

FINANCIAL OPERATIONS SERVICE TEAM
COOPERATIVE AGREEMENT
OBLIGATION/DE-OBLIGATION/PAYMENT PROCEDURES

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FOST TEAM WEBSITE

[FOST WEBSITE](#)

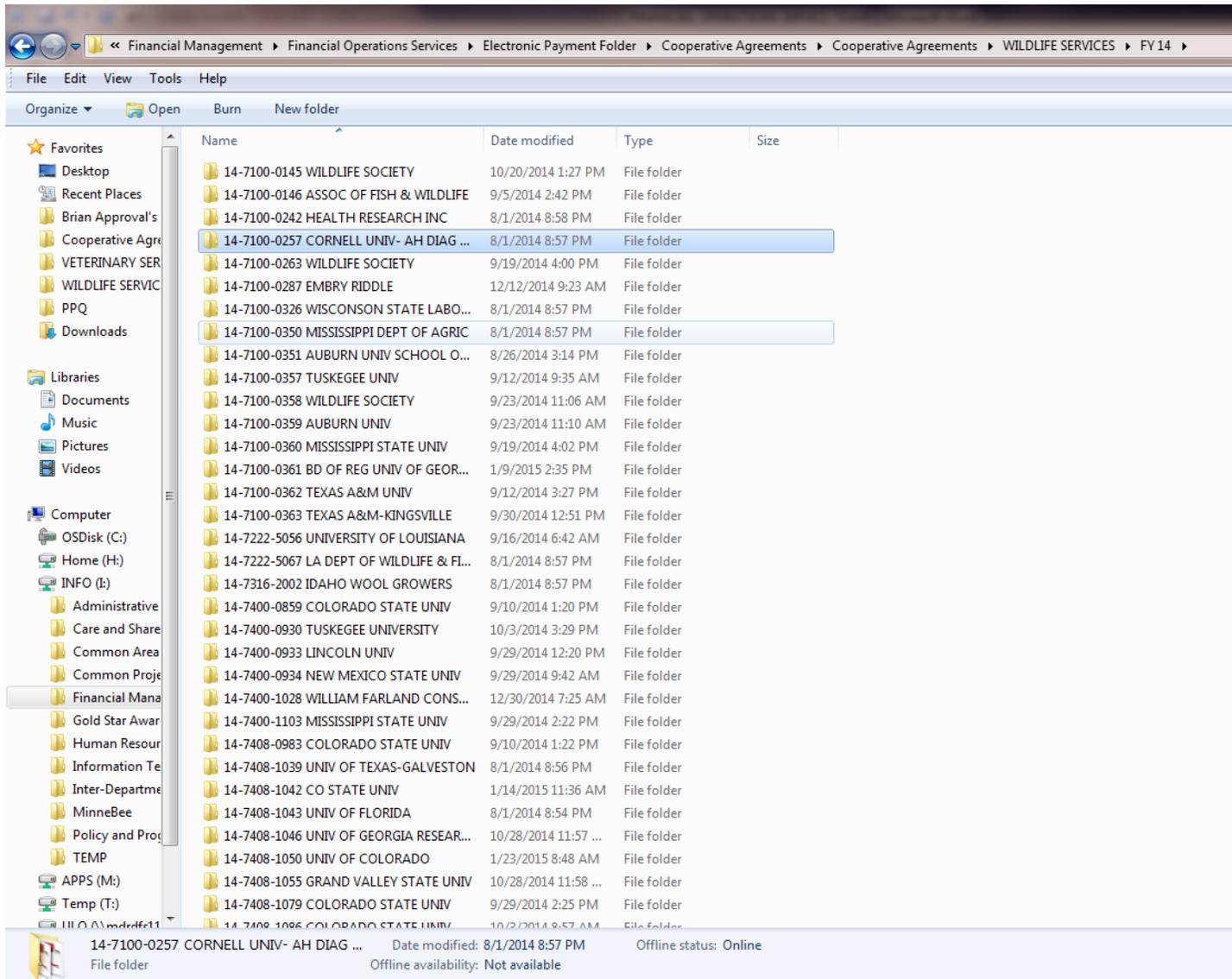
FOST JOB AIDS

[FMD JOB AID](#)

POINTS OF NOTE

- MISSING ADODR LETTERS, OR CHANGE IN ADODR LETTERS MISSING
- 270'S SUBMITTED NOT WITHIN SAME PERIOD AS AGREEMENT
- VENDORS NEED TO BE UPDATED ANNUALLY IN WWW.SAM.GOV OR RECORDS WILL BE DELETED/FOST IS REQUIRED TO USE SAM RECORDS
- DE-OBLIGATION LETTERS ALWAYS REQUIRED FOR ANYTHING OVER \$1000.00 APHIS agrees to, upon receipt of any **final** Federal Financial Report that reflects an nobligated balance of \$1,000 or more provide written notification to the Cooperator that the balance of Federal funds reported as unobligated will no longer be available to the Cooperator. Balances of less than \$1,000 will automatically be de-obligated by APHIS without notification.
- FOST STANDARD OF SERVICES ARE THAT ALL OBLIGATIONS AND PAYMENTS RECEIVED WILL BE PROCESSED IN 3-5 BUSINESS DAYS AND FMMI TAKES 3-5 BUSINESS DAYS TO DISBURE PAYMENT

- FOST IS SAVING AND FILING ALL PAPERWORK ELECTRONICALLY AND WILL ACCEPT THE LINCPASS ELECTRONICALLY SIGNED AGREEMENTS (SEE BELOW)



Cooperative Agreements and Grant Agreements

Standard Operating Procedure

Purpose

This document is an overview of Cooperative Agreements (CA) and Grants (GR) provided by the Financial Operations Services Team (FOST), for the United States Department of Agriculture (USDA) Animal and Plant Health Inspection (APHIS).

Scope

The USDA APHIS provides shared services and processes CA and GR obligations and payments for APHIS. The official financial system used to process these documents is Financial Management Modernization Initiative (FMMI).

General Information

CAs and GRs are to provide financial assistance to accomplish a project of public interest rather than acquire, by purchase, lease, or barter. They are funded for a maximum of one year from the effective date in the Notice of Award (NOA).

- **Cooperative Agreement** is a legal contract between the federal government and an organization to fulfill research and finding opportunities in the public's interest. APHIS is supporting a non-federal cooperator with funds or items of value and has substantial involvement in the project being funded. The agency is substantially involved when it acts as a partner with the cooperator.

Cooperative Agreements and Grant Agreements

Standard Operating Procedure

- **Grant** is an award of financial assistance from the federal agency to a recipient to carry out a public purpose of support or stimulation authorized by a law of the United States. GRs are not considered federal assistance or loans to individuals.¹ APHIS is supporting a non-federal cooperator with funds or items of value but has no significant involvement in the project being funded.

Upon receiving funds, a work plan must be submitted to identify roles and responsibilities of the parties involved in the project as well as resources to be contributed by each. A financial budget plan will also be required for an anticipated cost that will be used to carry out work plan.

The Authorized Departmental Officer's Designated Representative (ADODR) is responsible for the oversight of the project and will be in charge of submitting reports to the agency.

The Administrator has ultimate responsibility for all agreement types. However, the Administrator has delegated signatory authority for entering into agreements to the Deputy Administrators or equivalents. These Deputy Administrators may re-delegate authority to other officials within their programs, and are documented per exhibit 2-4² in the [APHIS Agreements Management Manual](#).

A reference guide to assist in the defining and management of agreements can be located at: http://www.aphis.usda.gov/mrpbs/fmd/agreements_service_center.shtml

¹ <http://www.grants.gov/aboutgrants/grants.jsp>

² http://inside.aphis.usda.gov/mrpbs/publications/agreements_management_manual/chapter2.pdf

Cooperative Agreements and Grant Agreements

Standard Operating Procedure

FOST Responsibilities

FOST is responsible for ensuring the CA and GR obligations and payments documentation is appropriately signed and in accordance with the general rules regarding the agreement. As a payment processing center, FOST is not responsible for awarding the agreements, making the decision to extend an agreement, or ensuring that agreement projects are fulfilled. These responsibilities lie with the heads of agencies and the specific approvers of CA and GR.

General Rules

Obligation:

FOST requires that the following are provided to obligate APHIS CAs and GRs:

- ✓ Notice of Award Letter (NOA)
- ✓ Standard Form 424 (SF-424) – Application for Federal Assistance
- ✓ Standard Form 424A (SF-424A) – Budget Information
- ✓ APHIS Cost Management System (ACMS) print screen
- ✓ Signed ADODR Appointment Letter

Payment:

FOST requires that the following are provided to pay APHIS CAs and GRs:

- ✓ Standard Form 270 (SF-270) – Request for Advance or Reimbursement
- ✓ Standard Form 269 (SF-269) – Financial Status Report

Note: The dates on the SF-270 must correspond with the terms of the agreement.

All forms necessary for APHIS CA and GR are located at:

<http://www.aphis.usda.gov/mrpbs/forms/grants.shtml>

Domestic CA and GR:

FOST requires that the following are provided to obligate and pay APHIS-Domestic CA and GR:

- ✓ NOA for obligation
- ✓ Completed SF-270, SF-424, and SF-424A, following the instructions
- ✓ ACMS print screen
- ✓ Signed ADODR Appointment Letter

Note: Obligations and payments are processed in FMMI in US dollar to a domestic bank account.

Cooperative Agreements and Grant Agreements

Standard Operating Procedure

International Service (IS) CA and GR:

FOST requires that the following are provided to obligate and pay APHIS-International Services CA and GR:

- ✓ NOA obligation

- ✓ Completed International Agreement Payment Request form, SF-424, and SF-424A, following the instructions

- ✓ ACMS Print Screen

- ✓ Signed ADODR Appointment Letter

Note: Obligations are processed in FMMI. Payments are processed in the [Electronic Payment Request Entry System \(ePRES\)](#) in foreign currency or in US Dollar to a foreign bank account.

Cooperative Agreements and Grant - De-Obligation and Modification

Standard Operating Procedure

Scope

The USDA APHIS provides shared services and processes de-obligations and modifications for Cooperative Agreements and Grants for APHIS, Agriculture Marketing Services (AMS), and Grains Inspection Packers and Stockyard Administration (GIPSA). The official financial system used to process these documents is Financial Management Modernization Initiative (FMMI).

General Information

CAs and GRs are to provide financial assistance to accomplish a project of public interest rather than acquire, by purchase, lease, or barter. They are funded for a maximum of one year from the effective date in the Notice of Award (NOA).

¹ <http://www.grants.gov/aboutgrants/grants.jsp>

When funding a cooperator is no longer necessary due to fulfillment of agreement, the CA and/or GR undergo a de-obligation. Any CA and/or GR de-obligation will require a formal de-obligation letter.

Cooperative Agreements and Grant - De-Obligation and Modification

Standard Operating Procedure

CAs and GRs obligations are also eligible for modification. Modification may include, but are not limited to increase or decrease in funding amount, accounting code change, and/or extend the agreement duration. If modification involves increasing or decreasing fund amount it must be in accordance to the NOA. In order to obligate a modification, the organization must send in a request of revision.

A revision is a written change in the terms and conditions of an award document before its expiration date. Agreements can be granted a one-time extension up to one year to complete a project. In order to receive an extension, APHIS must receive a written request, SF-424, and Application for Federal Assistance 10 days prior to the expiration date of funding period.² The written request must include justifiable reason for extension.

FOST Responsibilities

FOST is responsible for ensuring the CA and GR de-obligation and modification documentation is appropriately signed and in accordance with the general rules regarding the agreement. As a payment processing center, FOST is not responsible for awarding the agreements, making the decision to extend an agreement, or ensuring that agreement projects are fulfilled. These responsibilities lie with the head of the agencies and the specific approvers of CA and GR.

² http://www.whitehouse.gov/omb/circulars_a102/

Cooperative Agreements and Grant - De-Obligation and Modification

Standard Operating Procedure

General Rules

CA/GR Modification:

- ✓ Modification must be in accordance to NOA.
- ✓ Written request of revision.

Extension Requirements for Domestic and Foreign:

- ✓ Written request of extension from organization.
- ✓ Completed Standard Form 424 (SF-424), following instructions.

Note: In order to be considered for an extension, APHIS must receive these requirements 10 days prior to the expiration date of funding period. All documents must be completed and signed for processing.

The required forms for revision request, are located at:

http://inside.aphis.usda.gov/mrpbs/fmd/updates_ca_grants.shtml

De-Obligating CA/GR – Closing an Agreement:

FOST will need the following information to De-obligate CA/GR:

- ✓ Formal de-obligation letter. This can be located at: <I:\Financial Management\Accounting and Payments\SOP\Approved SOP\Unilateral Deobligation Letter.pdf>

For specific instructions on how to enter modifications/revisions or de-obligate CA and GR documents into FMFI, please refer to the specific Job Aid.

Purchase Order (PO) Approval Job Aid
FOST Internal Job Aid

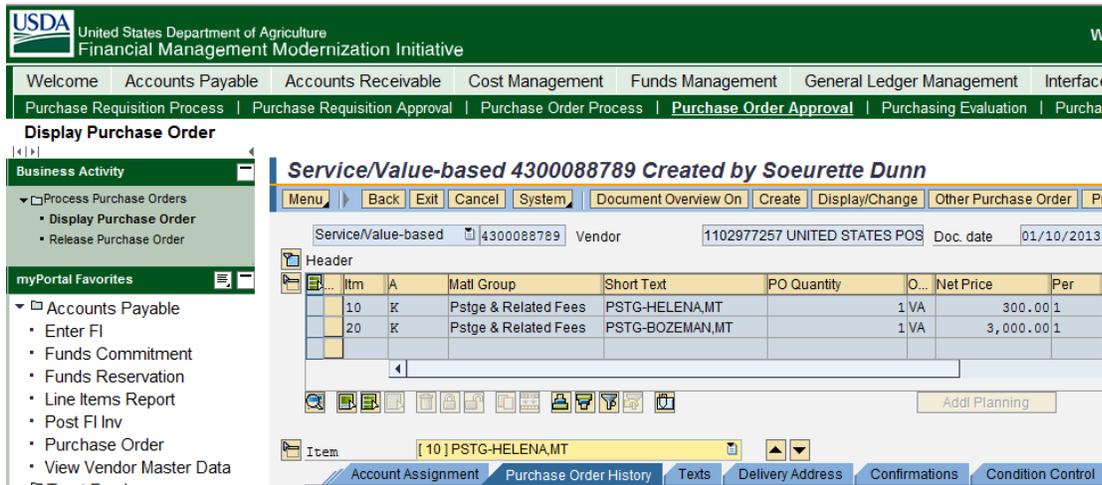
Purpose:

This document is only intended to provide FMMI instructions to FOST members responsible for approving FI payments in FMMI. It does not contain specific requirements or specific payment types. Refer to the SOP for the different FI payment types for those details.

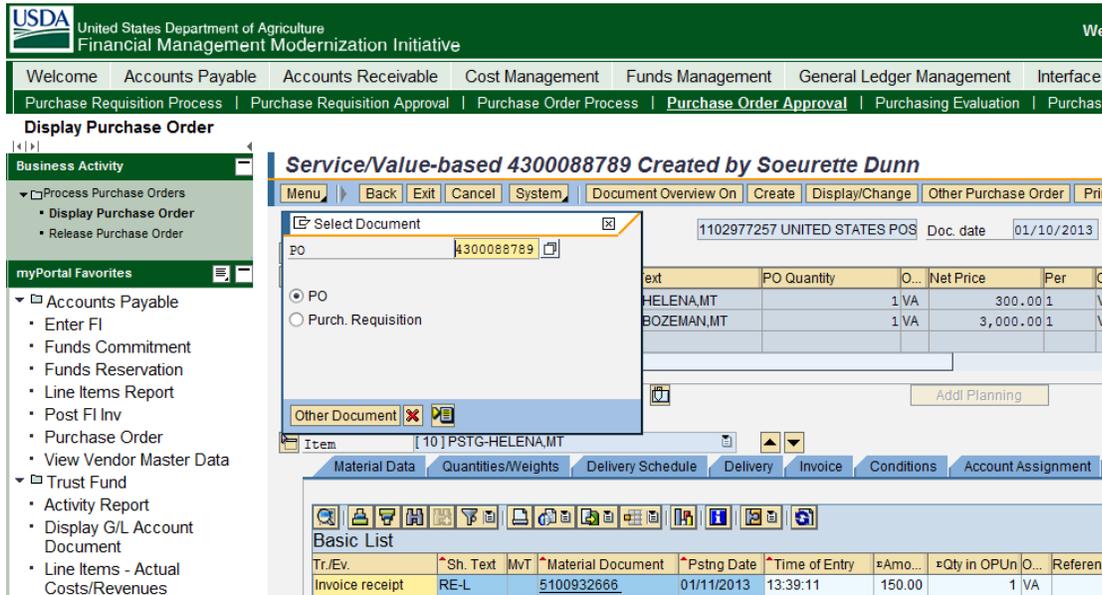
Approving FI Payments

Once the PO document has been entered into FMMI, it will then be given to an approving official who will review the document and approve it in FMMI.

1. Purchasing > Purchase Order Approval > Process Purchase Orders > Display Purchase Order



2. Click Other Purchase Order and enter the Purchase Order Number



Purchase Order (PO) Approval Job Aid

FOST Internal Job Aid

5. Then Click Save to post the PO

The screenshot shows the USDA Financial Management Modernization Initiative interface. The top navigation bar includes 'Welcome', 'Accounts Payable', 'Accounts Receivable', 'Cost Management', 'Funds Management', 'General Ledger Management', and 'Interface T...'. Below this is a secondary navigation bar with 'Purchase Requisition Process', 'Purchase Requisition Approval', 'Purchase Order Process', 'Purchase Order Approval', 'Purchasing Evaluation', and 'Purchasing...'. The main content area is titled 'Display Purchase Order' and shows a 'Parked Service/Value-based 4300107005 Created by Trang Dinh'. The interface includes a menu bar with 'Save', 'Back', 'Exit', 'Cancel', 'System', 'Document Overview On', 'Create', 'Display/Change', and 'Other Purchase Order'. The main data area shows a table with columns: 'Itm', 'A', 'Matl Group', 'Short Text', 'PO Quantity', 'O...', 'Net Price', 'Per', and 'O...'. The table contains one row with '1', 'K', 'OpEx-GrantAgreements', 'GR-13-8254-0943: LABOF', '1', 'VA', '6,500.00', '1', and 'VA'. Below the table are buttons for 'Default Values' and 'Add Planning'. The bottom of the screen shows a tabbed interface with 'Material Data', 'Quantities/Weights', 'Delivery Schedule', 'Delivery', 'Invoice', 'Conditions', and 'Account Assignment'.

6. The PO will no longer say Parked once it is posted

The screenshot shows the USDA Financial Management Modernization Initiative interface. The top navigation bar is the same as in the previous screenshot. The main content area is titled 'Display Purchase Order' and shows a 'Service/Value-based 4300107005 Created by Trang Dinh'. The menu bar now includes 'Back', 'Exit', 'Cancel', 'System', 'Document Overview On', 'Create', 'Display/Change', 'Other Purchase Order', and 'Display...'. The main data area shows the same table as in the previous screenshot. Below the table are buttons for 'Add Planning'. The bottom of the screen shows a tabbed interface with 'Conditions', 'Account Assignment', 'Texts', 'Delivery Address', 'Confirmations', 'Condition Control', 'Retail', and 'Public...'. The bottom of the screen also shows fields for 'Unloading Point', 'Recipient', 'AccAssCat', 'Cost center', 'Distribution', 'Single account assignm...', 'CoCode', and 'US Dept of A...'.

Purchase Order (PO) Approval Job Aid

FOST Internal Job Aid

3. The Approver will review the PO for any errors

4. Once the Approver has reviewed the document for errors, the Approver will then Post the document. Click on Display/Change or click on Menu > Purchase Order > Display/Change or press F7.

LIV Payments

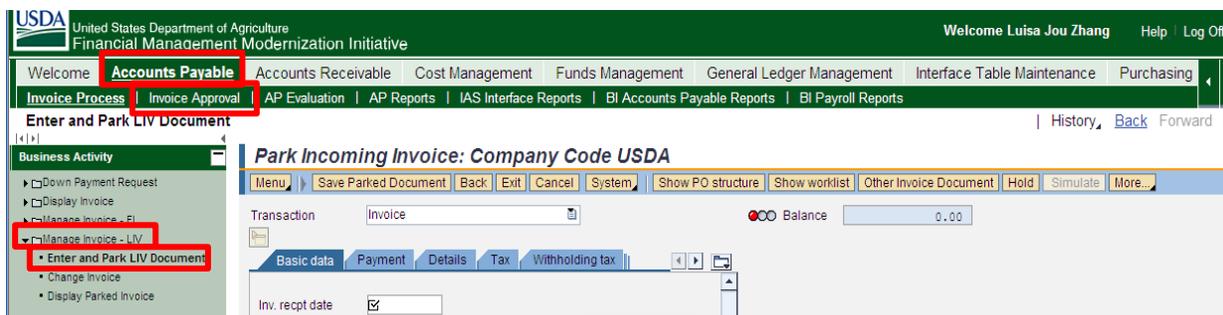
FOST Internal Job Aid

Purpose:

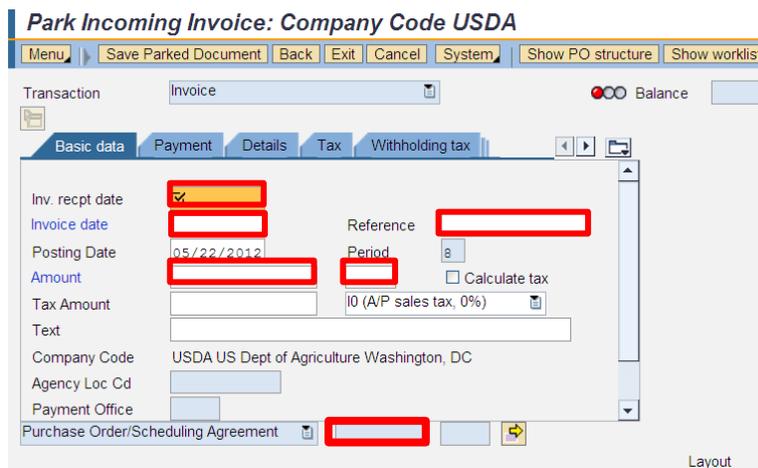
This document is only intended to provide FMMI instructions for FOST members. It does not contain specific requirements or practices for specific payment types. Refer to the SOP for the payment type to get those details.

LIV: Obligating payment

1. In FMMI, go to Accounts Payable > Invoice Process > Manage Invoice - LIV > Enter and Park LIV Document



2. On the Basic data tab, enter the following fields following the Data Entry Consistency spreadsheet for the payment type: <I:\Financial Management\Financial Operations Services\FMMI Info\FMMI TRAINING\FMMI Data Entry Consistency - FI & LIV Payments.xlsx>
 - a. Invoice receipt date
 - b. Invoice date
 - c. Reference
 - d. Amount
 - e. Currency (to the right of Amount, no label)
 - f. Enter the Purchase Order Number and line item (if applicable) and press enter to populate the line item info from the PO. If payment references multiple lines, leave the line item box blank to populate all lines on the PO. If PO line item is indicated, only that line of the PO will populate.



3. Go to the Payment tab and enter "ACCP" for Payt Terms and "A" for Pmt Method and enter through any warning errors. *Note: This is a temporary standard process which may change in the future to follow the Data Entry Consistency spreadsheet.*

LIV Payments

FOST Internal Job Aid

Park Incoming Invoice: Company Code USDA

Menu | Save Parked Document | Back | Exit | Cancel | System | Show PO structure

Transaction: Invoice

Basic data | **Payment** | Details | Tax | Withholding tax

BaselineDt: [] Pay Terms: [] Days: []
Due on: [] Days: []
CashDiscnt: [] Days net: []
Fixed: []
Free for payment: []

Pmt Method: [] Pmnt Meth.Sup.: [] Pmnt Block: []
Inv.ref.: []
Part. Bank: [] House Bank: [] / []
Payment Ref.: []

Purchase Order/Scheduling Agreement: [] [] []

- Go to the Details tab and enter the Header Text description following the Data Entry Consistency spreadsheet for the payment type.

Park Incoming Invoice: Company Code USDA

Menu | Save Parked Document | Back | Exit | Cancel | System | Show PO structure

Transaction: Invoice

Basic data | Payment | **Details** | Tax | Withholding tax

Unpl. Del. Csts: []
Currency: USD Exch. Rate: 1.00000
Doc. Type: RE (Invoice - Gross) Inv. Party: 1100732799
Inv. rcpt date: 05/22/2012 Bus. Area: []
Assignment: [] G/L: 2110900000
Header Text: []
Reason f. Delay: []

- Under the line item section, enter the amount, quantity, and scroll to the right of the screen to enter an Item Text description following the Data Entry Consistency spreadsheet for the payment type

LIV Payments

FOST Internal Job Aid

Park Incoming Invoice: Company Code USDA

Menu | Save Parked Document | Back | Exit | Cancel | System | Show PO structure | Show worklist | Other Invoice Document | Hold | Sim

Transaction Invoice Balance 0.00

Basic data | Payment | Details | Tax | Withholding tax

Inv. rcpt date
 Invoice date
 Posting Date 05/22/2012
 Amount
 Tax Amount
 Text
 Company Code USDA US Dept of Agriculture Washington, DC
 Agency Loc Cd
 Payment Office

Reference
 Period 8
 Calculate tax
 I0 (A/P sales tax, 0%)

Purchase Order/Scheduling Agreement

Goods/service items
 Layout All information

Item	Amount	Quantity	O...	Purchase ...	Item	Smart Number	PO Text

Payment Office
 Purchase Order/Scheduling Agreement

Goods/service items
 Layout All information

R...	Del. Date	Created by	Text	Srv.Ty...	Bus. Process	S	Freight Cst...	Item

6. Click Save Parked Document

Park Incoming Invoice: Company Code USDA

Menu | **Save Parked Document** | Back | Exit | Cancel | System | Show PO structure | Show worklist | Other Invoice Document | Hold | Sim

Transaction Invoice Balance 0.00

Basic data | Payment | Details | Tax | Withholding tax

Inv. rcpt date
 Invoice date
 Posting Date 05/22/2012
 Amount
 Tax Amount
 Text
 Company Code USDA US Dept of Agriculture Washington, DC
 Agency Loc Cd
 Payment Office

Reference
 Period 8
 Calculate tax
 I0 (A/P sales tax, 0%)

Purchase Order/Scheduling Agreement

Goods/service items
 Layout All information

Item	Amount	Quantity	O...	Purchase ...	Item	Smart Number	PO Text

7. Record the FMMI document number displayed on the bottom of the screen onto the payment.

Approving LIV Payments in FMMI

FOST Internal Job Aid

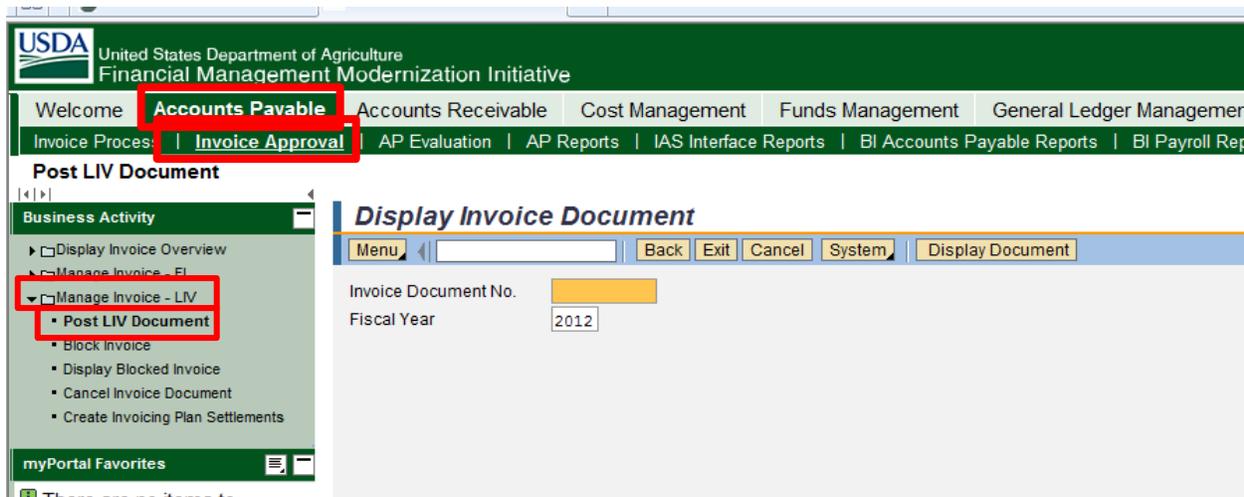
Purpose:

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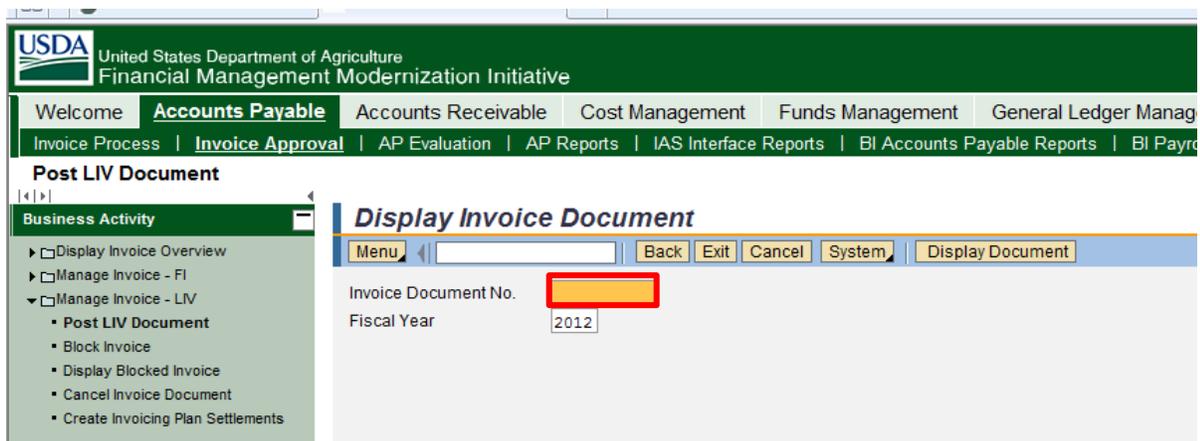
Approving LIV Payments:

Once the LIV document has been entered into FMMI, it will then be given to an approving official who will review the document and approve it in FMMI.

1. Accounts Payable > Invoice Approval > Manage Invoice – LIV > Post Invoice



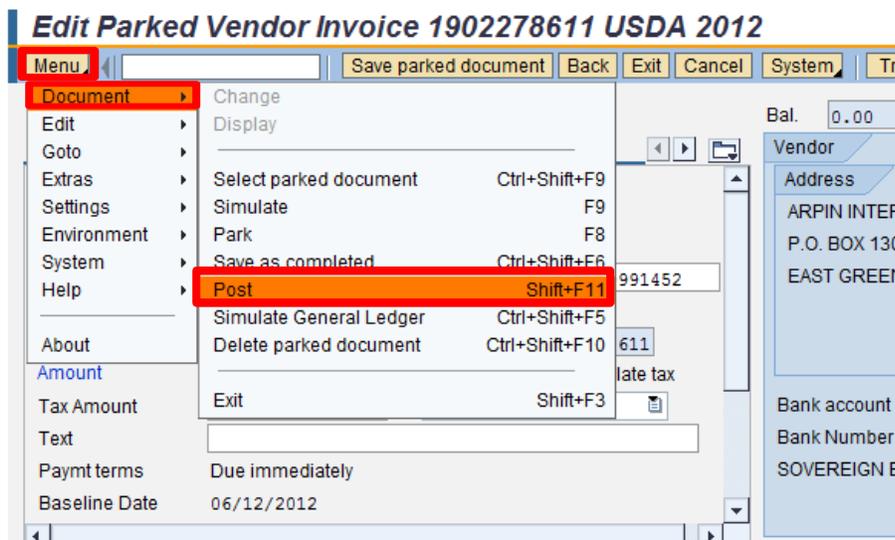
2. In the Document Number field, the Document Number that was recorded at the end of the document entry will be entered. Hit the Enter key.



Approving LIV Payments in FMMI

FOST Internal Job Aid

3. The document will populate. The Approver will review the payment for any errors.
4. Once the Approver has reviewed the document for errors, the Approver can then Post the document. Click Menu > Document > Post or Shift+F11.



5. The Approver will then stamp the document, initial and date.

APPROVED

DATE

Unilateral Deobligation Letter Template for CAs & GRs

Fost Supplemental Document



United States
Department of
Agriculture

Animal and
Plant Health
Inspection
Service

4700 River Road,
Unit 55, 3B-06.1
Riverdale, MD
20737

Date: *(Insert Month/Day/Year)*

To: *(Insert Cooperator's Signatory Official's name and mailing address)*

Subject: Notice of Deobligation
APHIS Agreement No. *(Insert number, e.g., xx-xxxx-xxxx-xx)*

This notice is to inform you that we are initiating action to deobligate the remaining unobligated balance of \$(*Insert amount*) in Federal funds awarded to you under the subject agreement between your organization and our Agency. This deobligation is based on the amount you reported in Block 10.h. of your **final** Federal Financial Report (FFR).

This letter serves as an acknowledgement of receipt of your final reports and that your organization has fulfilled the terms and conditions of the agreement. Accordingly, our Agency is released from payment for any additional obligations by your organization in excess of those reported in your final FFR and final SF-270, Request for Advance or Reimbursement. This action will complete a financial close-out of the subject agreement.

However, in accordance with Federal Regulations, the formal closeout of this agreement does not affect the following requirements:

- APHIS' right to disallow costs and recover funds on the basis of a later audit or other review;
- The Grantor's obligation to return any funds due as a result of later refunds, corrections, or other transactions;
- Records retention requirements or APHIS' right to access records;
- Property management requirements;
- Program income reporting requirements; and
- Audit requirements.

The deobligation will be executed 14 days from the date of this letter. If there is a need to issue a corrected FFR, please notify APHIS' designated representative, *(Insert name)*, and submit a corrected final FFR to our representative to be received by APHIS within that 14 day period.

Sincerely,

(Insert Authorized Departmental Officer's name and signature block)

Enclosure: Final FFR

cc:

(Insert ADODR name)

ADO file

(Insert name of Cooperator's SF-425 Authorized Certifying Official)

(Insert name(s) of APHIS budget analysts)



Safeguarding American Agriculture
APHIS is an agency of USDA's Marketing and Regulatory Programs
An Equal Opportunity Provider and Employer

Unilateral Deobligation Letter Template for CAs & GRs
Fost Supplemental Document

(Insert Cooperator addressee's name)

Page 2

FOR USDA, APHIS USE ONLY

Deobligation Notice to Financial Services Division, Minneapolis Financial Service Branch, Payments Team: Please take action to deobligate the amount(s) reflected below for Agreement No. *(Insert number)*. A printed screen is attached showing the amount has been posted in the APHIS Cost Management System. Accordingly, this revision to the award amount is also to be reported in the Federal Assistance Awards Data System. Accounting information is provided below:

Budget Object Class Code: *(Insert code)*

Accounting Code(s) & Deobligation Amount(s): *(Insert amounts with corresponding codes)*

Signature: _____

(Insert typed name of Agreements Specialist)

Date