Identify quantities required and per unit costs.

6. **Contractual:** Describe any contract that the applicant may enter into to complete the proposed activities, identifying what goods or services are being purchased for which activity and from where.

Provide the contractor or sub-awardee cost breakdown of amounts in a separate budget for all applicable cost categories and totals, if available. However, the contractor or sub-awardee breakdown is not to be used to develop the applicant's breakdown; the contractor or sub-awardee total costs will be classified as contractual in the applicant's budget. Any application with a proposed subaward over \$10,000 should complete an individual Financial Plan as a part of the proposal package.

If testing is done as a subcontract, identify which approved laboratories will be conducting diagnostic testing, detail the type of test, number of tests, and cost per test/sample. All billing for laboratory costs shall be done on a cost-per-test basis (e.g., 500 samples at \$10.00 equals \$5,000). Do not include any costs which are covered by other laboratory funding sources such as National Animal Health Laboratory Network (NAHLN) or National Institute of Food and Agriculture (NIFA) funding.

7. **Other:** Identify any direct costs which were not itemized elsewhere, such as conference registration fees, communications, printing, publication charges, computer time or usage, Recipient laboratory testing, etc.

If testing is done in an applicant's laboratory, detail the type of test, number of tests, and cost per test/sample. All billing for laboratory costs shall be done on a cost-per-test basis (e.g., 500 samples at \$10.00 equals \$5,000). Do not include any costs which are covered by other laboratory funding sources such as NAHLN or NIFA funding.

8. **Information Technology:** Work Plans that include a cumulative request for Information Technology of \$25,000 or more require additional USDA IT review. Information Technology is any equipment,

interconnected system(s), or subsystem(s) of equipment that is used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information by an Agency. The term “information technology” includes, but is not limited to, computers, network and ancillary equipment, software, firmware, and similar procedures, services (including support services), and related resources. Refer to [2 CFR Part 200.1](#) for additional information.

9. **Outreach Materials:** Whenever possible, existing publications or audiovisuals, referred to as outreach materials, should be used. Awarded funds may be used for outreach materials, as needed to complete approved projects that support the program priorities. This may include developing, distributing, and delivering educational materials or content such as videos, website, pamphlets, fliers, fact sheets, publications, and other print and media. A draft of any publications or audiovisuals produced with Cooperative Agreement funds for public use must be reviewed and approved by APHIS and the Office of Legislative and Public Affairs. A determination will be made if the USDA logo may be used and if APHIS’ participation in the project may be acknowledged. Please allow a minimum of four weeks for review and approval of materials (brochures, pamphlets, flyers, posters, etc.). **NOTE:** Approval must be obtained prior to printing. Refer to [the General Terms and Conditions for APHIS Cooperative Agreements and Grants](#), Publication and Audiovisuals article on page 12 for more information.

Unallowable Costs

The items below are costs that **will not be funded** through ARP Cooperative Agreements:

- Costs incurred prior to the effective date of the agreement.
- Construction of a new building or facility, or the acquisition or expansion of an existing building or facility, including site grading, improvement, and architect fees.
- Land acquisition.
- Promotional or thank-you materials, incentives to participate, or similar costs unallowable by OMB cost principles ([2 CFR Subpart E – Cost Principles General Provisions for Selected Items of Cost](#)). This includes giveaway items such as calendars, rulers, pens, pencils, squishy balls, cups, refreshments, etc.
- Entertainment costs, regardless of their apparent relationship to project objectives.
- Bonuses or commissions.
- Management fees and profit.
- Fundraising.
- Meeting, conference, symposia, or workshop honoraria, which is payment to individuals or guests other than for documented professional services.
- Vehicle purchases or leases.
- Positions (salaries and benefits) fully or partially funded by other Federal cooperative agreements or grants cannot cumulatively exceed 100%
- International travel for conferences, symposia, or trainings.
- Projects or activities associated with APHIS-State-Industry cooperative program activities already funded via USDA APHIS annual cooperative agreements.
- Compensation for Federal employees. Salary payments, consulting fees, or other remuneration of full-time Federal employees are unallowable costs.
- Travel for Federal Employees.
- Federal subawards.

This list is not exhaustive. Questions regarding the allowances of items of cost should be directed to APHIS.ARP.Agreements@usda.gov.

Cost Sharing

Cost sharing and matching are defined in [2 CFR Part 200.1](#) as “the portion of the project costs not paid by Federal funds or contributions (unless otherwise authorized by Federal statute).” There is no required cost share/match for ARP Cooperative Agreements. If an Applicant includes contributions as a part of a cost share in their budget proposal and it is accepted by APHIS, the commitment of funds becomes legally binding, must be reported on the SF-425, and is subject to audit. Third-party in-kind contributions are non-cash contributions that have value that will benefit the project and are contributed by a non-Federal third-party without charge. These contributions should also be reflected in the budget proposal as part of a cost share.

Neither Applicant costs nor the value of a third-party, in-kind contributions may count towards satisfying a cost sharing or matching requirement if they have been or will be counted towards satisfying the cost sharing or cost matching requirements of another Federal assistance award, a Federal procurement contract, or any other award of Federal funds.

If the Applicant does not meet its cost share ratio or cost-match requirement as stipulated in the Cooperative Agreement, action can be taken to (1) reduce the next Cooperative Agreement, (2) reduce APHIS’ share proportionately, or (3) allow the reduced cost share when it is in the best interest of the Federal Government. After the Cooperative Agreement has expired, adjustments to a cost share cannot be approved. For additional information on cost share please reference [2 CFR Part 200.306](#).

Subawards

Subawards are defined as an award provided by the applicant to a subrecipient who will be performing tasks or providing deliverables that adhere to the work as identified in the applicants Work Plan. If an applicant desires to use a subaward, the subrecipient selected must undergo risk assessment reviews detailed in 2 CFR Part 200.205 in order to receive the subaward. Recipient procurements shall be in accordance with 2 CFR Part 200.317 or .318, as applicable. Other types of subawards must be approved per 2 CFR Part 200.308 (c) (6).

Indirect Costs

Indirect costs are negotiated by the recipient and their cognizant agency (2 CFR Part 200.19). The cognizant agency is the Federal agency that provides the most Federal funds to the recipient. The result of this negotiation is a Negotiated Indirect Cost Rate Agreement (NICRA). A signed NICRA must be attached to the Application in ezFedGrants if indirect costs are assessed.

Due to a USDA Statutory cap, a non-profit’s assessment of indirect costs is limited to no more than 10% of the project’s total direct costs or the application of their indirect cost rate agreement, whichever is less. State, local, and Tribal government entities are not capped at the 10% rate, and it is allowable for these entities to apply their negotiated indirect cost rate as applicable.

Indirect costs for any sub-award must be disclosed.

Non-profit recipients that do not have a current NICRA may elect to charge a de minimis rate of 10% of modified total direct costs pursuant to 2 CFR Part 200.414 (f). No documentation is required to justify this rate. A statement must be included in the work and financial plan if the recipient decides to charge less than the NICRA or elect the de minimis rate.

For profit recipients must follow the allowable cost and payment regulations in [Federal Acquisition Regulation, C.F.R. Title 48, Part 52.216-7](#)

Definitions

The [eCFR :: 2 CFR Part 200 -- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#) includes a comprehensive list of definitions. Below are some common definitions along with definitions for terms that are not listed in the eCFR: 2 CFR Part 200 -- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

1. **Allowable costs:** costs that are reasonable, allocable, and necessary to the project and comply with funding statute requirements.
2. **Contract:** *Contract* means a legal instrument by which a non-Federal entity purchases property or services needed to carry out the project or program under a Federal award. The term as used in this part does not include a legal instrument, even if the non-Federal entity considers it a contract, when the substance of the transaction meets the definition of a Federal award or subaward.
3. **Cooperative agreement:** a legal instrument of financial assistance between a Federal awarding agency or pass-through entity and a non-Federal entity when substantial involvement is anticipated.
4. **Cost sharing or cost matching:** the portion of project costs not paid by Federal funds (unless otherwise authorized by Federal statute). **Cost sharing** refers to the portion of project *not* borne by the Federal Government, i.e., a recipient's participation on the total cost of the project. For example, if the Recipient "cost-sharing" is 33 ¼ %, then the Federal share is 66 ¾% of the recipient's total project costs. **Cost matching** refers to the portion of the project *not* borne by the Federal Government, and it directly compares Federal and non-Federal participation dollar for dollar. For example – a 50% match of Federal funds means that the recipient must provide 50 cents for every Federal dollar. A 100% match means one recipient dollar (or dollar value) for every Federal dollar.
5. **Equipment:** tangible personal property (including information technology systems) having a useful life of more than 1 year and a per unit value of \$5,000 or more.
6. **Grant:** a legal instrument of financial assistance between a Federal awarding agency or pass-through entity and a non-Federal entity which does not provide for substantial involvement.
7. **Indirect (facilities & administrative (F&A)) costs:** costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved.
8. **Information technology systems:** computing devices, ancillary equipment, software, firmware, and similar procedures, services (including support services), and related resources.
9. **Non-Federal entity:** A State, local government, Indian tribe, institution of higher education (IHE), or nonprofit organization that carries out a Federal award as a recipient or subrecipient.
10. **Pass-through Entity:** a non-Federal entity that provides a subaward to a subrecipient to carry out part of a Federal program.

11. **Recipient:** a non-Federal entity that receives a Federal award directly from a Federal awarding agency to carry out an activity under a Federal program.
12. **Restricted costs:** a mixture of allowable and unallowable costs and/or requires agency approval.
13. **Subaward:** an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a Federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a Federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract.
14. **Subrecipient:** a non-Federal entity that receives a subaward from a pass-through entity to carry out part of a Federal program.
15. **Substantial involvement:** when the Federal awarding agency provides collaboration, participation, or intervention. The Federal awarding agency is substantially involved when it acts as a partner with the Recipient.
16. **Unallowed costs:** those charges to a Federal award that the Federal awarding agency or pass-through entity determines to be unallowable, in accordance with the applicable Federal statutes, regulations, or the terms and conditions of the Federal award.
17. **Unliquidated obligations:** on a cash basis, unliquidated obligations are obligations incurred but not yet paid. On an accrual basis, they are obligations incurred but for which an expenditure has not yet been recorded.

Common Cost Types (For Cooperative Agreements ONLY)

2 CFR – Subpart E – Cost Principles General Provisions for Selected Items of Cost

Type of Cost	2 CFR Part	Classification of Costs
Advertising and public relations costs	200.421	Restricted – refer to CFR
Advisory councils	200.422	Unallowable – unless authorized by statute, the Federal agency, or as an indirect cost where allocable to Federal awards
Alcoholic beverages	200.423	Unallowable
Alumni/ae activities	200.424	Unallowable
Audit services	200.425	Restricted – refer to CFR
Type of Cost	2 CFR Part	Classification of Costs
Bad debts	200.426	Unallowable
Bonding costs	200.427	Restricted – refer to CFR
Collections of improper payments	200.428	Refer to CFR
Commencement and convocation costs	200.429	Unallowable except as provided for in Appendix III to Part 200-Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Institutions of Higher Education, paragraph (B)(9) Student Administration and Services, as student activity costs
Compensation - fringe benefits	200.431	Allowable – provided that the benefits are reasonable and are required by law, non-Federal entity-employment agreement, or an established policy of the non-Federal entity
Compensation - personal services	200.430	Refer to CFR
Conferences	200.432	Refer to CFR
Contingency Provisions	200.433	Restricted – refer to CFR
Contributions and donations	200.434	Unallowable

Defense and prosecution of criminal and civil proceedings, claims, appeals, and patent infringements	200.435	Restricted – refer to CFR
Depreciation	200.436	Restricted – refer to CFR
Employee health and welfare costs	200.437	Refer to CFR
Entertainment costs	200.438	Unallowable
Equipment and other capital expenditures	200.439	Restricted –refer to CFR
Exchange rates	200.440	Allowable – prior approval of agency required – refer to CFR
Fines, penalties, damages, and other settlements	200.441	Unallowable – prior approval of agency required – refer to CFR
Fund raising and investment management costs	200.442	Restricted – refer to CFR
Gains and losses on disposition of depreciable assets	200.443	Restricted – refer to CFR
General costs of government	200.444	Unallowable
Goods or services for personal use	200.445	Restricted – refer to CFR
Idle facilities and idle capacity	200.446	Restricted – refer to CFR
Insurance and indemnification	200.447	Restricted – prior approval of agency required – refer to CFR
Intellectual property	200.448	Restricted – refer to CFR
Interest	200.449	Restricted – refer to CFR
Lobbying	200.450	Unallowable – refer to CFR
Losses on other awards or contracts	200.451	Unallowable
Maintenance and repair costs	200.452	Allowable
Materials and supplies costs, including costs of computing devices	200.453	Allowable
Memberships, subscriptions, and professional activity costs	200.454	Restricted – refer to CFR
Organization costs	200.455	Unallowable – prior approval of agency required – refer to CFR
Participant support costs	200.456	Allowable – prior approval of agency required – refer to CFR