

# Guidelines for Use of Funds

## USDA APHIS Veterinary Services

### Antimicrobial Resistance Dashboard

#### Cooperative Agreements

This guidance describes costs allowed or unallowed for reimbursement through an APHIS Veterinary Services (VS) Cooperative Agreement funded via Antimicrobial Resistance Dashboard (AMR Dashboard) funding. Additional program-specific cost guidance is included in the AMR Dashboard Funding Opportunity Announcement.

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 to 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:** VS 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 the 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 amount needed for each employee position
- 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 benefits rate.

- Benefits may include health and life insurance, unemployment insurance, workers' compensation, retirement, social security, pensions, etc.
- Identify benefits included in the wages or salaries (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 (excluding international travel) associated with the proposed work. Recipients should follow their State written travel policies when calculating travel costs. If there is no State travel policy, Federal per diem rates should be used. Federal per diem rates can be found on [GSA](#). Reference 2 CFR Part 200.474. Travel rates can't exceed the Federal GSA Per Diem Rates for lodging and M&IE.

- Local travel: Identify any local travel to project work sites as outlined 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.

- Out of State travel: Identify the number of travelers, meeting/conference/training title, and destination. Provide the cost of transportation, lodging, subsistence and related items, number of days, rate per day, and the total. Registration fees should be included in the “Other” category.
- Foreign travel: Identify any travel outside of Canada and the United States and its territories and possessions. However, for a recipient located outside Canada and the United States and its territories and possessions, foreign travel means travel outside that country. 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 project Work Plan.

**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.

**6. Contractual:** Applicants must describe, in the narrative of the Work Plan, what the subaward/contract will accomplish. Applicants should include the total “contract” cost, by contractor or subrecipient, in the project budget. Provide a separate budget with cost breakdowns for each contractor or subrecipient, for all applicable cost categories and totals. Make sure to describe in the narrative of the Work Plan how the subaward/contract will be accomplished: competitive or sole source. Sole source requires a justification with the package.

Consulting contract applicants must include: 1) name(s) of consultant(s) to be engaged; 2) daily fees to be paid to each consultant; 3) number of estimated days of continuing services; 4) scope of work to be performed (deliverables); 5) other incidental data supporting the proposed costs; and 6) a description of how the consultant(s) will be selected: competitive or sole source (sole source requires a justification with the package).

**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.

**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:** Program 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 training curricula, videos, websites, pamphlets, fliers, fact sheets, publications, and other print and media. An applicant who receives funding for a project that includes the production, purchase, or distribution of materials is not obligated to put the USDA logo on the materials they produce or purchase under a cooperative agreement. However, APHIS has the option of reviewing all materials to be produced and may request acknowledgement of funding from the USDA APHIS AMR Dashboard if we determine it is in our collective best interest. Refer to the [General Terms and Conditions for APHIS Cooperative Agreements Grants, Publications and Audiovisuals](#) article for additional information.

<b>VS' total share of the project must be a whole dollar amount, no cents.</b>
--

## Unallowable Costs

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

- Costs incurred prior to the effective date of the agreement (unless a pre-award has been signed).
- 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.
- Projects or activities associated with VS-State-industry cooperative programs that are typically supported through appropriated funds, including activities typically funded via APHIS VS annual umbrella agreements and Animal Disease Traceability agreements. AMR Dashboard funds may be used to build on AMR activities associated with other VS cooperative programs.
- Promotional or thank-you materials, incentives to encourage participation, or similar costs unallowable by OMB cost principles ([2 CFR Subpart E – Cost Principles General Provisions for Selected Items of Cost](#)).
- Food and beverage for meetings, trainings, or workshops.
- Bonuses or commissions.
- Fundraising.
- Meeting, conference, symposia, or workshop honoraria which is payment to individuals or guests other than for documented professional services.
- Compensation of Federal Employees. Salary payments, consulting fees, or other remuneration of full-time Federal employees are unallowable costs.

## Cost Sharing

Cost sharing and matching, defined in 2 CFR Part 200.306, is “the portion of the project costs not paid by Federal funds (unless otherwise authorized by Federal statute).” There is no required cost share/match for AMR Dashboard cooperative agreements. If an Applicant includes contributions as part of a cost share in their budget proposal and it is accepted by APHIS VS, 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 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 requirement 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 VS' 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. Refer to 2 CFR Part 200.306 for additional information.

## 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 as 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 for indirect costs (2 CFR Part 200.1). 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 needs to be attached to the application in eFG if indirect costs are assessed. When a Cooperative Agreement budget/funding period does not coincide with the same period for which the rate was established, it may be necessary to use two different rates in computing the amount of indirect costs applicable to the Cooperative Agreement budget. If a new rate has been negotiated, then attach a copy of the signed NICRA to the applicable Financial Report submission. If indirect costs were previously claimed based on the use of a "provisional" rate and a "final" or a "fixed" rate is determined prior to the end of the Cooperative Agreement period of performance, then adjustments to the claims are required to reflect the establishment of the final or fixed rates.

The Agricultural Appropriations bill places a statutory cap of 10 percent on indirect costs that can be claimed on Cooperative Agreements with nonprofit organizations. This does not apply to Grants. When the statutory cap applies, APHIS cannot pay indirect costs in excess of 10 percent of the total direct costs of the Cooperative Agreement. If the Recipient's NICRA rate when applied is less than 10 percent of total direct costs, then the Recipient NICRA applies.

When discussing indirect costs, the definition for nonprofit institutions differs from the definition given in the cost principles. Nonprofit institutions include both private and public organizations including colleges, universities, schools, hospitals, and others. State, local, and Tribal governmental entities are not considered nonprofit institutions. Below are two examples which illustrate the proper application of the indirect cost rate, considering the statutory cap.

### Example 1:

Yellowstone Fish and Wildlife Society (an IRS classified Nonprofit) Cooperative Agreement with total direct costs of \$100,000. The Society has an indirect cost rate of 30% and the base for application is salaries, wages, and fringe benefits.

The Society's SF-424A states that \$70,000 will be spent on salaries, wages, and fringe benefits. The remaining \$30,000 is for travel, contracts, and equipment.

In this case, if the 10% statutory cap was applied, the indirect costs would be  $10\% \times \$100,000 = \$10,000$ . If their 30% rate was applied to the base of \$70,000 (salaries, wages, and fringe benefits), the indirect costs would be  $30\% \times \$70,000 = \$21,000$ . In this scenario, the statutory cap would apply, and they could only claim \$10,000 in indirect costs.

#### Example 2:

Kansas State University (KSU) Cooperative Agreement with total direct costs of \$100,000. KSU has an indirect cost rate of 15% and the base for application is exclusively salaries and wages.

KSU's SF-424A states that \$50,000 will be spent on salaries and wages. The remaining \$50,000 is for fringe benefits, travel, supplies, and training.

In this case, if the 10% statutory cap was applied, the indirect costs would be  $10\% \times \$100,000 = \$10,000$ . If their 15% rate was applied to the base of \$50,000 (salaries and wages), the indirect costs would be  $15\% \times \$50,000 = \$7,500$ . In this scenario, KSU's rate would apply since it is less than the statutory cap.

Recipients, except for state and local government entities that receive more than \$35 million in direct Federal funding each year, that have an expired NICRA or who have never had an approved rate, can use a de minimis rate of 10 percent of modified total direct costs pursuant to 2 CFR Part 200.414 (f).

No documentation is required to justify this rate. Modified total direct costs is the sum of these costs:

- all direct salaries and wages
- applicable fringe benefits
- materials and supplies
- services
- travel
- subawards and subcontracts up to the first \$25,000 of each subaward and subcontract

## 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 percent, then the Federal share is 66 ¾ percent 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 percent match of Federal funds means that the recipient must provide 50 cents for every Federal dollar. A 100 percent match means one recipient dollar (or dollar value) for every Federal dollar.
5. **Disallowed 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.
6. **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.
7. **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.
8. **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.
9. **Information technology systems:** computing devices, ancillary equipment, software, firmware, and similar procedures, services (including support services), and related resources.
10. **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.
11. **Pass-through Entity:** a non-Federal entity that provides a subaward to a subrecipient to carry out part of a Federal program.
12. **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.
13. **Restricted 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.
14. **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.
15. **Subrecipient:** a non-Federal entity that receives a subaward from a pass-through entity to carry out part of a Federal program.
16. **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.
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.
18. **Unobligated balance:** the amount of funding that has been authorized on a Federal award but remains uncommitted by the Recipient.

## Common Cost Types

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

<b>Type of Cost</b>	<b>2 CFR Part</b>	<b>Classification of Costs</b>
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
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

<b>Type of Cost</b>	<b>2 CFR Part</b>	<b>Classification of Costs</b>
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
Plant and security costs	200.457	Allowable
Pre-award costs	200.458	Restricted – refer to CFR
Professional service costs	200.459	Restricted – refer to CFR
Proposal costs	200.460	Restricted – refer to CFR
Publication and printing costs	200.461	Refer to CFR
Rearrangement and reconversion costs	200.462	Allowable
Recruiting costs	200.463	Refer to CFR
Relocation costs of employees	200.464	Restricted – refer to CFR
Rental costs of real property	200.465	Allowable – refer to CFR



<b>Type of Cost</b>	<b>2 CFR Part</b>	<b>Classification of Costs</b>
and equipment		
Scholarships and student aid costs	200.466	Restricted – prior approval of agency required – refer to CFR
Selling and marketing costs	200.467	Unallowable – prior approval of agency required – refer to CFR
Specialized service facilities	200.468	Allowable – refer to CFR
Student activity costs	200.469	Unallowable
Taxes (including Value Added Tax)	200.470	Restricted – refer to CFR
Termination costs	200.471	Restricted – refer to CFR
Training and education costs	200.472	Allowable
Transportation costs	200.473	Allowable
Travel costs	200.474	Refer to CFR
Trustees	200.475	Refer to CFR