

# NOTICE OF OFFICE OF MANAGEMENT AND BUDGET ACTION

Date 08/20/2009

Department of Commerce  
National Oceanic and Atmospheric Administration  
FOR CERTIFYING OFFICIAL: Suzanne Hilding  
FOR CLEARANCE OFFICER: Diana Hynek

In accordance with the Paperwork Reduction Act, OMB has taken action on your request received 05/26/2009

ACTION REQUESTED: Extension without change of a currently approved collection  
TYPE OF REVIEW REQUESTED: Regular  
ICR REFERENCE NUMBER: 200905-0648-003  
AGENCY ICR TRACKING NUMBER:  
TITLE: NOAA Community-based Restoration Program Progress Reports  
LIST OF INFORMATION COLLECTIONS: See next page

OMB ACTION: Approved without change  
OMB CONTROL NUMBER: 0648-0472

The agency is required to display the OMB Control Number and inform respondents of its legal significance in accordance with 5 CFR 1320.5(b).

EXPIRATION DATE: 08/31/2012

DISCONTINUE DATE:

BURDEN:	RESPONSES	HOURS	COSTS
Previous	800	8,240	3,000
New	500	4,145	0
Difference			
Change due to New Statute	0	0	0
Change due to Agency Discretion	0	0	-3,000
Change due to Agency Adjustment	-300	-4,095	0
Change Due to Potential Violation of the PRA	0	0	0

TERMS OF CLEARANCE:

OMB Authorizing Official:

Kevin F. Neyland  
Deputy Administrator,  
Office Of Information And Regulatory Affairs

List of ICs

IC Title	Form No.	Form Name	CFR Citation
NOAA Community-based Restoration Program Progress Reports - Semi-annual report	NA, NA, NA, NA, NA, NA	SF-PPR-D Form and Instructions, SF-PPR form and instructions (cover page), SF-PPR Cover page continuation and instructions, SF-PPR-B form and instructions, SF-PPR-F form and instructions (only for certain grantees), SF-PPR-A form and instructions	
NOAA Community-based Restoration Program Progress Reports - Annual report	NA, NA, NA, NA, NA, NA	SF-PPR form and instructions (cover page), SF-PPR-D form and instructions, SF-PPR-F form and instructions (for specified awardees only), SF-PPR-B form and instructions, SF-PPR cover page continuation form, SF-PPR-A form and instructions	

# PAPERWORK REDUCTION ACT SUBMISSION

**Please read the instructions before completing this form. For additional forms or assistance in completing this form, contact your agency's Paperwork Clearance Officer. Send two copies of this form, the collection instrument to be reviewed, the supporting statement, and any additional documentation to: Office of Information and Regulatory Affairs, Office of Management and Budget, Docket Library, Room 10102, 725 17th Street NW, Washington, DC 20503.**

1. Agency/Subagency originating request	2. OMB control number <span style="float: right;">b. <input type="checkbox"/> None</span> a. _____ - _____
3. Type of information collection ( <i>check one</i> ) a. <input type="checkbox"/> New Collection b. <input type="checkbox"/> Revision of a currently approved collection c. <input type="checkbox"/> Extension of a currently approved collection d. <input type="checkbox"/> Reinstatement, without change, of a previously approved collection for which approval has expired e. <input type="checkbox"/> Reinstatement, with change, of a previously approved collection for which approval has expired f. <input type="checkbox"/> Existing collection in use without an OMB control number For b-f, note Item A2 of Supporting Statement instructions	4. Type of review requested ( <i>check one</i> ) a. <input type="checkbox"/> Regular submission b. <input type="checkbox"/> Emergency - Approval requested by _____ / _____ / _____ c. <input type="checkbox"/> Delegated
7. Title	5. Small entities Will this information collection have a significant economic impact on a substantial number of small entities? <input type="checkbox"/> Yes <input type="checkbox"/> No
8. Agency form number(s) ( <i>if applicable</i> )	6. Requested expiration date a. <input type="checkbox"/> Three years from approval date b. <input type="checkbox"/> Other Specify: _____ / _____
9. Keywords	
10. Abstract	
11. Affected public ( <i>Mark primary with "P" and all others that apply with "x"</i> ) a. ___ Individuals or households d. ___ Farms b. ___ Business or other for-profit e. ___ Federal Government c. ___ Not-for-profit institutions f. ___ State, Local or Tribal Government	12. Obligation to respond ( <i>check one</i> ) a. <input type="checkbox"/> Voluntary b. <input type="checkbox"/> Required to obtain or retain benefits c. <input type="checkbox"/> Mandatory
13. Annual recordkeeping and reporting burden a. Number of respondents _____ b. Total annual responses _____ 1. Percentage of these responses collected electronically _____ % c. Total annual hours requested _____ d. Current OMB inventory _____ e. Difference _____ f. Explanation of difference 1. Program change _____ 2. Adjustment _____	14. Annual reporting and recordkeeping cost burden ( <i>in thousands of dollars</i> ) a. Total annualized capital/startup costs _____ b. Total annual costs (O&M) _____ c. Total annualized cost requested _____ d. Current OMB inventory _____ e. Difference _____ f. Explanation of difference 1. Program change _____ 2. Adjustment _____
15. Purpose of information collection ( <i>Mark primary with "P" and all others that apply with "X"</i> ) a. ___ Application for benefits e. ___ Program planning or management b. ___ Program evaluation f. ___ Research c. ___ General purpose statistics g. ___ Regulatory or compliance d. ___ Audit	16. Frequency of recordkeeping or reporting ( <i>check all that apply</i> ) a. <input type="checkbox"/> Recordkeeping b. <input type="checkbox"/> Third party disclosure c. <input type="checkbox"/> Reporting 1. <input type="checkbox"/> On occasion 2. <input type="checkbox"/> Weekly 3. <input type="checkbox"/> Monthly 4. <input type="checkbox"/> Quarterly 5. <input type="checkbox"/> Semi-annually 6. <input type="checkbox"/> Annually 7. <input type="checkbox"/> Biennially 8. <input type="checkbox"/> Other (describe) _____
17. Statistical methods Does this information collection employ statistical methods <input type="checkbox"/> Yes <input type="checkbox"/> No	18. Agency Contact (person who can best answer questions regarding the content of this submission)  Name: _____ Phone: _____

## 19. Certification for Paperwork Reduction Act Submissions

On behalf of this Federal Agency, I certify that the collection of information encompassed by this request complies with 5 CFR 1320.9

**NOTE:** The text of 5 CFR 1320.9, and the related provisions of 5 CFR 1320.8(b)(3), appear at the end of the instructions. *The certification is to be made with reference to those regulatory provisions as set forth in the instructions.*

The following is a summary of the topics, regarding the proposed collection of information, that the certification covers:

- (a) It is necessary for the proper performance of agency functions;
- (b) It avoids unnecessary duplication;
- (c) It reduces burden on small entities;
- (d) It used plain, coherent, and unambiguous terminology that is understandable to respondents;
- (e) Its implementation will be consistent and compatible with current reporting and recordkeeping practices;
- (f) It indicates the retention period for recordkeeping requirements;
- (g) It informs respondents of the information called for under 5 CFR 1320.8(b)(3):
  - (i) Why the information is being collected;
  - (ii) Use of information;
  - (iii) Burden estimate;
  - (iv) Nature of response (voluntary, required for a benefit, mandatory);
  - (v) Nature and extent of confidentiality; and
  - (vi) Need to display currently valid OMB control number;
- (h) It was developed by an office that has planned and allocated resources for the efficient and effective management and use of the information to be collected (see note in Item 19 of instructions);
- (i) It uses effective and efficient statistical survey methodology; and
- (j) It makes appropriate use of information technology.

If you are unable to certify compliance with any of the provisions, identify the item below and explain the reason in Item 18 of the Supporting Statement.

Signature of Senior Official or designee

Date

Agency Certification (signature of Assistant Administrator, Deputy Assistant Administrator, Line Office Chief Information Officer, head of MB staff for L.O.s, or of the Director of a Program or StaffOffice)

Signature

Date

Signature of NOAA Clearance Officer

Signature

Date

**SUPPORTING STATEMENT**  
**NOAA COMMUNITY-BASED RESTORATION PROGRAM PROGRESS REPORTS**  
**OMB CONTROL NO.: 0648-0472**

**A. JUSTIFICATION**

**1. Explain the circumstances that make the collection of information necessary.**

This request is for a renewal of this information collection, with a change in the reporting forms. The National Oceanic and Atmospheric Administration (NOAA) Restoration Center (Center) will continue collecting the same information; however, the Center is requesting to begin to use the Standard Form Performance and Progress Reports (SF-PPR) family of forms, a set of uniform reporting formats used for standard reporting by recipients on their performance under grants and cooperative agreements. This transition is in anticipation of government-wide standardization.

This information collection is needed to assist in the administration and evaluation of the NOAA Community-based Restoration Program (CRP), which began in 1996 with the goal of involving communities in local marine and estuarine habitat restoration. Each fiscal year, NOAA publishes an Omnibus Federal Register Notice (FRN) that provides the general public with a single source of program and application information for NOAA's competitive grants programs. Interested parties are directed to full funding announcements at [www.grants.gov](http://www.grants.gov), the federal "find and apply" web portal. The CRP announces a variety of competitive grants opportunities through the NOAA Omnibus FRN process that offer financial assistance for several categories of community-based activities including habitat restoration, marine debris removal, and dam and barrier removal endeavors. The full funding announcements contain a description of the eligible community-based activities, any program priorities, and the standard, NOAA-wide evaluation criteria against which applications are reviewed. Awards are made as grants or cooperative agreements under the authority of the Magnuson-Stevens Fishery Conservation and Management Act and the Fish and Wildlife Coordination Act, 16 U.S.C. 661, as amended by the Reorganization Plan No. 4 of 1970. Applications for federal financial assistance are primarily submitted via the grants.gov website using the Office of Management and Budget (OMB) approved federal application forms (required by OMB Circulars A-102 and A-110). Funding recommendations are determined through a competitive process involving technical merit review and ranking of the applications.

The CRP has evolved from funding a handful of projects, using end-of-the-year base funds transferred to regional offices for NOAA staff to conduct projects, to a full-fledged, nationally recognized competitive grants program with an appropriations line in the Federal Budget under the National Marine Fisheries Service (NMFS). Nearly 2,200 projects have received NOAA funds since 1996. Requests for individual project funding has increased, projects have become more complex in scope and scale and, until recently, more awards have been made annually. It is more critical than ever to accurately track the status and success of funded projects to provide accountability for the CRP and NOAA on the expenditure of federal restoration funds. Collection of this information allows the CRP to respond quickly to inquiries from NOAA management, members of Congress and constituents, and more importantly, directly supports NOAA performance measure reporting under the Government Performance and Results Act

(GPRA) “acres restored” measure. It also allows NOAA, at present solely through information collected by the CRP, to contribute to the President’s Wetlands Initiative tracking toward the 3 million acres of wetlands restored, enhanced and protected by 2010 goal.

Successful applicants are required by the NOAA Grants Management Division (GMD) to submit periodic performance reports and a final report for each award. This collection stipulates the information to be provided in these reports for projects supported through the CRP, and will assist grantees in fulfilling their responsibilities to the GMD in meeting semiannual and final progress report requirements. The GMD has determined that semiannual progress reports are needed to appropriately monitor projects and to ensure Federal monies are properly used. Successful applicants (grantees) must submit semiannual progress reports to NOAA describing the use of funds and progress of the project within 30 days after the end of each 6-month period of the 2-year award (three semiannual reports total). This report must describe all tasks and expenditures scheduled and accomplished to date. Information contained in semiannual progress reports is used to monitor the progress of work on the grants and determine the appropriateness of continuing payments. A final report must be submitted to NOAA by grantees within 90 days after the completion of each project. The final report must comprehensively describe the project and include evaluation of the work performed in sufficient detail to enable NOAA to assess the completed project. Information in the final report is used to determine if project objectives were achieved.

**2. Explain how, by whom, how frequently, and for what purpose the information will be used. If the information collected will be disseminated to the public or used to support information that will be disseminated to the public, then explain how the collection complies with all applicable Information Quality Guidelines.**

The information will be used by NOAA Restoration Center (RC) staff and contractors to populate a project tracking database on an ongoing basis. Results of staff queries to the database are currently used by upper level NOAA management to respond to congressional and constituent inquiries, provide an accurate accounting of ‘acres restored’ under the GPRA measure, and enable the RC to distinguish between acres of wetlands restored, enhanced and protected. The database tracks sources and amounts of funding, numbers of volunteers and volunteer hours contributed toward projects, provides a quality-controlled subset of project data to the public through live links from the World Wide Web, and promotes planning through a web-based geographical information system (GIS) mapping function.

Currently, grantees are required to provide reports in a two-part process consisting of a Progress Report Narrative that follows an outline provided by the NOAA Restoration Center and a Project Data Form for reporting project details.

Information currently collected, and that will continue to be collected via the SF-PPR forms:

- (1) Project Title.
- (2) Contact Information - Basic details necessary to identify and contact recipients of NOAA funds, such as primary contact name, address, affiliate organization, phone and fax numbers, email address, and organization website, if applicable.

- (3) Reporting Period. Semiannual performance reports are required no later than 30 days following the end of each 6-month period from the start date of the award; comprehensive final reports are due 90 days after the expiration of the award.
- (4) Project Information - Basic project details, such as the project title, award number and reporting period, and details on the physical location of a project site, such as the city, county, state and congressional district(s) within which the project is located, a landmark that will help identify the project site, the zip code within which the project site is located and the longitude and latitude coordinates of the project site for producing GIS maps; the landownership status to determine if a project is occurring on public or private lands; the number of volunteers and volunteer hours dedicated to a project to determine socio-economic benefits of a project; a brief project description used for the purposes of congressional notification and/or press releases on funded projects; project implementation start and end dates to assist with the tracking and close-out of grants and cooperative agreements; a list of project partners and their contributions to the project; and a list of permits pending/acquired to implement the project, if applicable, to assist technical staff with ensuring NOAA is in compliance with federal environmental laws.
- (5) Methodology. This consists of a description of the specific methodology used to undertake on-the-ground activities during the reporting period to achieve the project goals and objectives, including specific techniques and materials used for the project.
- (6) Community Involvement. This consists of a description of community support and public involvement in the project, including the roles of volunteers.
- (7) Supporting Materials. This consists of articles, news clippings, project photographs, project maps, related web sites, other evidence of NOAA support for the project and similar information to serve as an archival record of public perception of a project and credit for NOAA's involvement.
- (8) Restoration and Monitoring Information - The habitat type(s) benefited by the project, including information on the actual number of acres and/or stream miles restored to date for a project, and the projected number of acres and/or stream miles to be restored with NOAA funds by the award end date, for the purposes of accurate reporting on NOAA performance measures and responding to inquiries from Congress; a brief description of indirect benefits that might have occurred as a result of the project; a list of common and/or scientific names of up to five organisms that benefit from the community-based activity, to evaluate a project's impact or potential benefit to NOAA trust resources; and a list of monitoring techniques used to complete the project and evaluate project success. This information is subjected to quality control via confirmation of responses by NOAA personnel through site visits, GIS mapping and/or conversations with the grantee, as applicable, prior to use of the data in production records of the project tracking database, as described above.

- (9) Outreach Activities. This consists of a description of outreach or educational activities such as training, production of brochures, videos, press releases or public events and similar activities related to the project that have occurred during the reporting period.
- (10) Monitoring and Maintenance Activities. This consists of a description of any monitoring and maintenance of a project that has taken place during the reporting period, and/or a description of the procedures that are being used for evaluating the relative success of a project. It also provides information on when NOAA can expect the results of monitoring efforts.
- (11) Results/Progress to Date. This consists of a detailed description of the status of the project (planning/design, implementation, monitoring, completed) in terms of progress and results achieved during the reporting period. This information assists NOAA in determining if a project is on track and meeting the goals and objectives within the time frame outlined in the application, and provides information necessary for NOAA to accurately report on performance measures.
- (12) Funding Information. This consists of a budget table showing expenses incurred during the reporting period by object class for NOAA funds and matching contributions, and an accompanying budget narrative. The budget narrative briefly explains the expenditures appearing on the table, including an explanation of any differences between actual and scheduled expenditures that assists NOAA in determining if a project is on track. The final report provides a comprehensive post-project budget breakdown showing actual expenditure of NOAA funds and matching contributions, the nature (cash or in-kind) and source of matching contributions, including documentation of volunteer hours and in-kind contributions, that is used to evaluate the leverage gained by NOAA investments.
- (13) Project Narrative. As this is largely covered in a grantee's initial application, this information is required only for the final comprehensive report to summarize the problems that the project addressed through the community-based activity, describe the short- and long-term objectives and goals and how they were met, and explain the relevance of the project to enhancing habitat and/or to benefiting living marine resources.

#### Cross-walk between current and SF-PPR forms

##### SF-PPR Cover Page

The SF-PPR Cover Page is a required form for which data fields cannot be changed. The instructions have been slightly modified for NOAA Restoration Center award recipients to clarify the information that is expected in the data fields on the form. A header has been added to the form to ensure it is clear that it is for use with the NOAA-specific directions. The SF-PPR Cover Page will be used to collect a subset of the information that appears on pages 1 and 2 of the currently approved NOAA Restoration Center information collection. Several other SF-PPR formats will be used to collect the remainder of the information in the currently approved NOAA Restoration Center information collection. The Data Universal Number System (DUNS) and Employer Identification Numbers are also collected.

The formats for the following forms are optional and several have been tailored for agency-specific use by the NOAA Restoration Center:

SF-PPR-2 (Cover Page Continuation)

The majority of information currently collected on page 3 of the NOAA Restoration Center form has been migrated to the SF-PPR-2 format. Instructions specific to this format have also been provided. This information will be required from recipients only twice during their entire period of performance – at the start of their project, as part of their first progress report, and at the end of the project, with updated and verified information included as part of the final progress report.

SF-PPR-A (Performance Measures)

Information on project volunteers (page 3 of the current information collection) and performance measures for acres restored and stream miles opened (page 4 of the current information collection) has been migrated to the SF-PPR-A. Additional performance measures are under development and will be included in future funding announcements according to project type, addressed by applicants in their project narratives as part of their project goals and objectives, and reported on by recipients. The format has been modified to include examples to clarify what is expected of recipients.

SF-PPR-B (Program Indicators)

Information on specific activities collected as part of the NOAA Restoration Center's current information collection has been migrated to the SF-PPR-B. The format has been modified to include examples to clarify what is expected of recipients.

SF-PPR-D (Table of Funding Information)

Information on funding from page 2 of the current NOAA Restoration Center information collection has been migrated to the SF-PPR-D, as the set-up of this particular format was most closely aligned with the way funding information is currently collected. The format header row has been tailored to provide recipients with guidance on how the funding information should be presented. A comment box has been included at the bottom of the format to encourage grantees to communicate with their Federal Program Officer on changes to their approved budgets that do not require prior approval, and remind them that some budget changes do require prior approval.

SF-PPR-F (Program/Project Management)

The SF-PPR-F format has not been modified. In 2004, the NOAA Restoration Center supported the government-wide Grants Policy Committee by soliciting feedback on this form in draft from a subset of our grantees. Restoration Center staff and management have determined that this form is not appropriate for use by all recipients, and it may therefore only be required by those recipients with awards of greater financial value, /or those that provide sub-awards for multiple projects as part of multi-year awards, which have long project periods and budget periods that are funded in annual increments. Use will be determined on a case-by-case basis and will be specified in award documents provided to applicable recipients. This form collects more detailed information on measurement of effectiveness and cost efficiencies, collaboration with related programs, and high-level discussion of performance target achievement.

It is anticipated that the information collected will be disseminated to the public or used to support publicly disseminated information. As explained in the preceding paragraphs, the

information gathered has utility. NOAA Fisheries will retain control over the information and safeguard it from improper access, modification, and destruction, consistent with NOAA standards for confidentiality, privacy, and electronic information. See response #10 of this Supporting Statement for more information on confidentiality and privacy. The information collection is designed to yield data that meet all applicable information quality guidelines. Prior to dissemination, the information will be subjected to quality control measures and a pre-dissemination review pursuant to Section 515 of Public Law 106-554.

**3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological techniques or other forms of information technology.**

The progress reports may be developed on a personal computer using Microsoft Word, which was selected as it is the most universally available word processing software. Grantees can save the information in the first progress report and use the same file to produce subsequent reports, eliminating duplication, and allowing a simplified approach to producing a comprehensive final report. The forms will be available from the internet at <http://www.nmfs.noaa.gov/habitat/restoration> and must be submitted electronically through NOAA's Grants Online.

For those grantees that have the technology available, to a limited extent the collection of project location information may involve the use of a hand-held Global Positioning System unit (GPS). This is not required however, since NOAA staff have a web-based GIS mapping function that can identify specific project sites if the information is not provided by the grantee. No other type of information technology is necessary to collect the majority of information that will be requested.

**4. Describe efforts to identify duplication.**

Based on discussions with staff from other federal programs that undertake similar types of granting activities related to habitat and fisheries and that collect project-specific data, no evidence of duplication of information collection could be found.

**5. If the collection of information involves small businesses or other small entities, describe the methods used to minimize burden.**

Only successful applicants are required to submit semiannual and final progress reports. Specific instructions are provided to guide the preparation of semiannual and final reports to prevent submission of unnecessary information and to minimize the burden on grantees. The information to be collected is very basic in its nature and should not be a hardship or burden for small entities that receive NOAA community-based project funds to produce.

**6. Describe the consequences to the Federal program or policy activities if the collection is not conducted or is conducted less frequently.**

If the information collection is discontinued, NOAA's ability to precisely account for the expenditure of federal funds for community-based activities, and provide accurate data to support GPRA 'acres restored' and other performance measures, will be compromised. NOAA will not be able to contribute to the President's wetlands initiative goals without otherwise tracking and distinguishing the component types of wetland restoration (restoration, enhancement and protection). Collections conducted less frequently will not meet the standards of the NOAA Grants Management Division for semiannual reporting, and would make it more difficult to determine and correct poor grantee performance, since less frequent collection provides insufficient information to monitor awards to ensure Federal monies are properly used. Altering collection frequency will also inhibit timely responses to Freedom of Information Act requests that may be submitted.

**7. Explain any special circumstances that require the collection to be conducted in a manner inconsistent with OMB guidelines.**

The proposed collection of information will be conducted in a manner that is consistent with OMB guidelines.

**8. Provide information on the PRA Federal Register Notice that solicited public comments on the information collection prior to this submission. Summarize the public comments received in response to that notice and describe the actions taken by the agency in response to those comments. Describe the efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.**

A Federal Register Notice published on January 28, 2009 (74 FR 4941) solicited public comment on this information collection renewal request. No comments were received.

Consultations with interested and affected persons are an integral part of this information collection, and are accomplished by discussions with most current grantees to explain and clarify the information needed and solicit suggestions for improvement, typically on a one-on-one basis. Consultations will continue with current and future grantees as necessary to ensure they understand the information collection requirements and to solicit suggestions for improvements.

**9. Explain any decisions to provide payments or gifts to respondents, other than remuneration of contractors or grantees.**

No payments or gifts will be provided to respondents of this information collection other than remuneration of contractors or grantees implementing projects supported through the CRP.

**10. Describe any assurance of confidentiality provided to respondents and the basis for assurance in statute, regulation, or agency policy.**

The information collection does not request any proprietary or confidential information. No confidentiality is provided.

**11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private.**

No information of a sensitive nature is collected.

**12. Provide an estimate in hours of the burden of the collection of information.**

Estimated burden hours and costs during one year for this renewed information collection will be 4,145 hours and \$145,075 respectively. Costs are based on an average of \$35 per hour for professional labor.

The Restoration Center currently provides 125 awards annually on average, with an award period of 24 months. Three semiannual reports and one final report are required for each award, totaling 500 reports over the life of these projects. Each year 2 semiannual reports from 125 new grantees and 1 semiannual and 1 final report from the previous year's 125 grantees will be submitted:

- Semiannual reports take on average 7 hours to complete; final reports take on average 11 hours and 15 minutes to complete.
- An additional half hour for semiannual reports, and an additional hour for final reports, is needed for the SF-PPR-F.

375 semiannual reports:

$125 \times 3 \times 7 \text{ hours} = 2,625 \text{ hours}$

Plus

$25 \times 3 \times 30 \text{ minutes (the number annually who also complete SF-PPR-F)} = 37.5 \text{ (38) hours.}$

**Subtotal: 2,663 hours**

125 final reports:

$125 \times 1 \times 11 \text{ hours and } 15 \text{ minutes} = 1,406.25 \text{ (1,406) hours}$

Plus

$75 \times 1 \times 1 \text{ hour (the number annually who also complete SF-PPR-F)} = 75 \text{ hours.}$

**Subtotal: 1,481 hours, rounded up to 1,482 hours by ROCIS.**

**TOTAL: 4,145 hours**

Annualized collection totals are 250 respondents, 500 responses, and 4,145 hours annually. This includes the time for reviewing instructions, searching existing data sources, and gathering and

maintaining project information (photos, press releases, partner contributions, volunteer hours, tracking of multiple project sites, etc) needed to answer survey questions based on information that awardees should have readily available. Respondents are limited to those organizations that have received funding through the NOAA Community-based Restoration Program. The burden estimates were determined from a cross-section of recipients that have been using the existing approved information collection to report grants progress to the CRP and NOAA GMD.

See also the table at the end of this supporting statement.

**13. Provide an estimate of the total annual cost burden to the respondents or record-keepers resulting from the collection (excluding the value of the burden hours in Question 12 above).**

There are no capital or start-up costs. Any expense for the purchase of a computer, software, or supplies required for project implementation, or for monitoring and data entry, is included as part of the grant request budget. As all reports are submitted electronically, there are no operations/maintenance costs.

**14. Provide estimates of annualized cost to the Federal government.**

It is anticipated that twenty full-time employees (FTE) will devote no more than 5% of their time annually to input the information collected into a database, one FTE will devote no more than 5% of their time annually to supervise and task a contractor, and that one contractor will provide 10% of their time to maintain the database. With an annual average salary of \$75,000 per FTE at 5% time (20 FTEs X \$3750 = \$75,000), and an annual salary for an ORACLE database contractor of \$100,000 at 10% time (\$10,000), the annualized cost to the Federal government to conduct this information collection is estimated to be \$85,000. No equipment, overhead, printing or other costs should be involved with the processing of this information collection.

**15. Explain the reasons for any program changes or adjustments.**

Adjustment: There are approximately 75 fewer new grantees per year (fewer habitat restoration projects are being supported annually at increased award amounts), and a related reduction in responses from 800 to 500. The estimated total annual burden hours for this information collection is reduced by approximately half of that previously estimated, from 8,240 to 4,145. This reduction is due to: 1) the decrease in annual responses as well as to an average of 2 hours reduction in response time for the semiannual reports, and half an hour for the final reports and 2) recipients successful in competing for larger awards tending to be organizations with more capacity and expertise in handling the reporting requirements, and to be more experienced in carrying out habitat restoration projects and in tracking performance.

Program change: Costs have decreased from \$2,940 to zero, based on 100% electronic submission.

**16. For collections whose results will be published, outline the plans for tabulation and publication.**

The results of this collection will not be published. However, once a database record is populated and approved for production, which ensures the data meets NOAA Section 515 Information Quality Guidelines, a subset of the information is however made available to the public on the Restoration Center's home page at [www.nmfs.gov/habitat/restoration](http://www.nmfs.gov/habitat/restoration), under the "Programs and Projects" link, where the public can view projects by location or habitat type, see the project location on a map, and review an abstract of the project including funding information, project partners, and a contact for more information.

**17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons why display would be inappropriate.**

Not applicable.

**18. Explain each exception to the certification statement identified in Item 19 of the OMB 83-I.**

There are no exceptions.

**B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS**

This collection does not employ statistical methods.

### NOAA Annual Burden Hour Estimates for SF-PPR

Instrument	Type of report	Number of Respondents	Number of Responses per Respondent	NOAA Average Burden Hours per Response	NOAA Total Burden Hours per Response
Performance Progress Report (SF-PPR)	semiannual	125	3	3	1125
	final	125	1	5	625
Cover Page Continuation (SF-PPR-2)	semiannual	125	1	0.5	62.5
	final	125	1	0.5	62.5
Performance measures (SF-PPR-A)	semiannual	125	3	0.75	281.25
	final	125	1	1	125
Program Indicators (SF-PPR-B)	semiannual	125	3	1	375
	final	125	1	2	250
Table of Funding (SF-PPR-D)	semiannual	125	3	2	750
	final	125	1	3	375
Program/Project Management (SF-PPR-F)	semiannual	25	3	0.5	37.5
	final	75	1	1	75
Estimated Total Annual Burden Hours 4143.75 (4,144), rounded to 4,145, based on rounding off of each of the two Regulatory Information Service Center and Office of Information and Regulatory Affairs Combined Information System (ROCIS), Information Collection Requests (ICR), semiannual and final reporting.					

**Assumptions:**

- 125 new recipients whose awards run for 24 months.
- 125 new recipients turn in 2 semiannual reports.
- 125 recipients from prior year awards turn in 1 semiannual and 1 final report.
- Semiannual reports take less time to research and prepare than final reports.
- Final reports are cumulative.
- SF-PPR-2 continuation page is needed at the 1st semiannual reporting period and for the final report only.
- SF-PPR-F is used by a subset of recipients that provide sub-awards and/or receive awards of greater value.

**PERFORMANCE PROGRESS REPORT  
SF-PPR for NOAA Restoration Center Awards**

Page	of Pages
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1. Federal Agency and Organization Element to Which Report is Submitted  NOAA Fisheries Service	2. Federal Grant or Other Identifying Number Assigned by Federal Agency	3a. DUNS Number
		3b. EIN

4. Recipient Organization (Name and complete address including zip code)	5. Recipient Identifying Number or Account Number
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6. Project/Grant Period Start Date: (Month, Day, Year)	7. Reporting Period End Date (Month, Day, Year)	8. Final Report? <input type="checkbox"/> Yes <input type="checkbox"/> No
		9. Report Frequency <input type="checkbox"/> annual <input type="checkbox"/> semi-annual <input type="checkbox"/> quarterly <input type="checkbox"/> other (If other, describe: _____) _____

10. Performance Narrative ( <i>attach performance narrative as instructed by the awarding Federal Agency</i> )
--

11. Other Attachments ( <i>attach other documents as needed or as instructed by the awarding Federal Agency</i> )
---

**12. Certification: I certify to the best of my knowledge and belief that this report is correct and complete for performance of activities for the purposes set forth in the award documents.**

12a. Typed or Printed Name and Title of Authorized Certifying Official	12c. Telephone ( <i>area code, number and extension</i> )
12d. Email Address	

12b. Signature of Authorized Certifying Official	12e. Date Report Submitted ( <i>Month, Day, Year</i> )
--	--

	13. Agency use only
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# PERFORMANCE PROGRESS REPORT

## For NOAA Restoration Center Awards

### ***Performance Progress Report (PPR) Instructions***

The *Performance Progress Report (PPR)* is a standard, government-wide performance progress reporting format used by Federal agencies to collect performance information from recipients.

The following instructions have been tailored to provide guidance on reporting and explain the requirements for awards funded by the NOAA Restoration Center.

<b>Performance Progress Report</b>		
Item	Data Elements	Line Item Instructions for SF-PPR for NOAA Restoration Center
1	Awarding Federal agency and Organizational Element to Which Report is Submitted	Enter the name of the awarding Federal agency and organizational element identified in the award document or otherwise instructed by the agency. The organizational element is a sub-agency within an awarding Federal agency.
2	Federal Grant or Other Identifying Number Assigned by the awarding Federal agency	Enter the grant/award number contained in the award document.
3a	DUNS Number	Enter the recipient organization's Data Universal Numbering System (DUNS) number or Central Contract Registry extended DUNS number.
3b	EIN	Enter the recipient organization's Employer Identification Number (EIN) provided by the Internal Revenue Service.
4	Recipient Organization	Enter the name of recipient organization and address, including zip code.
5	Recipient Identifying Number or Account Number	Enter the account number or any other identifying number assigned by the recipient to the award. This number is strictly for the recipient's use only and is not required by the awarding Federal agency.
6	Project/Grant Period	Indicate the project/grant period established in the award document during which Federal sponsorship begins and ends. Note: Some agencies award multi-year grants for a project/grant period (e.g., 5 years) that are funded in increments known as budget periods or funding periods. These are typically annual increments. Please enter the project/grant period, not the budget period or funding period.
7	Reporting Period End Date	Enter the ending date of the reporting period. The reporting period is established in the award document, and for NOAA Restoration Center awards the frequency of required reporting is usually semi-annual. For final PPRs, the reporting period end date shall be the end date of the project/grant period.
8	Final Report	Mark appropriate box. Check "yes" only if this is the final report for the project/grant period specified in Box 6.
9	Report Frequency	Select the appropriate term corresponding to the requirements contained in the award document. "Other" may be used when more frequent reporting is required for high-risk grantees, as specified in OMB Circular A-110.
10	Performance Narrative	For interim progress reports, the narrative should include overall goals for the project, details on progress achieved during the reporting period, challenges or potential roadblocks to future progress, and an updated timeline of remaining tasks. For the final progress report, also include the relevance of the project to enhancing habitat, the problems the project has addressed, the methodology used to undertake restoration activities, including materials used and specific monitoring techniques, and lessons learned.
11	Other Attachments	Attach SF-PPR-2, SF-PPR-A, SF-PPR-B, SF-PPR-D and other documents such as articles/news clippings, project photographs (high resolution before, during and after images on CD-ROM), project maps, evidence of NOAA support (e.g. photographs of signs at project site, funding credit in outreach materials, press releases, etc.). SF-PPR-F may be required for recipients that provide sub awards for multiple projects and/or that receive awards of greater financial value.

## PERFORMANCE PROGRESS REPORT

Performance Progress Report For NOAA Restoration Center Awards (instructions continued)		
Item	Data Elements	Line Item Instructions for SF-PPR
12a	Certifying Representative and Title of Authorized Typed or Printed Name	Authorized certifying official of the recipient.
12b	Certifying Official Signature of Authorized	Original signature of the recipient's authorizing official.
12c	number and extension) Telephone (area code,	Enter authorized official's telephone number.
12d	Email Address	Enter authorized official's email address.
12e	(Month, Day, Year) Date Report Submitted	Enter date submitted to the awarding Federal agency. Note: Report must be received by the awarding Federal agency no later than 90 days after the end of the reporting period.
13	Agency Use Only	This section is reserved for the awarding Federal agency use.

### Paperwork Burden Statement

- According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless such collection displays a valid OMB control number. The valid OMB control number for this information collection is 0648-0472. The time required to complete this information collection (this form through the SF-PPR-D) is estimated to average 7 hours per response for a semi-annual report and 11 hours and 15 minutes for a final report (plus an additional 30 minutes for a semi-annual report, and 1 hour for a final report, for those also required to complete the SF-PPR-F). This includes the time to review instructions, search existing data resources, gather the data needed and complete and review the information collection. **If you have suggestions about the accuracy of the estimate, we would be happy to hear from you.** You can email us at [infocollection@acf.hhs.gov](mailto:infocollection@acf.hhs.gov).

**PERFORMANCE PROGRESS REPORT**

**NOAA Restoration Center  
SF-PPR-2 (Cover Page Continuation)**

Page 2	of Pages
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1. Federal Agency and Organization Element to Which Report is Submitted	2. Federal Grant or Other Identifying Number Assigned by Federal Agency	3a. DUNS	4. Reporting Period End Date <i>(Month, Day, Year)</i>
		3b. EIN	

**Supplemental Continuation of SF-PPR Cover Page**

(1) Label	(2) Additional Information on Grantee and Project	(3) Provide Information Requested:
PPR-2-01	Project Title	
PPR-2-02	Federal Program Officer's Name	
PPR-2-03	Project's Main Contact Person - Name	
PPR-2-04	Project's Main Contact Person - Title	
PPR-2-05	Project's Main Contact Person - Email	
PPR-2-06	Organization (Grantee) Fax No.	
PPR-2-07	Organization website <i>(if applicable)</i>	
PPR-2-08	Project Location: City	
PPR-2-09	Project Location: County	
PPR-2-10	Project Location: State	
PPR-2-11	Project Location: Zip Code	
PPR-2-12	Land Ownership <i>(check one)</i>	<input type="checkbox"/> Public <input type="checkbox"/> Private <input type="checkbox"/> Both
PPR-2-13	Geographic Coordinates <i>(in decimal degrees if readily available)</i>	_____ Longitude (X-coordinate)  _____ Latitude (Y-coordinate)
PPR-2-14	Are there multiple project sites for this award?	<input type="checkbox"/> Yes <input type="checkbox"/> No
PPR-2-15	Geographic Identifier <i>(e.g., Chesapeake Bay)</i>	
PPR-2-16	List of Project Partners	
PPR-2-17	List of Species (e.g., fish, shellfish, invertebrates, etc) benefitting from this project	1. _____ 2. _____ 3. _____ 4. _____ 5. _____ 6. _____ 7. _____ 8. _____ 9. _____ 10. _____

## PERFORMANCE PROGRESS REPORT

### Instructions for SF-PPR-2, Cover Page Continuation For NOAA Restoration Center Awards

Item	Data Elements	Instructions
1	Awarding Federal agency and Organizational Element to Which Report is Submitted	Enter the name of the awarding Federal agency and organizational element as "NOAA Fisheries Service."
2	Federal Grant or Other Identifying Number Assigned by the awarding Federal agency	Enter the grant/award number contained in the award document.
3a	DUNS Number	Enter the recipient organization's Data Universal Numbering System (DUNS) number or Central Contract Registry extended DUNS number.
3b	EIN	Enter the recipient organization's Employer Identification Number (EIN) provided by the Internal Revenue Service.
4	Reporting Period End Date	Enter the ending date of the reporting period. The reporting period is established in the award document, and for NOAA Restoration Center awards the frequency of required reporting is usually semi-annual. For final PPRs, the reporting period end date shall be the end date of the project/grant period.
<b>Continuation of SF-PPR-2 Cover Page</b>		
PPR-2-01	Project Title	Enter the name of the project as listed in the application.
PPR-2-02	Federal Program Officer	Enter the name of the Federal Program Officer with responsibility for monitoring this award.
PPR-2-03	Project Contact - Name	Enter the name of the person who is the main point of contact for this project. This is not necessarily the same person as that listed as the Authorizing Official.
PPR-2-04	Project Contact - Title	Enter the title of the person who is the main point of contact for this project.
PPR-2-05	Project Contact – email address	Enter the email address of person who is the main point of contact for this project.
PPR-2-06	Organization (Grantee) Fax No.	Enter the fax number of the grantee organization.
PPR-2-07	Organization website (if applicable)	Enter the URL for the website of the grantee organization.
PPR-2-08	Project Location: City	Enter the name of the City where the project is located.
PPR-2-09	Project Location: County	Enter the name of the County where the project is located.
PPR-2-10	Project Location: State	Enter the name of the State where the project is located.
PPR-2-11	Project Location: Zip Code	Enter the zip code of the location where the project is located (if known).
PPR-2-12	Land Ownership	Check the appropriate box corresponding with the landownership of the project site.
PPR-2-13	Geographic Coordinates	Enter the geographic coordinates in decimal degrees for the project location (if known).
PPR-2-14	Multiple project sites	Check the appropriate box to indicate if there is one project site for this award or multiple locations.
PPR-2-15	Geographic Identifier	Enter the name of a common geographic identifier to help place this project.
PPR-2-16	List of Project Partners	Enter the names and organizational affiliation of any partners also contributing to or involved with this project.
PPR-2-17	List of Species	List the species that will directly benefit from this project (e.g., fish, shellfish, invertebrates, etc)

**PERFORMANCE PROGRESS REPORT**  
**Performance Measures SF-PPR-A**  
**For NOAA Restoration Center Awards**

1. Federal Agency and Organization Element to Which Report is Submitted	2. Federal Grant or Other Identifying Number Assigned by Federal Agency	3a. DUNS 3b. EIN	Page _____ of _____ Pages 4. Reporting Period End Date <i>(Month, Day, Year)</i>
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**A. Performance Measures**

(1) Measure Number or Label	(2) Objective/Goal Description	(3) Measure	(4) Baseline	(5) Target Year	(6) Project Target	(7) Actual To Date	(8) Explanation
A-01	Example: Wetland area restored	acres	N/A	2010	5.5	1.0	Riparian restoration downstream of the barrier has begun.
A-02	Example: Stream miles opened	miles	0	2010	1.2	0	Barrier is a complete blockage to fish migration and has not been removed yet.
A-03	Example: volunteerism	number	N/A	2010	40	17	Seventeen volunteers participated on two restoration days to plant riparian vegetation and their participation was documented on a sign-in sheet.
A-04	Example: volunteerism	hours	N/A	2010	200	85	Volunteers logged a total of 85 hours planting riparian vegetation and cleaning debris out of the stream channel.

**Note:**

- This page is required for NOAA Restoration Center Awards.
- This page can be used for one or more activities and results, and can be duplicated

**PERFORMANCE PROGRESS REPORT**  
**Instructions for SF-PPR-A, Performance Measures**  
**For NOAA Restoration Center Awards**

The following instructions have been tailored to provide guidance on reporting and explain the requirements for awards funded by the NOAA Restoration Center.

Item	Data Elements	Instructions
1	Awarding Federal agency and Organizational Element to Which Report is Submitted	Enter the name of the awarding Federal agency and organizational element as "NOAA Fisheries Service."
2	Federal Grant or Other Identifying Number Assigned by the awarding Federal agency	Enter the grant/award number contained in the award document.
3a	DUNS Number	Enter the recipient organization's Data Universal Numbering System (DUNS) number or Central Contract Registry extended DUNS number.
3b	EIN	Enter the recipient organization's Employer Identification Number (EIN) provided by the Internal Revenue Service.
4	Reporting Period End Date	Enter the ending date of the reporting period. The reporting period is established in the award document, and for NOAA Restoration Center awards the frequency of required reporting is usually semi-annual. For final PPRs, the reporting period end date shall be the end date of the project/grant period.
<b>Performance Measures</b>		
A.(1)	Measure Number or Label	Enter number or label used to identify a particular performance measure and associate the measure with specific awarding Federal agency program goals, objectives or program/priority areas. <b><i>NOAA may prescribe how to map activities to specific goals/objectives or program/priority areas for some recipients depending on what budget line funds are awarded under.</i></b>
A.(2)	Objective/Goal Description	For each measure, list the corresponding project/award goal(s) and objective(s) as specified in the approved work plan, and/or through discussions with the awarding agency. Examples are provided for the main type of performance measure data typically collected by the NOAA Restoration Center.
A.(3)	Measure	Enter the unit of measure. This can be quantitative or qualitative.
A.(4)	Baseline	Enter the initial starting point or average amount or condition related to each measure.
A.(5)	Target Year	Enter the year you expect to accomplish the targets specified in the approved work plan. Note: Different target years may appear on the same report such as an annual measure and a long-term measure.
A.(6)	Project Target	Enter the expected amount to be achieved as specified in the approved work plan.
A.(7)	Actual to Date	State the actual cumulative amount, condition or status achieved as of the end of the reporting period.
A.(8)	Explanation	If you did not meet or expect to meet your target, you must explain. Also, provide a brief description of monitoring/verification activities completed to date that relate to this measure (i.e., monitoring technique, frequency).

**PERFORMANCE PROGRESS REPORT**  
**Program Indicators SF-PPR-B**  
**For NOAA Restoration Center Awards**

Page	of Pages
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1. Federal Agency and Organization Element to Which Report is Submitted	2. Federal Grant or Other Identifying Number Assigned by Federal Agency	3a. DUNS <hr/> 3b. EIN	4. Reporting Period End Date <i>(Month, Day, Year)</i>
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**B. Program Indicators**

(1) Activity Number or Label	(2) Activity Description	(3) Indicator or Status	(4) Explanation
B-01	Example: Feasibility Study	Complete	The feasibility study for this project was completed during the current reporting period, on time, and under budget by \$2000.00.
B-02	Example: Preliminary Design Plans	In progress	The feasibility study determined that replacing the undersized culvert is the best alternative to pass fish at this blockage. An engineer was contracted to begin preliminary design plans.
B-03	Example: Permits Applied for/ Received	Not started	Permits cannot be applied for until a preliminary design is completed.
B-04	Example: Outreach Activities	In progress	A public meeting was held on MM/DD/YYYY to discuss results of the feasibility study and a fact sheet was developed and distributed to attendees (see attached).
B-05	Example: Project Monitoring and Maintenance	In progress	Baseline monitoring of x,y,z was initiated this reporting period to begin collecting data prior to replacement of the undersized culvert with an open bottom arch culvert.

**Note:**

- This page is required for NOAA Restoration Center Awards.
- This page can be used for one or more activities and results, and can be duplicated.

# PERFORMANCE PROGRESS REPORT

## Instructions for SF-PPR-B, Program Indicators

For  
NOAA  
Restoration  
Center  
Awards

Item	Data Elements	Instructions
1	Awarding Federal agency and Organizational Element to Which Report is Submitted	Enter the name of the awarding Federal agency and organizational element as "NOAA Fisheries Service."
2	Federal Grant or Other Identifying Number Assigned by the awarding Federal agency	Enter the grant/award number contained in the award document.
3a	DUNS Number	Enter the recipient organization's Data Universal Numbering System (DUNS) number or Central Contract Registry extended DUNS number.
3b	EIN	Enter the recipient organization's Employer Identification Number (EIN) provided by the Internal Revenue Service.
4	Reporting Period End Date	Enter the ending date of the reporting period. The reporting period is established in the award document, and for NOAA Restoration Center awards the frequency of required reporting is usually semi-annual. For final PPRs, the reporting period end date shall be the end date of the project/grant period.
<b>Program Indicators</b>		
B.(1)	Activity Number or Label	Enter the Number or label used to track a particular award activity and enter the label used to associate the activity with a particular awarding Federal agency program goal, objective or program/priority area.  <b><i>NOAA may prescribe how to map activities to specific goals/objectives or program/priority areas for some recipients depending on what budget line funds are awarded under.</i></b>
B.(2)	Activity Description	These activities are outlined in final proposal narrative agreed to by the grantee and NOAA. If overall activities may change, please communicate with your Federal Program Officer to discuss if a change in scope request is appropriate.
B.(3)	Indicator or Status	State if the activity/project is completed, not completed or ongoing/in progress.
B.(4)	Explanation	Include a brief description of your progress towards completing the activity, such as roadblocks, challenges and revised timelines for specific activities.



**PERFORMANCE PROGRESS REPORT**  
**Instructions for SF-PPR-D, Table of Funding Information**  
**For NOAA Restoration Center Awards**

The following instructions have been tailored to provide guidance on reporting and explain the requirements for awards funded by the NOAA Restoration Center.

Item	Data Elements	Instructions
1	Awarding Federal agency and Organizational Element to Which Report is Submitted	Enter the name of the awarding Federal agency and organizational element as "NOAA Fisheries Service."
2	Federal Grant or Other Identifying Number Assigned by the awarding Federal agency	Enter the grant/award number contained in the award document.
3a	DUNS Number	Enter the recipient organization's Data Universal Numbering System (DUNS) number or Central Contract Registry extended DUNS number.
3b	EIN	Enter the recipient organization's Employer Identification Number (EIN) provided by the Internal Revenue Service.
4	Reporting Period End Date	Enter the ending date of the reporting period. The reporting period is established in the award document, and for NOAA Restoration Center awards the frequency of required reporting is usually semi-annual. For final PPRs, the reporting period end date shall be the end date of the project/grant period.
Report of Activities and Funding		
D.(1)	Expenditure Number or Label	<b><i>NOAA may prescribe how to map activities to specific goals/objectives or program/priority areas for some recipients depending on what budget line funds are awarded under.</i></b>
D.(2)	Expenditure Description	List the expenditures/activities funded from NOAA and match sources in the current reporting period (e.g. salaries, contractual dam removal, native vegetation purchased, vegetation planted by contractors, vegetation planted by volunteers, etc.)
D.(3.1)	Total Approved NOAA Funds	Enter the amount of NOAA funds budgeted for the entire award period for each expenditure listed, as stated in the original grant application or most recently approved budget revision.
D.(3.2)	Total Approved Match Funds	Enter the amount of matching funds budgeted for the entire award period for each expenditure listed, as stated in the original grant application or most recently approved budget revision.
D.(3.3)	NOAA Funding Expended	Enter the cumulative amount of NOAA funds used by the end of the current reporting period (this reporting period plus all previous periods) for each expenditure listed.
D.(3.4)	Match Funding Expended	Enter the cumulative amount of matching funds used by the end of the current reporting period (this reporting period plus all previous periods) for each expenditure listed.
D.(3.5)	Match Source	List the source of match contributions (entity providing cash, goods, or services) for the current reporting period in each expenditure line.
D. (4)	Budget Deviations	Explain any differences between the approved budget and actual or planned expenditures. Note that some budget changes require prior approval, as described in the award document.

**PERFORMANCE PROGRESS REPORT  
Program/Project Management SF-PPR-F  
For NOAA Restoration Center Awards**

		Page	of Pages
1. Federal Agency and Organization Element to Which Report is Submitted	2. Federal Grant or Other Identifying Number Assigned by Federal Agency	3a. DUNS	4. Reporting Period End Date <i>(Month, Day, Year)</i>
		3b. EIN	
<b>F-1. Program/Project Management</b>			
	<b>Question</b>	<b>Yes / No/ Not Applicable?</b>	<b>Explanation, if necessary</b>
F-1a.	Do you collect credible performance information, including information from key program partners or sub-awardees, and use it to manage the program/project and improve performance?		
F-1b.	Are the award funds obligated in a timely manner and for intended purposes?		
F-1c.	Do you link your budgets to program/project activities and make adjustments to achieve cost-efficiencies?		
F-1d.	Do you collaborate and coordinate effectively with related programs/projects (if applicable)?		
F-1e.	Have you identified any management deficiencies? If so, provide explanation of deficiencies identified.		
F-1f.	Did you achieve all your performance targets?		
F-1g.	Are you on target to achieve your long- term performance goals?		
<b>F-2. Sub-Award Management</b>			
F-2a.	Are the award partners (including sub-awardees and contractors) held accountable for cost, schedule, and performance results (If applicable)?		
F-2b.	Are sub-awards and contracts awarded based on a clear competitive process that includes a qualified assessment of merit?		

**Note:**

- This page is required for NOAA Restoration Center Awards only when indicated in award documents, typically when the award is of greater financial value and/or the primary recipient provides sub-awards for multiple projects.

**PERFORMANCE PROGRESS REPORT**  
**Instructions for SF-PPR-F, Program/Project Management**  
**For NOAA Restoration Center Awards**

Item	Data Elements	Instructions
1	Awarding Federal agency and Organizational Element to Which Report is Submitted	Enter the name of the awarding Federal agency and organizational element as "NOAA Fisheries Service."
2	Federal Grant or Other Identifying Number Assigned by the awarding Federal agency	Enter the grant/award number contained in the award document.
3a	DUNS Number	Enter the recipient organization's Data Universal Numbering System (DUNS) number or Central Contract Registry extended DUNS number.
3b	EIN	Enter the recipient organization's Employer Identification Number (EIN) provided by the Internal Revenue Service.
4	Reporting Period End Date	Enter the ending date of the reporting period. The reporting period is established in the award document, and for NOAA Restoration Center awards the frequency of required reporting is usually semi-annual. For final PPRs, the reporting period end date shall be the end date of the project/grant period.
<b>F-1 Program/Project Management</b>		
<b>Questions</b>		
F-1a	Do you collect credible performance information, including information from key program partners or sub-awardees, and use it to manage the program/project and improve performance?	Credible performance information is information that is collected through a systematic process with quality controls to confirm its validity. Timely performance information is information that is current enough to be useful in program management. For example: <i>"What type of process/system is in place to collect, monitor, and report performance information?"</i> <b>Explanation Section</b> --Please describe how you use credible information to adjust program priorities, allocate resources, or take other appropriate management actions. You may also include a description of your management systems, and examples of recent management actions based on performance information or steps taken to enact necessary improvements cited by a specific evaluation.
F-1b	Are the award funds obligated in a timely manner and for the intended purposes?	A yes answer would require that funds are obligated consistently with the overall project/award plan, and is obligated in a timely manner. <b>Explanation Section</b> --Please describe your schedule and if applicable, your partners' schedules for obligations that correspond to the resource needs of the program/project plan. Please also describe procedures for reporting actual expenditures, and compare award activities.
F-1c	Do you link your budgets to program/project activities and make adjustments to achieve cost-efficiencies?	A yes answer would require that you have procedures to measure and achieve effectiveness and cost efficiencies in your program/project, such as per-unit cost of outputs and outcomes, timing targets, and other. <b>Explanation Section</b> --If the answer is yes, please describe what efficiencies are achieved. If the answer is no, explain and provide a plan to put in place or improve cost effectiveness and efficiency. Indicate N/A if this does not apply.

**PERFORMANCE PROGRESS REPORT**  
**Instructions for SF-PPR-F, Program/Project Management**  
**For NOAA Restoration Center Awards (cont.)**

F-1d	Do you collaborate and coordinate effectively with related programs/projects (if applicable)?	A yes answer would require that you collaborate, to the extent appropriate or possible, with related State, local and private programs. <b>Explanation Section</b> --Describe collaborations leading to meaningful actions in management and resource allocation. This can include planning documents, performance goals, or information and referral systems. Indicate N/A if this does not apply.
F-1e	Have you identified any management deficiencies? If so, provide explanation of deficiencies identified	Deficiencies include but are not limited to, financial management or other identified deficiencies, such as, known internal control weaknesses concerning data quality. A yes answer would require that deficiencies have been identified. <b>Explanation Section</b> --Include a description of how they were corrected and describe the steps taken to ensure the accuracy, reliability, and completeness of the data. Indicate N/A if this does not apply. Definition of Deficiencies will be derived for the OIG Yellow Book.
F-1f	Did you achieve all your performance targets?	A yes answer would require that: (1) an assessment of whether the recipient has compared expected accomplishments with performance targets established for the reporting period; and (2) if partner performance is critical to the program/project achieving its overall targets, and whether the recipient's partners are meeting their performance targets. The project/award goals are specified in the work plan approved by the awarding Federal agency. <b>Explanation Section</b> -- If any performance targets are not met, explain and discuss any adjustments that will be made to achieve the performance targets in the future. If additional clarification of the Performance Measures Section is needed, you may provide additional comments here. Indicate N/A if this does not apply.
F-1g	Are you on target to achieve your long-term performance goals?	A yes answer would require that the program/project is meeting or making measurable progress toward meeting the long-term performance goals specified in the approved work plan. <b>Explanation Section</b> --The explanation should justify the answer in qualitative and quantitative terms. If the answer is no, explain and discuss adjustments that will be made to put the program/project on track. Indicate N/A if this does not apply.
<b>F-2 Sub-Award Management</b>		
F-2a	Are the award partners (including sub-awardees and contractors) held accountable for cost, schedule, and performance results (if applicable)?	A yes answer would require that you have established performance standards for your partners and have evaluated whether they met these standards during the reporting period. It would also indicate that you require your partners to achieve specific performance standards. <b>Explanation Section</b> --Describe evidence of your partners' accountability. If the answer is no, explain how you are holding them accountable. Indicate N/A if this does not apply.
F-2b	Are sub-awards and contracts awarded based on a clear competitive process that includes a qualified assessment of merit?	<b>Explanation Section</b> --Describe your selection processes, whether or not they were competitive or sole sourced. Indicate N/A if this does not apply.

## Appendix

**P.L. 109-479, sec. 106(c)**

**16 U.S.C. 1891**

**INVESTMENT IN UNITED STATES SEAFOOD PROCESSING FACILITIES.**—The Secretary of Commerce shall work with the Small Business Administration and other Federal agencies to develop financial and other mechanisms to encourage United States investment in seafood processing facilities in the United States for fisheries that lack capacity needed to process fish harvested by United States vessels in compliance with the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1801 et seq.).

**P.L. 109-479, sec. 117**

**16 U.S.C. 1891a**

**COMMUNITY-BASED RESTORATION PROGRAM FOR FISHERY AND COASTAL HABITATS.**

(a) **IN GENERAL.**—The Secretary of Commerce shall establish a community-based fishery and coastal habitat restoration program to implement and support the restoration of fishery and coastal habitats.

(b) **AUTHORIZED ACTIVITIES.**—In carrying out the program, the Secretary may—

- (1) provide funding and technical expertise to fishery and coastal communities to assist them in restoring fishery and coastal habitat;
- (2) advance the science and monitoring of coastal habitat restoration;
- (3) transfer restoration technologies to the private sector, the public, and other governmental agencies;
- (4) develop public-private partnerships to accomplish sound coastal restoration projects;
- (5) promote significant community support and volunteer participation in fishery and coastal habitat restoration;
- (6) promote stewardship of fishery and coastal habitats; and
- (7) leverage resources through national, regional, and local public-private partnerships.

**P.L. 109-479, sec. 208**

**16 U.S.C. 1891b**

**FISHERIES CONSERVATION AND MANAGEMENT FUND.**

(a) **IN GENERAL.**—The Secretary shall establish and maintain a fund, to be known as the ‘‘Fisheries Conservation and Management Fund’’, which shall consist of amounts retained and deposited into the Fund under subsection (c).

(b) **PURPOSES.**—Subject to the allocation of funds described in subsection (d), amounts in the Fund shall be available to the Secretary of Commerce, without appropriation or fiscal year limitation, to disburse as described in subsection (e) for—

- (1) efforts to improve fishery harvest data collection including—
  - (A) expanding the use of electronic catch reporting programs and technology; and
  - (B) improvement of monitoring and observer coverage through the expanded use of electronic monitoring devices and satellite tracking systems such as VMS on small vessels;
- (2) cooperative fishery research and analysis, in collaboration with fishery participants, academic institutions, community residents, and other interested parties;
- (3) development of methods or new technologies to improve the quality, health safety, and value of fish landed;
- (4) conducting analysis of fish and seafood for health benefits and risks, including levels of contaminants and, where feasible, the source of such contaminants;
- (5) marketing of sustainable United States fishery products, including consumer education regarding the health or other benefits of wild fishery products harvested by vessels of the United States;
- (6) improving data collection under the Marine Recreational Fishery Statistics Survey in accordance with section 401(g)(3) of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. 1881(g)(3)); and

# FISH AND WILDLIFE COORDINATION ACT

(16 USC 661-666c)

## U.S.C. TITLE 16 - CONSERVATION

### CHAPTER 5A - PROTECTION AND CONSERVATION OF WILDLIFE SUBCHAPTER I - GAME, FUR-BEARING ANIMALS, AND FISH

#### § 661. Declaration of purpose; cooperation of agencies; surveys and investigations; donations

For the purpose of recognizing the vital contribution of our wildlife resources to the Nation, the increasing public interest and significance thereof due to expansion of our national economy and other factors, and to provide that wildlife conservation shall receive equal consideration and be coordinated with other features of water-resource development programs through the effectual and harmonious planning, development, maintenance, and coordination of wildlife conservation and rehabilitation for the purposes of sections 661 to 666c of this title in the United States, its Territories and possessions, the Secretary of the Interior is authorized (1) to provide assistance to, and cooperate with, Federal, State, and public or private agencies and organizations in the development, protection, rearing, and stocking of all species of wildlife, resources thereof, and their habitat, in controlling losses of the same from disease or other causes, in minimizing damages from overabundant species, in providing public shooting and fishing areas, including easements across public lands for access thereto, and in carrying out other measures necessary to effectuate the purposes of said sections; (2) to make surveys and investigations of the wildlife of the public domain, including lands and waters or interests therein acquired or controlled by any agency of the United States; and (3) to accept donations of land and contributions of funds in furtherance of the purposes of said sections.

#### § 662. Impounding, diverting, or controlling of waters

##### (a) Consultations between agencies

Except as hereafter stated in subsection (h) of this section, whenever the waters of any stream or other body of water are proposed or authorized to be impounded, diverted, the channel deepened, or the stream or other body of water otherwise controlled or modified for any purpose whatever, including navigation and drainage, by any department or agency of the United States, or by any public or private agency under Federal permit or license, such department or agency first shall consult with the United States Fish and Wildlife Service, Department of the Interior, and with the head of the agency exercising administration over the wildlife resources of the particular State wherein the impoundment, diversion, or other control facility is to be constructed, with a view to the conservation of wildlife resources by preventing loss of and damage to such resources as well as providing for the development and improvement thereof in connection with such water-resource development.

##### (b) Reports and recommendations; consideration

In furtherance of such purposes, the reports and recommendations of the Secretary of the Interior on the wildlife aspects of such projects, and any report of the head of the State agency exercising administration over the wildlife resources of the State, based on surveys and investigations conducted by the United States Fish and Wildlife Service and such State agency for the purpose of determining the possible damage to wildlife resources and for the purpose of determining means and measures that should be adopted to prevent the loss of or damage to such wildlife resources, as well as to provide concurrently for the development and improvement of such resources, shall be made an integral part of any report prepared or submitted by any agency of the Federal Government responsible for engineering surveys and construction of such projects when such reports are presented to the Congress or to any agency or person having the authority or the power, by administrative action or otherwise, (1) to authorize the construction of water resource development projects or (2) to approve a report on the modification or supplementation of plans for previously authorized projects, to which sections 661 to 666c of this title apply. Recommendations of the Secretary of the Interior shall be as specific as is practicable with respect to features recommended for wildlife conservation and development, lands to be utilized or acquired for such purposes, the results expected, and shall describe the damage to wildlife attributable to the project and the measures proposed for mitigating or compensating for these damages. The reporting officers in project reports of the Federal agencies shall give full consideration to the report and recommendations of the Secretary of the Interior and to any report of the State agency on the wildlife aspects of such projects, and the project plan shall include such justifiable means and measures for wildlife purposes as the reporting agency finds should be adopted to obtain maximum overall project benefits.

##### (c) Modification of projects; acquisition of lands

Federal agencies authorized to construct or operate water-control projects are authorized to modify or add to the structures and operations of such projects, the construction of which has not been substantially completed on the date of enactment of the Fish and Wildlife Coordination Act, and to acquire lands in accordance with section 663 of this title, in order to accommodate the means and measures for such conservation of wildlife resources as an integral part of such projects: Provided, That for projects authorized by a specific Act of Congress before the date of enactment of the Fish and Wildlife Coordination Act (1) such modification or land acquisition shall be compatible with the purposes for which the project was authorized; (2) the cost of such modifications or land acquisition, as means and measures to prevent loss of and damage to wildlife resources to the extent justifiable, shall be an integral part of the cost of such projects; and (3) the cost of such modifications or land acquisition

for the development or improvement of wildlife resources may be included to the extent justifiable, and an appropriate share of the cost of any project may be allocated for this purpose with a finding as to the part of such allocated cost, if any, to be reimbursed by non-Federal interests.

##### (d) Project costs

The cost of planning for and the construction or installation and maintenance of such means and measures adopted to carry out the conservation purposes of this section shall constitute an integral part of the cost of such projects: Provided, That such cost attributable to the development and improvement of wildlife shall not extend beyond that necessary for (1) land acquisition, (2) facilities as specifically recommended in water resource project reports, (3) modification of the project, and (4) modification of project operations, but shall not include the operation of wildlife facilities.

(e) Transfer of funds

In the case of construction by a Federal agency, that agency is authorized to transfer to the United States Fish and Wildlife Service, out of appropriations or other funds made available for investigations, engineering, or construction, such funds as may be necessary to conduct all or part of the investigations required to carry out the purposes of this section.

(f) Estimation of wildlife benefits or losses

In addition to other requirements, there shall be included in any report submitted to Congress supporting a recommendation for authorization of any new project for the control or use of water as described herein (including any new division of such project or new supplemental works on such project) an estimation of the wildlife benefits or losses to be derived there from including benefits to be derived from measures recommended specifically for the development and improvement of wildlife resources, the cost of providing wildlife benefits (including the cost of additional facilities to be installed or lands to be acquired specifically for that particular phase of wildlife conservation relating to the development and improvement of wildlife), the part of the cost of joint-use facilities allocated to wildlife, and the part of such costs, if any, to be reimbursed by non-Federal interests.

(g) Applicability to projects

The provisions of this section shall be applicable with respect to any project for the control or use of water as prescribed herein, or any unit of such project authorized before or after the date of enactment of the Fish and Wildlife Coordination Act for planning or construction, but shall not be applicable to any project or unit thereof authorized before the date of enactment of the Fish and Wildlife Coordination Act if the construction of the particular project or unit thereof has been substantially completed. A project or unit thereof shall be considered to be substantially completed when sixty percent or more of the estimated construction cost has been obligated for expenditure.

(h) Exempt projects and activities

The provisions of section 661 to 666c of this title shall not be applicable to those projects for the impoundment of water where the maximum surface area of such impoundments is less than ten acres, nor to activities for or in connection with programs primarily for land management and use carried out by Federal agencies with respect to Federal lands under their jurisdiction.

**§ 663. Impoundment or diversion of waters**

(a) Conservation, maintenance, and management of wildlife resources; development and improvement

Subject to the exceptions prescribed in section 662(h) of this title, whenever the waters of any stream or other body of water are impounded, diverted, the channel deepened, or the stream or other body of water otherwise controlled or modified for any purpose whatever, including navigation and drainage, by any department or agency of the United States, adequate provision, consistent with the primary purposes of such impoundment, diversion, or other control, shall be made for the use thereof, together with any areas of land, water, or interests therein, acquired or administered by a Federal agency in connection therewith, for the conservation, maintenance, and management of wildlife resources thereof, and its habitat thereon, including the development and improvement of such wildlife resources pursuant to the provisions of section 662 of this title.

(b) Use and availability of waters, land, or interests therein

The use of such waters, land, or interests therein for wildlife conservation purposes shall be in accordance with general plans approved jointly (1) by the head of the particular department or agency exercising primary administration in each instance, (2) by the Secretary of the Interior, and (3) by the head of the agency exercising the administration of the wildlife resources of the particular State wherein the waters and areas lie. Such waters and other interests shall be made available, without cost for administration, by such State agency, if the management of the properties relate to the conservation of wildlife other than migratory birds, or by the Secretary of the Interior, for administration in such manner as he may deem advisable, where the particular properties have value in carrying out the national migratory bird management program: Provided, That nothing in this section shall be construed as affecting the authority of the Secretary of Agriculture to cooperate with the States or in making lands available to the States with respect to the management of wildlife and wildlife habitat on lands administered by him.

(c) Acquisition of land, waters, and interests therein; report to Congress

When consistent with the purposes of sections 661 to 666c of this title and the reports and findings of the Secretary of the Interior prepared in accordance with section 662 of this title, land, waters, and interests therein may be acquired by Federal construction agencies for the wildlife conservation and development purposes of sections 661 to 666c of this title in connection with a project as reasonably needed to preserve and assure for the public benefit the wildlife potentials of the particular project area: Provided, That before properties are acquired for this purpose, the probable extent of such acquisition shall be set forth, along with other data necessary for project authorization, in a report submitted to the Congress, or in the case of a project previously authorized, no such properties shall be acquired unless specifically authorized by Congress, if specific authority for such acquisition is recommended by the construction agency.

(d) Use of acquired properties

Properties acquired for the purposes of this section shall continue to be used for such purposes, and shall not become the subject of exchange or other transactions if such exchange or other transaction would defeat the initial purpose of their acquisition.

(e) Availability of Federal lands acquired or withdrawn for Federal water-resource purposes

Federal lands acquired or withdrawn for Federal water-resource purposes and made available to the States or to the Secretary of the Interior for wildlife management purposes, shall be made available for such purposes in accordance with sections 661 to 666c of this title, notwithstanding other provisions of law.

(f) National forest lands

Any lands acquired pursuant to this section by any Federal agency within the exterior boundaries of a national forest shall, upon acquisition, be added to and become national forest lands, and shall be administered as a part of the forest within which they are situated, subject to all laws applicable to lands acquired under the provisions of the Act of March 1, 1911 (36 Stat. 961), unless such lands are acquired to carry out the National Migratory Bird Management Program.

**§ 664. Administration; rules and regulations; availability of lands to State agencies**

Such areas as are made available to the Secretary of the Interior for the purposes of sections 661 to 666c of this title, pursuant to sections 661 and 663 of this title or pursuant to any other authorization, shall be administered by him directly or in accordance with cooperative agreements entered into pursuant to the provisions of section 661 of this title and in accordance with such rules and regulations for the conservation, maintenance, and management of wildlife, resources thereof, and its habitat thereon, as may be adopted by the Secretary in accordance with general plans approved jointly by the Secretary of the Interior and the head of the department or agency exercising primary administration of such areas: Provided, That such rules and regulations shall not be inconsistent with the laws for the protection of fish and game of the States in which such area is situated: Provided, further, That lands having value to the National Migratory Bird Management Program may, pursuant to general plans, be made available without cost directly to the State agency having control over wildlife resources, if it is jointly determined by the Secretary of the Interior and such State agency that this would be in the public interest: And provided further, That the Secretary of the Interior shall have the right to assume the management and administration of such lands in behalf of the National Migratory Bird Management Program if the Secretary finds that the State agency has withdrawn from or otherwise relinquished such management and administration.

**§ 665. Investigations as to effect of sewage, industrial wastes; reports**

The Secretary of the Interior, through the Fish and Wildlife Service and the United States Bureau of Mines, is authorized to make such investigations as he deems necessary to determine the effects of domestic sewage, mine, petroleum, and industrial wastes, erosion silt, and other polluting substances on wildlife, and to make reports to the Congress concerning such investigations and of recommendations for alleviating dangerous and undesirable effects of such pollution. These investigations shall include (1) the determination of standards of water quality for the maintenance of wildlife; (2) the study of methods of abating and preventing pollution, including methods for the recovery of useful or marketable products and byproducts of wastes; and (3) the collation and distribution of data on the progress and results of such investigations for the use of Federal, State, municipal, and private agencies, individuals, organizations, or enterprises.

**§ 665a. Maintenance of adequate water levels in upper Mississippi River**

In the management of existing facilities (including locks, dams, and pools) in the Mississippi River between Rock Island, Illinois, and Minneapolis, Minnesota, administered by the United States Corps of Engineers of the Department of the Army, that Department is directed to give full consideration and recognition to the needs of fish and other wildlife resources and their habitat dependent on such waters, without increasing additional liability to the Government, and, to the maximum extent possible without causing damage to levee and drainage districts, adjacent railroads and highways, farm lands, and dam structures, shall generally operate and maintain pool levels as though navigation was carried on throughout the year.

**§ 666. Authorization of appropriations**

There is hereby authorized to be appropriated from time to time, out of any money in the Treasury not otherwise appropriated, such amounts as may be necessary to carry out the provisions of sections 661 to 666c of this title and regulations made pursuant thereto, including the construction of such facilities, buildings, and other improvements necessary for economical administration of areas made available to the Secretary of the Interior under said sections, and the employment in the city of Washington and elsewhere of such persons and means as the Secretary of the Interior may deem necessary for such purposes.

**§ 666a. Penalties**

Any person who shall violate any rule or regulation promulgated in accordance with sections 661 to 666c of this title shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than \$500 or imprisoned for not more than one year, or both.

**§ 666b. Definitions**

The terms "wildlife" and "wildlife resources" as used herein include birds, fishes, mammals, and all other classes of wild animals and all types of aquatic and land vegetation upon which wildlife is dependent.

**§ 666c. Applicability to Tennessee Valley Authority**

The provisions of sections 661 to 666c of this title shall not apply to the Tennessee Valley Authority.

# Government Performance Results Act of 1993

One Hundred Third Congress  
of the  
United States of America

Begun and held at the City of Washington on Tuesday, the fifth day of January, one thousand nine hundred and ninety-three.

An Act

To provide for the establishment of strategic planning and performance measurement in the Federal Government, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

## SECTION 1. SHORT TITLE.

This Act may be cited as the "Government Performance and Results Act of 1993".

## SECTION 2. FINDINGS AND PURPOSES.

(a) Findings.-The Congress finds that-

- (1) waste and inefficiency in Federal programs undermine the confidence of the American people in the Government and reduces the Federal Government's ability to address adequately vital public needs;
- (2) Federal managers are seriously disadvantaged in their efforts to improve program efficiency and effectiveness, because of insufficient articulation of program goals and inadequate information on program performance; and
- (3) congressional policymaking, spending decisions and program oversight are seriously handicapped by insufficient attention to program performance and results.

(b) Purposes.-The purposes of this Act are to-

- (1) improve the confidence of the American people in the capability of the Federal Government, by systematically holding Federal agencies accountable for achieving program results;
- (2) initiate program performance reform with a series of pilot projects in setting program goals, measuring program performance against those goals, and reporting publicly on their progress;
- (3) improve Federal program effectiveness and public accountability by promoting a new focus on results, service quality, and customer satisfaction;
- (4) help Federal managers improve service delivery, by requiring that they plan for meeting program objectives and by providing them with information about program results and service quality;
- (5) improve congressional decisionmaking by providing more objective information on achieving statutory objectives, and on the relative effectiveness and efficiency of Federal programs and spending; and
- (6) improve internal management of the Federal Government.

## SECTION 3. STRATEGIC PLANNING.

Chapter 3 of title 5, United States Code, is amended by adding after section 305 the following new section:

"Sec. 306. Strategic plans

"(a) No later than September 30, 1997, the head of each agency shall submit to the Director of the Office of Management and Budget and to the Congress a strategic plan for program activities. Such plan shall contain-

- "(1) a comprehensive mission statement covering the major functions and operations of the agency;
- "(2) general goals and objectives, including outcome- related goals and objectives, for the major functions and operations of the agency;
- "(3) a description of how the goals and objectives are to be achieved, including a description of the operational processes, skills and technology, and the human, capital, information, and other resources required to meet those goals and objectives;
- "(4) a description of how the performance goals included in the plan required by section 1115(a) of title 31 shall be related to the general goals and objectives in the strategic plan;
- "(5) an identification of those key factors external to the agency and beyond its control that could significantly affect the achievement of the general goals and objectives; and
- "(6) a description of the program evaluations used in establishing or revising general goals and objectives, with a schedule for future program evaluations.

"(b) The strategic plan shall cover a period of not less than five years forward from the fiscal year in which it is submitted, and shall be updated and revised at least every three years.

"(c) The performance plan required by section 1115 of title 31 shall be consistent with the agency's strategic plan. A performance plan may not be submitted for a fiscal year not covered by a current strategic plan under this section.

"(d) When developing a strategic plan, the agency shall consult with the Congress, and shall solicit and consider the views and suggestions of those entities potentially affected by or interested in such a plan.

"(e) The functions and activities of this section shall be considered to be inherently Governmental functions. The drafting of strategic plans under this section shall be performed only by Federal employees.

"(f) For purposes of this section the term 'agency' means an Executive agency defined under section 105, but does not include the Central Intelligence Agency, the General Accounting Office, the Panama Canal Commission, the United States Postal Service, and the Postal Rate Commission."

#### SECTION 4. ANNUAL PERFORMANCE PLANS AND REPORTS.

(a) Budget Contents and Submission to Congress.-Section 1105(a) of title 31, United States Code, is amended by adding at the end thereof the following new paragraph:

"(29) beginning with fiscal year 1999, a Federal Government performance plan for the overall budget as provided for under section 1115."

(b) Performance Plans and Reports.-Chapter 11 of title 31, United States Code, is amended by adding after section 1114 the following new sections:

"Sec. 1115. Performance plans

"(a) In carrying out the provisions of section 1105(a)(29), the Director of the Office of Management and Budget shall require each agency to prepare an annual performance plan covering each program activity set forth in the budget of such agency. Such plan shall-

"(1) establish performance goals to define the level of performance to be achieved by a program activity;

"(2) express such goals in an objective, quantifiable, and measurable form unless authorized to be in an alternative form under subsection (b);

"(3) briefly describe the operational processes, skills and technology, and the human, capital, information, or other resources required to meet the performance goals;

"(4) establish performance indicators to be used in measuring or assessing the relevant outputs, service levels, and outcomes of each program activity;

"(5) provide a basis for comparing actual program results with the established performance goals; and

"(6) describe the means to be used to verify and validate measured values.

"(b) If an agency, in consultation with the Director of the Office of Management and Budget, determines that it is not feasible to express the performance goals for a particular program activity in an objective, quantifiable, and measurable form, the Director of the Office of Management and Budget may authorize an alternative form. Such alternative form shall-

"(1) include separate descriptive statements of-"(A)(i) a minimally effective program, and "(ii) a successful program, or

"(B) such alternative as authorized by the Director of the Office of Management and Budget,

with sufficient precision and in such terms that would allow for an accurate, independent determination of whether the program activity's performance meets the criteria of the description; or

"(2) state why it is infeasible or impractical to express a performance goal in any form for the program activity.

"(c) For the purpose of complying with this section, an agency may aggregate, disaggregate, or consolidate program activities, except that any aggregation or consolidation may not omit or minimize the significance of any program activity constituting a major function or operation for the agency.

"(d) An agency may submit with its annual performance plan an appendix covering any portion of the plan that-

"(1) is specifically authorized under criteria established by an Executive order to be kept secret in the interest of national defense or foreign policy; and

"(2) is properly classified pursuant to such Executive order.

"(e) The functions and activities of this section shall be considered to be inherently Governmental functions. The drafting of performance plans under this section shall be performed only by Federal employees.

"(f) For purposes of this section and sections 1116 through 1119, and sections 9703 and 9704 the term-

"(1) 'agency' has the same meaning as such term is defined under section 306(f) of title 5;

"(2) 'outcome measure' means an assessment of the results of a program activity compared to its intended purpose;

"(3) 'output measure' means the tabulation, calculation, or recording of activity or effort and can be expressed in a quantitative or qualitative manner;

"(4) 'performance goal' means a target level of performance expressed as a tangible, measurable objective, against which actual achievement can be compared, including a goal expressed as a quantitative standard, value, or rate;

"(5) 'performance indicator' means a particular value or characteristic used to measure output or outcome;

"(6) 'program activity' means a specific activity or project as listed in the program and financing schedules of the annual budget of the United States Government; and

"(7) 'program evaluation' means an assessment, through objective measurement and systematic analysis, of the manner and extent to which Federal programs achieve intended objectives.

"Sec. 1116. Program performance reports

"(a) No later than March 31, 2000, and no later than March 31 of each year thereafter, the head of each agency shall prepare and submit to the President and the Congress, a report on program performance for the previous fiscal year.

"(b)(1) Each program performance report shall set forth the performance indicators established in the agency performance plan under section 1115, along with the actual program performance achieved compared with the performance goals expressed in the plan for that fiscal year.

"(2) If performance goals are specified in an alternative form under section 1115(b), the results of such program shall be described in relation to such specifications, including whether the performance failed to meet the criteria of a minimally effective or successful program.

"(c) The report for fiscal year 2000 shall include actual results for the preceding fiscal year, the report for fiscal year 2001 shall include actual results for the two preceding fiscal years, and the report for fiscal year 2002 and all subsequent reports shall include actual results for the three preceding fiscal years.

"(d) Each report shall-

"(1) review the success of achieving the performance goals of the fiscal year;

"(2) evaluate the performance plan for the current fiscal year relative to the performance achieved toward the performance goals in the fiscal year covered by the report;

"(3) explain and describe, where a performance goal has not been met (including when a program activity's performance is determined not to have met the criteria of a successful program activity under section 1115(b)(1)(A)(ii) or a corresponding level of achievement if another alternative form is used)-

"(A) why the goal was not met;

"(B) those plans and schedules for achieving the established performance goal; and

"(C) if the performance goal is impractical or infeasible, why that is the case and what action is recommended;

"(4) describe the use and assess the effectiveness in achieving performance goals of any waiver under section 9703 of this title; and

"(5) include the summary findings of those program evaluations completed during the fiscal year covered by the report.

"(e) An agency head may include all program performance information required annually under this section in an annual financial statement required under section 3515 if any such statement is submitted to the Congress no later than March 31 of the applicable fiscal year.

"(f) The functions and activities of this section shall be considered to be inherently Governmental functions. The drafting of program performance reports under this section shall be performed only by Federal employees.

"Sec. 1117. Exemption

"The Director of the Office of Management and Budget may exempt from the requirements of sections 1115 and 1116 of this title and section 306 of title 5, any agency with annual outlays of \$20,000,000 or less."

## **SECTION 5. MANAGERIAL ACCOUNTABILITY AND FLEXIBILITY.**

(a) Managerial Accountability and Flexibility.-Chapter 97 of title 31, United States Code, is amended by adding after section 9702, the following new section:

"Sec. 9703. Managerial accountability and flexibility

"(a) Beginning with fiscal year 1999, the performance plans required under section 1115 may include proposals to waive administrative procedural requirements and controls, including specification of personnel staffing levels, limitations on compensation or remuneration, and prohibitions or restrictions on funding transfers among budget object classification 20 and subclassifications 11, 12, 31, and 32 of each annual budget submitted under section 1105, in return for specific individual or organization accountability to achieve a performance goal. In preparing and submitting the performance plan under section 1105(a)(29), the Director of the Office of Management and Budget shall review and may approve any proposed waivers. A waiver shall take effect at the beginning of the fiscal year for which the waiver is approved.

"(b) Any such proposal under subsection (a) shall describe the anticipated effects on performance resulting from greater managerial or organizational flexibility, discretion, and authority, and shall quantify the expected improvements in performance resulting from any waiver. The expected improvements shall be compared to current actual performance, and to the projected level of performance that would be achieved independent of any waiver.

"(c) Any proposal waiving limitations on compensation or remuneration shall precisely express the monetary change in compensation or remuneration amounts, such as bonuses or awards that shall result from meeting, exceeding, or failing to meet performance goals.

"(d) Any proposed waiver of procedural requirements or controls imposed by an agency (other than the proposing agency or the Office of Management and Budget) may not be included in a performance plan unless it is endorsed by the agency that established the requirement, and the endorsement included in the proposing agency's performance plan.

"(e) A waiver shall be in effect for one or two years as specified by the Director of the Office of Management and Budget in approving the waiver. A waiver may be renewed for a subsequent year. After a waiver has been in effect for three consecutive years, the performance plan prepared under section 1115 may propose that a waiver, other than a waiver of limitations on compensation or remuneration, be made permanent.

"(f) For purposes of this section, the definitions under section 1115(f) shall apply."

#### SECTION 6. PILOT PROJECTS.

(a) Performance Plans and Reports.-Chapter 11 of title 31, United States Code, is amended by inserting after section 1117 (as added by section 4 of this Act) the following new section:

"Sec. 1118. Pilot projects for performance goals

"(a) The Director of the Office of Management and Budget, after consultation with the head of each agency, shall designate not less than ten agencies as pilot projects in performance measurement for fiscal years 1994, 1995, and 1996. The selected agencies shall reflect a representative range of Government functions and capabilities in measuring and reporting program performance.

"(b) Pilot projects in the designated agencies shall undertake the preparation of performance plans under section 1115, and program performance reports under section 1116, other than section 1116(c), for one or more of the major functions and operations of the agency. A strategic plan shall be used when preparing agency performance plans during one or more years of the pilot period.

"(c) No later than May 1, 1997, the Director of the Office of Management and Budget shall submit a report to the President and to the Congress which shall-

"(1) assess the benefits, costs, and usefulness of the plans and reports prepared by the pilot agencies in meeting the purposes of the Government Performance and Results Act of 1993;

"(2) identify any significant difficulties experienced by the pilot agencies in preparing plans and reports; and

"(3) set forth any recommended changes in the requirements of the provisions of Government Performance and Results Act of 1993, section 306 of title 5, sections 1105, 1115, 1116, 1117, 1119 and 9703 of this title, and this section."

(b) Managerial Accountability and Flexibility.-Chapter 97 of title 31, United States Code, is amended by inserting after section 9703 (as added by section 5 of this Act) the following new section:

"Sec. 9704. Pilot projects for managerial accountability and flexibility

"(a) The Director of the Office of Management and Budget shall designate not less than five agencies as pilot projects in managerial accountability and flexibility for fiscal years 1995 and 1996. Such agencies shall be selected from those designated as pilot projects under section 1118 and shall reflect a representative range of Government functions and capabilities in measuring and reporting program performance.

"(b) Pilot projects in the designated agencies shall include proposed waivers in accordance with section 9703 for one or more of the major functions and operations of the agency.

"(c) The Director of the Office of Management and Budget shall include in the report to the President and to the Congress required under section 1118(c)-

"(1) an assessment of the benefits, costs, and usefulness of increasing managerial and organizational flexibility, discretion, and authority in exchange for improved performance through a waiver; and

"(2) an identification of any significant difficulties experienced by the pilot agencies in preparing proposed waivers.

"(d) For purposes of this section the definitions under section 1115(f) shall apply."

(c) Performance Budgeting.-Chapter 11 of title 31, United States Code, is amended by inserting after section 1118 (as added by section 6 of this Act) the following new section:

"Sec. 1119. Pilot projects for performance budgeting

"(a) The Director of the Office of Management and Budget, after consultation with the head of each agency shall designate not less than five agencies as pilot projects in performance budgeting for fiscal years 1998 and 1999. At least three of the agencies shall be selected from those designated as pilot projects under section 1118, and shall also reflect a representative range of Government functions and capabilities in measuring and reporting program performance.

"(b) Pilot projects in the designated agencies shall cover the preparation of performance budgets. Such budgets shall present, for one or more of the major functions and operations of the agency, the varying levels of performance, including outcome-related performance, that would result from different budgeted amounts.

"(c) The Director of the Office of Management and Budget shall include, as an alternative budget presentation in the budget submitted under section 1105 for fiscal year 1999, the performance budgets of the designated agencies for this fiscal year.

"(d) No later than March 31, 2001, the Director of the Office of Management and Budget shall transmit a report to the President and to the Congress on the performance budgeting pilot projects which shall-

"(1) assess the feasibility and advisability of including a performance budget as part of the annual budget submitted under section 1105;

"(2) describe any difficulties encountered by the pilot agencies in preparing a performance budget;

"(3) recommend whether legislation requiring performance budgets should be proposed and the general provisions of any legislation; and

"(4) set forth any recommended changes in the other requirements of the Government Performance and Results Act of 1993, section 306 of title 5, sections 1105, 1115, 1116, 1117, and 9703 of this title, and this section.

"(e) After receipt of the report required under subsection (d), the Congress may specify that a performance budget be submitted as part of the annual budget submitted under section 1105."

## SECTION 7. UNITED STATES POSTAL SERVICE.

Part III of title 39, United States Code, is amended by adding at the end thereof the following new chapter:

### "CHAPTER 28-STRATEGIC PLANNING AND PERFORMANCE MANAGEMENT

"Sec.

"2801. Definitions.

"2802. Strategic plans. "2803. Performance plans.

"2804. Program performance reports.

"2805. Inherently Governmental functions.

"Sec. 2801. Definitions

"For purposes of this chapter the term-

"(1) 'outcome measure' refers to an assessment of the results of a program activity compared to its intended purpose;

"(2) 'output measure' refers to the tabulation, calculation, or recording of activity or effort and can be expressed in a quantitative or qualitative manner;

"(3) 'performance goal' means a target level of performance expressed as a tangible, measurable objective, against which actual achievement shall be compared, including a goal expressed as a quantitative standard, value, or rate;

"(4) 'performance indicator' refers to a particular value or characteristic used to measure output or outcome;

"(5) 'program activity' means a specific activity related to the mission of the Postal Service; and

"(6) 'program evaluation' means an assessment, through objective measurement and systematic analysis, of the manner and extent to which Postal Service programs achieve intended objectives.

"Sec. 2802. Strategic plans

"(a) No later than September 30, 1997, the Postal Service shall submit to the President and the Congress a strategic plan for its program activities. Such plan shall contain-

"(1) a comprehensive mission statement covering the major functions and operations of the Postal Service;

"(2) general goals and objectives, including outcome- related goals and objectives, for the major functions and operations of the Postal Service;

"(3) a description of how the goals and objectives are to be achieved, including a description of the operational processes, skills and technology, and the human, capital, information, and other resources required to meet those goals and objectives;

"(4) a description of how the performance goals included in the plan required under section 2803 shall be related to the general goals and objectives in the strategic plan;

"(5) an identification of those key factors external to the Postal Service and beyond its control that could significantly affect the achievement of the general goals and objectives; and

"(6) a description of the program evaluations used in establishing or revising general goals and objectives, with a schedule for future program evaluations.

"(b) The strategic plan shall cover a period of not less than five years forward from the fiscal year in which it is submitted, and shall be updated and revised at least every three years.

"(c) The performance plan required under section 2803 shall be consistent with the Postal Service's strategic plan. A performance plan may not be submitted for a fiscal year not covered by a current strategic plan under this section.

"(d) When developing a strategic plan, the Postal Service shall solicit and consider the views and suggestions of those entities potentially affected by or interested in such a plan, and shall advise the Congress of the contents of the plan.

"Sec. 2803. Performance plans

"(a) The Postal Service shall prepare an annual performance plan covering each program activity set forth in the Postal Service budget, which shall be included in the comprehensive statement presented under section 2401(g) of this title. Such plan shall-

"(1) establish performance goals to define the level of performance to be achieved by a program activity;

"(2) express such goals in an objective, quantifiable, and measurable form unless an alternative form is used under subsection (b);

"(3) briefly describe the operational processes, skills and technology, and the human, capital, information, or other resources required to meet the performance goals;

"(4) establish performance indicators to be used in measuring or assessing the relevant outputs, service levels, and outcomes of each program activity;

"(5) provide a basis for comparing actual program results with the established performance goals; and

"(6) describe the means to be used to verify and validate measured values.

"(b) If the Postal Service determines that it is not feasible to express the performance goals for a particular program activity in an objective, quantifiable, and measurable form, the Postal Service may use an alternative form. Such alternative form shall-

"(1) include separate descriptive statements of-

"(A) a minimally effective program, and

"(B) a successful program,

with sufficient precision and in such terms that would allow for an accurate, independent determination of whether the program activity's performance meets the criteria of either description; or

"(2) state why it is infeasible or impractical to express a performance goal in any form for the program activity.

"(c) In preparing a comprehensive and informative plan under this section, the Postal Service may aggregate, disaggregate, or consolidate program activities, except that any aggregation or consolidation may not omit or minimize the significance of any program activity constituting a major function or operation.

"(d) The Postal Service may prepare a non-public annex to its plan covering program activities or parts of program activities relating to-

"(1) the avoidance of interference with criminal prosecution; or

"(2) matters otherwise exempt from public disclosure under section 410(c) of this title.

"Sec. 2804. Program performance reports

"(a) The Postal Service shall prepare a report on program performance for each fiscal year, which shall be included in the annual comprehensive statement presented under section 2401(g) of this title.

"(b)(1) The program performance report shall set forth the performance indicators established in the Postal Service performance plan, along with the actual program performance achieved compared with the performance goals expressed in the plan for that fiscal year.

"(2) If performance goals are specified by descriptive statements of a minimally effective program activity and a successful program activity, the results of such program shall be described in relationship to those categories, including whether the performance failed to meet the criteria of either category.

"(c) The report for fiscal year 2000 shall include actual results for the preceding fiscal year, the report for fiscal year 2001 shall include actual results for the two preceding fiscal years, and the report for fiscal year 2002 and all subsequent reports shall include actual results for the three preceding fiscal years.

"(d) Each report shall-

"(1) review the success of achieving the performance goals of the fiscal year;

"(2) evaluate the performance plan for the current fiscal year relative to the performance achieved towards the performance goals in the fiscal year covered by the report;

"(3) explain and describe, where a performance goal has not been met (including when a program activity's performance is determined not to have met the criteria of a successful program activity under section 2803(b)(2))-

"(A) why the goal was not met;

"(B) those plans and schedules for achieving the established performance goal; and

"(C) if the performance goal is impractical or infeasible, why that is the case and what action is recommended; and

"(4) include the summary findings of those program evaluations completed during the fiscal year covered by the report.

"Sec. 2805. Inherently Governmental functions

"The functions and activities of this chapter shall be considered to be inherently Governmental functions. The drafting of strategic plans, performance plans, and program performance reports under this section shall be performed only by employees of the Postal Service."

#### **SECTION 8. CONGRESSIONAL OVERSIGHT AND LEGISLATION.**

(a) In General.-Nothing in this Act shall be construed as limiting the ability of Congress to establish, amend, suspend, or annul a performance goal. Any such action shall have the effect of superseding that goal in the plan submitted under section 1105(a)(29) of title 31, United States Code.

(b) GAO Report.-No later than June 1, 1997, the Comptroller General of the United States shall report to Congress on the implementation of this Act, including the prospects for compliance by Federal agencies beyond those participating as pilot projects under sections 1118 and 9704 of title 31, United States Code.

#### **SECTION 9. TRAINING.**

The Office of Personnel Management shall, in consultation with the Director of the Office of Management and Budget and the Comptroller General of the United States, develop a strategic planning and performance measurement training component for its management training program and otherwise provide managers with an orientation on the development and use of strategic planning and program performance measurement.

#### **SECTION 10. APPLICATION OF ACT.**

No provision or amendment made by this Act may be construed as-

(1) creating any right, privilege, benefit, or entitlement for any person who is not an officer or employee of the United States acting in such capacity, and no person who is not an officer or employee of the United States acting in such capacity shall have standing to file any civil action in a court of the United States to enforce any provision or amendment made by this Act; or

(2) superseding any statutory requirement, including any requirement under section 553 of title 5, United States Code.

#### **SECTION 11. TECHNICAL AND CONFORMING AMENDMENTS.**

(a) Amendment to Title 5, United States Code.-The table of sections for chapter 3 of title 5, United States Code, is amended by adding after the item relating to section 305 the following:

"306. Strategic plans."

(b) Amendments to Title 31, United States Code.-

(1) Amendment to chapter 11.-The table of sections for chapter 11 of title 31, United States Code, is amended by adding after the item relating to section 1114 the following:

"1115. Performance plans.

"1116. Program performance reports.

"1117. Exemptions.

"1118. Pilot projects for performance goals. "1119. Pilot projects for performance budgeting."

(2) Amendment to chapter 97.-The table of sections for chapter 97 of title 31, United States Code, is amended by adding after the item relating to section 9702 the following:

"9703. Managerial accountability and flexibility.

"9704. Pilot projects for managerial accountability and flexibility."

(c) Amendment to Title 39, United States Code.-The table of chapters for part III of title 39, United States Code, is amended by adding at the end thereof the following new item:

"28. Strategic planning and performance management 2801". Speaker of the House of Representatives.

Vice President of the United States and President of the Senate.

## Reorganization Plan No. 4 of 1970

Prepared by the President and transmitted to the Senate and the House of Representatives in Congress assembled, July 9, 1970, pursuant to the provisions of chapter 9 of title 5 of the United States Code.<sup>1</sup>

<sup>1</sup>Effective October 3, 1970, under the provisions of 5 U.S.C. 906.

### NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

SECTION 1. *Transfers to Secretary of Commerce.* The following are hereby transferred to the Secretary of Commerce

(a) All functions vested by law in the Bureau of Commercial Fisheries of the Department of the Interior or in its head, together with all functions vested by law in the Secretary of the Interior or the Department of the Interior which are administered through that Bureau or are primarily related to the Bureau, exclusive of functions with respect to (1) Great Lakes fishery research and activities related to the Great Lakes Fisheries Commission, (2) Missouri River Reservoir research, (3) the Gulf Breeze Biological Laboratory of the said Bureau at Gulf Breeze, Florida, and (4) Trans-Alaska pipeline investigations.

(b) The functions vested in the Secretary of the Interior by the Act of September 22, 1959 (Public Law 86-359, 73 Stat. 642, 16 U.S.C. 760e-760g; relating to migratory marine species of game fish).

(c) The functions vested by law in the Secretary of the Interior, or in the Department of the Interior or in any officer or instrumentality of that Department, which are administered through the Marine Minerals Technology Center of the Bureau of Mines.

(d) All functions vested in the National Science Foundation by the National Sea Grant College and Program Act of 1966 (80 Stat. 998), as amended (33 U.S.C. 1121 et seq.).

(e) Those functions vested in the Secretary of Defense or in any officer, employee, or organizational entity of the Department of Defense by the provision of Public Law 91-144, 83 Stat. 326, under the heading "Operation and maintenance, general" with respect to "surveys and charting of northern and northwestern lakes and connecting waters," or by other law, which come under the mission assigned as of July 1, 1969, to the United States Army Engineer District, Lake Survey, Corps of Engineers, Department of the Army and relate to (1) the conduct of hydrographic surveys of the Great Lakes and their outflow rivers, Lake Champlain, New York State Barge Canals, and the Minnesota-Ontario border lakes, and the compilation and publication of navigation charts, including recreational aspects, and the Great Lakes Pilot for the benefit and use of the public, (2) the conception, planning, and conduct of basic research and development in the fields of water motion, water characteristics, water quantity, and ice and snow, and (3) the publication of data and the results of research projects in forms useful to the Corps of Engineers and the public, and the operation of a Regional Data Center for the collection, coordination, analysis, and the furnishing to interested agencies of data relating to water resources of the Great Lakes.

(f) So much of the functions of the transferor officers and agencies referred to in or affected by the foregoing provisions of this section as is incidental to or necessary for the performance by or under the Secretary of Commerce of the functions transferred by those provisions or relates primarily to those functions. The transfers to the Secretary of Commerce made by this section shall be deemed to include the transfer of authority, provided by law, to prescribe regulations relating primarily to the transferred functions.

SEC. 2. *Establishment of Administration.* (a) There is hereby established in the Department of Commerce an agency which shall be known as the National Oceanic and Atmospheric Administration, hereinafter referred to as the "Administration."

(b) There shall be at the head of the Administration the Administrator of the National Oceanic and Atmospheric Administration, hereinafter referred to as the "Administrator." The Administrator shall be appointed by the President, by and with the advice and consent of the Senate, and shall be compensated at the rate now or hereafter provided for Level III of the Executive Schedule Pay Rates (5 U.S.C. 5314).

(c) There shall be in the Administration a Deputy Administrator of the National Oceanic and Atmospheric Administration who shall be appointed by the President, by and with the advice and consent of the Senate, and shall be compensated at the rate now or hereafter provided for Level IV of the Executive Schedule Pay Rates (5 U.S.C. 5315). The Deputy Administrator shall perform such functions as the Administrator shall from time to time assign or delegate, and shall act as Administrator during the absence or disability of the Administrator or in the event of a vacancy in the office of Administrator.

(d) There shall be in the Administration an Associate Administrator of the National Oceanic and Atmospheric Administration who shall be appointed by the President, by and with the advice and consent of the Senate, and shall be compensated at the rate now or hereafter provided for Level V of the Executive Schedule Pay Rates (5 U.S.C. 5316). The Associate Administrator shall perform such functions as the Administrator shall from time to time assign or delegate, and shall act as Administrator during the absence or disability of the Administrator and Deputy Administrator. The office of Associate Administrator may be filled at the discretion of the President by appointment (by and with the advice and consent of the Senate) from the active list of the commissioned officers of the Administration in which case the appointment shall create a vacancy on the active list and while holding the office of Associate Administrator the officer shall have rank, pay, and allowances not exceeding those of a vice admiral.

(e) There shall be in the Administration three additional officers who shall perform such functions as the Administrator shall from time to time assign or delegate. Each such officer shall be appointed by the Secretary, subject to the approval of the President, under the classified civil service, shall have such title as the Secretary shall from time to time determine, and shall receive compensation at the rate now or hereafter provided for Level V of the Executive Schedule Pay Rates (5 U.S.C. 5316).

(f) The President may appoint in the Administration, by and with the advice and consent of the Senate, two commissioned officers to serve at any one time as the designated heads of two principal constituent organizational entities of the Administration, or the President may designate one such officer as the head of such an organizational entity and the other as the head of the commissioned corps of the Administration. Any such designation shall create a vacancy on the active list and the officer while serving under this subsection shall have the rank, pay, and allowances of a rear admiral (upper half).

(g) Any commissioned officer of the Administration who has served under (d) or (f) and is retired while so serving or is retired after the completion of such service while serving in a lower rank or grade, shall be retired with the rank, pay, and allowances authorized by law for the highest grade and rank held by him; but any such officer, upon termination of his appointment in a rank above that of captain, shall, unless appointed or assigned to some other position for which a higher rank or grade is provided, revert to the grade and number he would have occupied had he not served in a rank above that of captain and such officer shall be an extra number in that grade.

SEC. 3. *Performance of transferred functions.* The provisions of sections 2 and 4 of Reorganization Plan No. 5 of 1950 (64 Stat. 1263) shall be applicable to the functions transferred hereunder to the Secretary of Commerce.

SEC. 4. *Incidental Transfers.* (a) So much of the personnel, property, records, and unexpended balances of appropriations, allocations, and other funds employed, used, held, available, or to be made available in connection with the functions transferred to the Secretary of Commerce by this reorganization plan as the Director of the Office of Management and Budget shall determine shall be transferred to the Department of Commerce at such time or times as the Director shall direct.

(b) Such further measures and dispositions as the Director of the Office of Management and Budget shall deem to be necessary in order to effectuate the transfers referred to in subsection (a) of this section shall be carried out in such manner as he shall direct and by such agencies as he shall designate.

(c) The personnel, property, records, and unexpended balances of the appropriations, allocations, and other funds of the Environmental Science Services Administration shall become personnel, property, records, and unexpended balances of the National Oceanic and Atmospheric Administration or of such other organizational entity or entities of the Department of Commerce as the Secretary of Commerce shall determine.

(d) The Commissioned Officer Corps of the Environmental Science Services Administration shall become the Commissioned Officer Corps of the National Oceanic and Atmospheric Administration. Members of the Corps, including those appointed hereafter, shall be entitled to all rights, privileges, and benefits heretofore available under any law to commissioned officers of the Environmental Science Services Administration, including those rights, privileges, and benefits heretofore accorded by law to commissioned officers of the former Coast and Geodetic Survey.

(e) Any personnel, property, records, and unexpended balances of appropriations, allocations, and other funds of the Bureau of Commercial Fisheries not otherwise transferred shall become personnel, property, records, and unexpended balances of such organizational entity or entities of the Department of the Interior as the Secretary of the Interior shall determine.

SEC. 5. *Interim Officers.* (a) The President may authorize any person who immediately prior to the effective date of this reorganization plan held a position in the executive branch of the Government to act as Administrator until the office of Administrator is for the first time filled pursuant to the provisions of this reorganization plan or by recess appointment, as the case may be.

(b) The President may similarly authorize any such person to act as Deputy Administrator and authorize any such person to act as Associate Administrator.

(c) The President may similarly authorize a member of the former Commissioned Officer Corps of the Environmental Science Services Administration to act as the head of one principal constituent organizational entity of the Administration.

(d) The President may authorize any person who serves in an acting capacity under the foregoing provisions of this section to receive the compensation attached to the office in respect of which he so serves. Such compensation, if authorized, shall be in lieu of, but not in addition to, other compensation from the United States to which such person may be entitled.

SEC. 6. *Abolitions.* (a) Subject to the provisions of this reorganization plan, the following, exclusive of any functions, are hereby abolished:

(1) The Environmental Science Services Administration in the Department of Commerce (established by Reorganization Plan No. 2 of 1965, 79 Stat. 1318), including the offices of Administrator of the Environmental Science Services Administration and Deputy Administrator of the Environmental Science Services Administration.

(2) The Bureau of Commercial Fisheries in the Department of the Interior (16 U.S.C. 742b), including the office of Director of the Bureau of Commercial Fisheries.

(b) Such provisions as may be necessary with respect to terminating any outstanding affairs shall be made by the Secretary of Commerce in the case of the Environmental Science Services Administration and by the Secretary of the Interior in the case of the Bureau of Commercial Fisheries.

[F.R. Doc. 70-13375; Filed Oct. 5, 1970; 8:45 a.m.]

## MESSAGE OF THE PRESIDENT

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 4 of 1970, prepared in accordance with chapter 9 of title 5 of the United States Code. The plan would transfer to the Secretary of Commerce various functions relating to the oceans and atmosphere, including commercial fishery functions, and would establish a National Oceanic and Atmospheric Administration in the Department of Commerce. My reasons for transmitting this plan are stated in a more extended accompanying message.

After investigation, I have found and hereby declare that each reorganization included in Reorganization Plan No. 4 of 1970 is necessary to accomplish one or more of the purposes set forth in section 901(a) of title 5 of the United States Code. In particular, the plan is responsive to section 901(a)(1), "to promote the better execution of the laws, the more effective management of the executive branch and of its agencies and functions, and the expeditious administration of the public business;" and section 901(a)(3) "to increase the efficiency of the operations of the Government to the fullest extent practicable."

The reorganizations provided for in the plan make necessary the appointment and compensation of new officers as specified in section 2 of the plan. The rates of compensation fixed for these officers are comparable to those fixed for other officers in the executive branch who have similar responsibilities.

The reorganization plan should result in the more efficient operation of the Government. It is not practical, however, to itemize or aggregate the exact expenditure reductions which will result from this action.

Richard Nixon.

The White House, July 9, 1970.

**August 29, 1997**

**MEMORANDUM FOR THE RECORD**

**FROM:** Norwood J. Jackson  
Deputy Controller  
Office of Federal Financial Management

**SUBJECT:** Recompilation of OMB Circular A-102

I certify that the attached document constitutes a recompilation of Office of Management and Budget Circular A-102, "Grants and Cooperative Agreements with State and Local Governments." The recompilation consists of the last complete revision of the Circular published at 59 FR 52224 (dated October 7, 1994, published October 14, 1994), as further amended at 62 FR 45934 (August 29, 1997).

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**CIRCULAR A-102 (REVISED 10/7/94, As Further Amended 8/29/97)**

CIRCULAR NO. A-102  
Revised

**TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS**

**SUBJECT:** Grants and Cooperative Agreements with State and Local Governments

1. **Purpose.** This Circular establishes consistency and uniformity among Federal agencies in the management of grants and cooperative agreements with State, local, and federally-recognized Indian tribal governments. This revision supersedes Office of Management and Budget (OMB) Circular No. A-102, dated March 3, 1988.

2. **Authority.** This Circular is issued under the authority of the Budget and Accounting Act of 1921, as amended; the Budget and Accounting Procedures Act of 1950, as amended; Reorganization Plan No. 2 of 1970; Executive Order 11541 and the Chief Financial Officers Act, 31 U.S.C. 503. Also included in the Circular are standards to ensure consistent implementation of sections 202, 203, and 204 of the Intergovernmental Cooperation Act of 1968, the Office of Federal Procurement Policy Act Amendments of 1983, and sections 6301-08, title 31, United States Code.

3. **Background.** On March 12, 1987, the President directed all affected agencies to issue a

grants management common rule to adopt government-wide terms and conditions for grants to State and local governments, and they did so. In 1988, OMB revised the Circular to provide guidance to Federal agencies on other matters not covered in the common rule.

**4. Required Action.** Consistent with their legal obligations, all Federal agencies administering programs that involve grants and cooperative agreements with State, local and Indian tribal governments (grantees) shall follow the policies in this Circular. If the enabling legislation for a specific grant program prescribes policies or requirements that differ from those in this Circular, the provisions of the enabling legislation shall govern.

**5. OMB Responsibilities.** OMB may grant deviations from the requirements of this Circular when permissible under existing law. However, in the interest of uniformity and consistency, deviations will be permitted only in exceptional circumstances.

**6. Information Contact.** Further information concerning this Circular may be obtained from:

Office of Federal Financial Management  
Office of Management and Budget  
Room 6025  
New Executive Office Building  
Washington, DC 20503  
(202) 395-3993

**7. Termination Review Date.** The Circular will have a policy review three years from the date of issuance.

**8. Effective Date.** The Circular is effective on publication.

Attachment

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ATTACHMENT  
Circular No. A-102

**GRANTS AND COOPERATIVE AGREEMENTS  
WITH STATE AND LOCAL GOVERNMENTS**

**1. Pre-Award Policies.**

a. **Use of grants and cooperative agreements.** Sections 6301-08, title 31, United States Code govern the use of grants, contracts and cooperative agreements. A grant or cooperative agreement shall be used only when the principal purpose of a transaction is to accomplish a public purpose of support or stimulation authorized by Federal statute. Contracts shall be used when the principal purpose is acquisition of property or services for the direct benefit or use of the Federal Government. The statutory criterion for choosing between grants and cooperative agreements is that for the latter, "substantial involvement is expected between the executive agency and the State, local government, or other recipient when carrying out the activity contemplated in the agreement."

b. **Advance Public Notice and Priority Setting.**

(1) Federal agencies shall provide the public with an advance notice in the **Federal Register**, or by other appropriate means, of intended funding priorities for discretionary assistance programs, unless funding priorities are established by Federal statute. These priorities shall be approved by a policy level official.

(2) Whenever time permits, agencies shall provide the public an opportunity to comment on intended funding priorities.

(3) All discretionary grant awards in excess of \$25,000 shall be reviewed for consistency with agency priorities by a policy level official.

c. **Standard Forms for Applying for Grants and Cooperative Agreements.**

(1) Agencies shall use the following standard application forms unless they obtain Office of Management and Budget (OMB) approval under the Paperwork Reduction Act of 1980 (44 U.S.C. 35) and the 5 CFR Part 1320, "Controlling Paperwork Burdens on the Public":

SF-424 Facesheet

SF-424a Budget Information (Non-Construction)

SF-424b Standard Assurances (Non-Construction)

SF-424c Budget Information (Construction)

SF-424d Standard Assurances (Construction)

When different or additional information is needed to comply with legislative requirements or to meet specific program needs, agencies shall also obtain prior OMB approval.

(2) A preapplication shall be used for all construction, land acquisition and land development projects or programs when the need for Federal funding exceeds

\$100,000, unless the Federal agency determines that a preapplication is not needed. A preapplication is used to:

- (a) Establish communication between the agency and the applicant,
- (b) Determine the applicant's eligibility,
- (c) Determine how well the project can compete with similar projects from others, and
- (d) Discourage any proposals that have little or no chance for Federal funding before applicants incur significant costs in preparing detailed applications.

(3) Agencies shall use the Budget Information (Construction) and Standard Assurances (Construction) when the major purpose of the project or program is construction, land acquisition or land development.

(4) Agencies may specify how and whether budgets shall be shown by functions or activities within the program or project.

(5) Agencies should generally include a request for a program narrative statement which is based on the following instructions:

(a) Objectives and need for assistance. Pinpoint any relevant physical, economic, social, financial, institutional, or other problems requiring a solution. Demonstrate the need for the assistance and state the principal and subordinate objectives of the project. Supporting documentation or other testimonies from concerned interests other than the applicant may be used. Any relevant data based on planning studies should be included or footnoted.

(b) Results or Benefits Expected. Identify costs and benefits to be derived. For example, show how the facility will be used. For land acquisition or development projects, explain how the project will benefit the public.

(c) Approach. Outline a plan of action pertaining to the scope and detail how the proposed work will be accomplished for each assistance program. Cite factors which might accelerate or decelerate the work and reasons for taking this approach as opposed to others. Describe any unusual features of the project, such as design or technological innovations, reductions in cost or time, or extraordinary social and community involvements. Provide for each assistance program quantitative projections of the accomplishments to be achieved, if possible. When accomplishments cannot be quantified, list the activities in chronological order to show the schedule of accomplishments and target expected completion dates. Identify the kinds of data to be collected and maintained, and discuss the criteria to be used to evaluate the results and

success of the project. Explain the methodology that will be used to determine if the needs identified and discussed are being met and if the results and benefits identified are being achieved. List each organization, cooperator, consultant, or other key individuals who will work on the project along with a short description of the nature of their effort or contribution.

(d) Geographic location. Give a precise location of the project and area to be served by the proposed project. Maps or other graphic aids may be attached.

(e) If applicable, provide the following information: for research and demonstration assistance requests, present a biographical sketch of the program director with the following information: name, address, telephone number, background, and other qualifying experience for the project. Also, list the name, training and background for other key personnel engaged in the project. Describe the relationship between this project and other work planned, anticipated, or underway under Federal assistance. Explain the reason for all requests for supplemental assistance and justify the need for additional funding. Discuss accomplishments to date and list in chronological order a schedule of accomplishments, progress or milestones anticipated with the new funding request. If there have been significant changes in the project objectives, location, approach or time delays, explain and justify. For other requests for changes, or amendments, explain the reason for the change(s). If the scope or objectives have changed or an extension of time is necessary, explain the circumstances and justify. If the total budget has been exceeded or if the individual budget items have changes more than the prescribed limits, explain and justify the change and its effect on the project.

(6) Additional assurances shall not be added to those contained on the standard forms, unless specifically required by statute.

d. **Debarment and Suspension.** Federal agencies shall not award assistance to applicants that are debarred or suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549. Agencies shall establish procedures for the effective use of the List of Parties Excluded from Federal Procurement or Nonprocurement programs to assure that they do not award assistance to listed parties in violation of the Executive Order. Agencies shall also establish procedures to provide for effective use and/or dissemination of the list to assure that their grantees and subgrantees (including contractors) at any tier do not make awards in violation of the nonprocurement debarment and suspension common rule.

e. **Awards and Adjustments.**

(1) Ordinarily awards shall be made at least ten days prior to the beginning of the grant period.

(2) Agencies shall notify grantees immediately of any anticipated adjustments in the amount of an award. This notice shall be provided as early as possible in the funding period. Reductions in funding shall apply only to periods after notice is provided. Whenever an agency adjusts the amount of an award, it shall also make an appropriate adjustment to the amount of any required matching or cost sharing.

f. **Carryover Balances.** Agencies shall be prepared to identify to OMB the amounts of carryover balances (e.g., the amounts of estimated grantee unobligated balances available for carryover into subsequent grant periods). This presentation shall detail the fiscal and programmatic (level of effort) impact in the following period.

g. **Special Conditions or Restrictions.** Agencies may impose special conditions or restrictions on awards to "high risk" applicants/grantees in accordance with section \_\_.12 of the grants management common rule. Agencies shall document use of the "Exception" provisions of section \_\_.6 and "High-risk" provisions of section \_\_.12 of the grants management common rule.

h. **Waiver of Single State Agency Requirements.**

(1) Requests to agencies from the Governors, or other duly constituted State authorities, for waiver of "single" State agency requirements in accordance with section 31 U.S.C. 6504, "Use of existing State or multi-member agency to administer grant programs," shall be given expeditious handling and, whenever possible, an affirmative response.

(2) When it is necessary to refuse a request for waiver of "single" State agency requirements under section 204 of the Intergovernmental Corporation Act, the Federal grantor agency shall advise OMB prior to informing the State that the request cannot be granted. The agency shall indicate to OMB the reasons for the denial of the request.

(3) Legislative proposals embracing grant-in-aid programs shall avoid inclusion of proposals for "single" State agencies in the absence of compelling reasons to do otherwise. In addition, existing requirements in present grant-in-aid programs shall be reviewed and legislative proposals developed for the removal of these restrictive provisions.

i. **Patent Rights.** Agencies shall use the standard patent rights clause specified in "Rights to Inventions made by Non-profit Organizations and Small Business Firms" (37 CFR Part 401), when providing support for research and development.

j. **Metric System of Measurement.** The Metric Conversion Act of 1975, as amended,

declares that the metric system is the preferred measurement system for U.S. trade and commerce. The Act requires each Federal agency to establish a date(s), in consultation with the Secretary of Commerce, when the metric system of measurement will be used in the agency's procurement, grants, and other business-related activities. Metric implementation may take longer where the use of the system is initially impractical or likely to cause significant inefficiencies in the accomplishment of federally-funded activities. Heads of departments and agencies shall establish a process for a policy level and program level review of proposed exceptions to metric usage in grants programs. Executive Order 12770 ("Metric Usage in Federal Government Programs") elaborates on implementation of the Act.

## 2. **Post-award Policies.**

- a. **Cash Management.** Agency methods and procedures for transferring funds shall minimize the time elapsing between the transfer to recipients of grants and cooperative agreements and the recipient's need for the funds.

(1) Such transfers shall be made consistent with program purposes, applicable law and Treasury regulations contained in 31 CFR Part 205, Federal Funds Transfer Procedures.

(2) Where letters-of-credit are used to provide funds, they shall be in the same amount as the award.

- b. **Grantee Financial Management Systems.** In assessing the adequacy of an applicant's financial management system, the awarding agency shall rely on readily available sources of information, such as audit reports, to the maximum extent possible. If additional information is necessary to assure prudent management of agency funds, it shall be obtained from the applicant or from an on-site review.

- c. **Financial Status Reports.**

(1) Federal agencies shall require grantees to use the SF-269, Financial Status Report-Long Form, or SF-269a, Financial Status Report-Short Form, to report the status of funds for all non-construction projects or programs. Federal agencies need not require the Financial Status Report when the SF-270, Request for Advance or Reimbursement, or SF-272, Report of Federal Cash Transactions, is determined to provide adequate information.

(2) Federal agencies shall not require grantees to report on the status of funds by object class category of expenditure (e.g., personnel, travel, equipment).

(3) If reporting on the status of funds by programs, functions or activities within the project or program is required by statute or regulation, Federal agencies shall instruct

grantees to use block 12, Remarks, on the SF-269, or a supplementary form approved by the OMB under the Paperwork Reduction Act of 1980.

(4) Federal agencies shall prescribe whether the reporting shall be on a cash or an accrual basis. If the Federal agency requires accrual information and the grantees's accounting records are not normally kept on an accrual basis, the grantee shall not be required to convert its accounting system but shall develop such accrual information through an analysis of the documentation on hand.

d. **Contracting With Small and Minority Firms, Women's Business Enterprises and Labor Surplus Area Firms.** It is national policy to award a fair share of contracts to small and minority business firms. Grantees shall take similar appropriate affirmative action to support of women's enterprises and are encouraged to procure goods and services from labor surplus areas.

e. **Program Income.**

(1) Agencies shall encourage grantees to generate program income to help defray program costs. However, Federal agencies shall not permit grantees to use grant-acquired assets to compete unfairly with the private sector.

(2) Federal agencies shall instruct grantees to deduct program income from total program costs as specified in the grants management common rule at paragraph \_\_.25 (g)(1), unless agency regulations or the terms of the grant award state otherwise. Authorization for recipients to follow the other alternatives in paragraph \_\_.25 (g) (2) and (3) shall be granted sparingly.

f. **Site Visits and Technical Assistance.** Agencies shall conduct site visits only as warranted by program or project needs. Technical assistance site visits shall be provided only (1) in response to requests from grantees, (2) based on demonstrated program need, or (3) when recipients are designated "high risk" under section \_\_.12 of the grants management common rule.

g. **Infrastructure Investment.** Agencies shall encourage grantees to consider the provisions of the common rule at Section \_\_. 31 and Executive Order 12803 ("Infrastructure Privatization"). This includes reviewing and modifying procedures affecting the management and disposition of federally-financed infrastructure owned by State and local governments, with their requests to sell or lease infrastructure assets, consistent with the criteria in Section 4 of the Order. Related guidance contained in Executive Order 12893 ("Principles for Federal Infrastructure Investments") requiring economic analysis and the development of investment options, including public-private partnership, shall also be applied. On March 7, 1994, OMB issued guidance on Executive Order 12893 in OMB Bulletin No. 94-16.

h. **Resource Conservation and Recovery Act.** Agencies shall implement the Resource Conservation and Recovery Act of 1976 (RCRA) (42 U.S.C. 6962). Any State agency or agency of a political subdivision of a State which is using appropriated Federal funds must comply with Section 6002 of RCRA. Section 6002 requires that preference be given in procurement programs to the purchase of specific products containing recycled materials identified in guidelines developed by the Environmental Protection Agency (EPA). Current guidelines are contained in 40 CFR Parts 247-253. State and local recipients of grants, loans, cooperative agreements or other instruments funded by appropriated Federal funds shall give preference in procurement programs to the purchase of recycled products pursuant to the EPA guidelines.

i. **Procurement of Goods and Services.** Agencies should be aware of and comply with the requirement enacted in Section 623 of the Treasury, Postal Service and General Government Appropriations Act, 1993, and reenacted in Section 621 of the fiscal year 1994 Appropriations Act. This Section requires grantees to specify in any announcement of the awarding of contracts with an aggregate value of \$500,000 or more, the amount of Federal funds that will be used to finance the acquisitions.

j. **Conditional exemptions.**

(1) OMB authorizes conditional exemption from OMB administrative requirements and cost principles circulars for certain Federal programs with statutorily-authorized consolidated planning and consolidated administrative funding, that are identified by a Federal agency and approved by the head of the Executive department or establishment. A Federal agency shall consult with OMB during its consideration of whether to grant such an exemption.

(2) To promote efficiency in State and local program administration, when Federal non-entitlement programs with common purposes have specific statutorily-authorized consolidated planning and consolidated administrative funding and where most of the State agency's resources come from non-Federal sources, Federal agencies may exempt these covered State-administered, non-entitlement grant programs from certain OMB grants management requirements. The exemptions would be from all but the allocability of costs provisions of OMB Circulars A-87 (Attachment A, subsection C.3), "Cost Principles for State, Local, and Indian Tribal Governments," A-21 (Section C, subpart 4), "Cost Principles for Educational Institutions," and A-122 (Attachment A, subsection A.4), "Cost Principles for Non-Profit Organizations," and from all of the administrative requirements provisions of OMB Circular A-110, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations," and the agencies' grants management common rule.

(3) When a Federal agency provides this flexibility, as a prerequisite to a State's

exercising this option, a State must adopt its own written fiscal and administrative requirements for expending and accounting for all funds, which are consistent with the provisions of OMB Circular A-87, and extend such policies to all subrecipients. These fiscal and administrative requirements must be sufficiently specific to ensure that: funds are used in compliance with all applicable Federal statutory and regulatory provisions, costs are reasonable and necessary for operating these programs, and funds are not be used for general expenses required to carry out other responsibilities of a State or its subrecipients.

### 3. **After-the-grant Policies.**

a. **Closeout.** Federal agencies shall notify grantees in writing before the end of the grant period of final reports that shall be due, the dates by which they must be received, and where they must be submitted. Copies of any required forms and instructions for their completion shall be included with this notification. The Federal actions that must precede closeout are:

(1) Receipt of all required reports,

(2) Disposition or recovery of federally-owned assets (as distinct from property acquired under the grant), and

(3) Adjustment of the award amount and the amount of Federal cash paid the recipient.

b. **Annual Reconciliation of Continuing Assistance Awards.** Federal agencies shall reconcile continuing awards at least annually and evaluate program performance and financial reports.

Items to be reviewed include:

(1) A comparison of the recipient's work plan to its progress reports and project outputs,

(2) the Financial Status Report (SF-269),

(3) Request(s) for payment,

(4) Compliance with any matching, level of effort or maintenance of effort requirement, and

(5) A review of federally-owned property (as distinct from property acquired under the grant).

**CIRCULAR A-110**  
**REVISED 11/19/93**  
**As Further Amended 9/30/99**

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

**SUBJECT:** Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations

1. **Purpose.** This Circular sets forth standards for obtaining consistency and uniformity among Federal agencies in the administration of grants to and agreements with institutions of higher education, hospitals, and other non-profit organizations.
2. **Authority.** Circular A-110 is issued under the authority of 31 U.S.C. 503 (the Chief Financial Officers Act), 31 U.S.C. 1111, 41 U.S.C. 405 (the Office of Federal Procurement Policy Act), Reorganization Plan No. 2 of 1970, and E.O. 11541 ("Prescribing the Duties of the Office of Management and Budget and the Domestic Policy Council in the Executive Office of the President").
3. **Policy.** Except as provided herein, the standards set forth in this Circular are applicable to all Federal agencies. If any statute specifically prescribes policies or specific requirements that differ from the standards provided herein, the provisions of the statute shall govern.

The provisions of the sections of this Circular shall be applied by Federal agencies to recipients. Recipients shall apply the provisions of this Circular to subrecipients performing substantive work under grants and agreements that are passed through or awarded by the primary recipient, if such subrecipients are organizations described in paragraph 1.

This Circular does not apply to grants, contracts, or other agreements between the Federal Government and units of State or local governments covered by OMB Circular A-102, "Grants and Cooperative Agreements with State and Local Governments," and the Federal agencies' grants management common rule which standardized and codified the administrative requirements Federal agencies impose on State and local grantees. In addition, subawards and contracts to State or local governments are not covered by this Circular. However, this Circular applies to subawards made by State and local governments to organizations covered by this Circular. Federal agencies may apply the provisions of this Circular to commercial organizations, foreign governments, organizations under the jurisdiction of foreign governments, and international organizations.

4. **Definitions.** Definitions of key terms used in this Circular are contained in Section \_\_\_\_2 in the Attachment.

5. **Required Action.** The specific requirements and responsibilities of Federal agencies and institutions of higher education, hospitals, and other non-profit organizations are set forth in this Circular. Federal agencies responsible for awarding and administering grants to and other agreements with organizations described in paragraph 1 shall adopt the language in the Circular unless different provisions are required by Federal statute or are approved by OMB.

6. **OMB Responsibilities.** OMB will review agency regulations and implementation of this Circular, and will provide interpretations of policy requirements and assistance to insure effective and efficient implementation. Any exceptions will be subject to approval by OMB, as indicated in Section \_\_\_\_4 in the Attachment. Exceptions will only be made in particular cases where adequate justification is presented.

7. **Information Contact.** Further information concerning this Circular may be obtained by contacting the Office of Federal Financial Management, Office of Management and Budget, Washington, DC 20503, telephone (202) 395-3993.

8. **Termination Review Date.** This Circular will have a policy review three years from date of issuance.

9. **Effective Date.** The standards set forth in this Circular which affect Federal agencies will be effective 30 days after publication of the final revision in the **Federal Register**. Those standards which Federal agencies impose on grantees will be adopted by agencies in codified regulations within six months after publication in the **Federal Register**. Earlier implementation is encouraged.

Attachment

**Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations**

**SUBPART A - GENERAL**

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- \_\_\_\_.2 Definitions.
- \_\_\_\_.3 Effect on other issuances.
- \_\_\_\_.4 Deviations.
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**APPENDIX A - CONTRACT PROVISIONS**

**SUBPART A - General**

....1 **Purpose.** This Circular establishes uniform administrative requirements for Federal grants and agreements awarded to institutions of higher education, hospitals, and other non-profit organizations. Federal awarding agencies shall not impose additional or inconsistent requirements, except as provided in Sections ....4, and ....14 or unless specifically required by Federal statute or executive order. Non-profit organizations that implement Federal programs for the States are also subject to State requirements.

....2 **Definitions.**

- (a) **Accrued expenditures** means the charges incurred by the recipient during a given period requiring the provision of funds for: (1) goods and other tangible property received; (2) services performed by employees, contractors, subrecipients, and other payees; and, (3) other amounts becoming owed under programs for which no current services or performance is required.
- (b) **Accrued income** means the sum of: (1) earnings during a given period from (i) services performed by the recipient, and (ii) goods and other tangible property delivered to purchasers, and (2) amounts becoming owed to the recipient for which no current services or performance is required by the recipient.
- (c) **Acquisition cost of equipment** means the net invoice price of the equipment, including the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the property usable for the purpose for which it was acquired. Other charges, such as the cost of installation, transportation, taxes, duty or protective in-transit insurance, shall be included or excluded from the unit acquisition cost in accordance with the recipient's regular accounting practices.
- (d) **Advance** means a payment made by Treasury check or other appropriate payment mechanism to a recipient upon its request either before outlays are made by the recipient or through the use of predetermined payment schedules.
- (e) **Award** means financial assistance that provides support or stimulation to accomplish a public purpose. Awards include grants and other agreements in the form of money or property in lieu of money, by the Federal Government to an eligible recipient. The term does not include: technical assistance, which provides services instead of money; other assistance in the form of loans, loan guarantees, interest subsidies, or insurance; direct payments of any kind to individuals; and, contracts which are required to be entered into and administered under procurement laws and regulations.
- (f) **Cash contributions** means the recipient's cash outlay, including the outlay of money contributed to the recipient by third parties.
- (g) **Closeout** means the process by which a Federal awarding agency determines that all applicable administrative actions and all required work of the award have been completed by the recipient and Federal awarding agency.
- (h) **Contract** means a procurement contract under an award or subaward, and a procurement subcontract under a recipient's or subrecipient's contract.
- (i) **Cost sharing or matching** means that portion of project or program costs not borne by the Federal Government.
- (j) **Date of completion** means the date on which all work under an award is completed or the date on the award document, or any supplement or amendment thereto, on which Federal sponsorship ends.
- (k) **Disallowed costs** means those charges to an award that the Federal awarding agency determines to be unallowable, in accordance with the applicable Federal cost principles or other terms and conditions contained in the award.
- (l) **Equipment** means tangible nonexpendable personal property including exempt property charged directly to the award having a useful life of more than one year and an acquisition cost of \$5000 or more per unit. However, consistent with recipient policy, lower limits may be established.
- (m) **Excess property** means property under the control of any Federal awarding agency that, as determined by the head thereof, is no longer required for its needs or the discharge of its responsibilities.
- (n) **Exempt property** means tangible personal property acquired in whole or in part with Federal funds, where the Federal awarding agency has statutory authority to vest title in the recipient without further obligation to the Federal Government. An example of exempt property authority is contained in the Federal Grant and Cooperative Agreement Act (31 U.S.C. 6306), for property acquired under an award to conduct basic or applied research by a non-profit institution of higher education or non-profit organization whose principal purpose is conducting scientific research.
- (o) **Federal awarding agency** means the Federal agency that provides an award to the recipient.
- (p) **Federal funds authorized** means the total amount of Federal funds obligated by the Federal Government for use by the recipient. This amount may include any authorized carryover of unobligated funds from prior funding periods when permitted by agency regulations or agency implementing instructions.
- (q) **Federal share** of real property, equipment, or supplies means that percentage of the property's acquisition costs and any improvement expenditures paid with Federal funds.
- (r) **Funding period** means the period of time when Federal funding is available for obligation by the recipient.
- (s) **Intangible property and debt instruments** means, but is not limited to, trademarks, copyrights, patents and patent applications and such property as loans, notes and other debt instruments, lease agreements, stock and other instruments of property ownership, whether considered tangible or intangible.
- (t) **Obligations** means the amounts of orders placed, contracts and grants awarded, services received and similar transactions during a given period that require payment by the recipient during the same or a future period.
- (u) **Outlays or expenditures** means charges made to the project or program. They may be reported on a cash or accrual basis. For reports prepared on a cash basis, outlays are the sum of cash disbursements for direct charges for goods and services, the amount of indirect expense charged, the value of third party in-kind contributions applied and the amount of cash advances and payments made to subrecipients. For reports prepared on an accrual basis, outlays are the sum of cash disbursements for direct charges for goods and services, the amount of indirect expense incurred, the value of in-kind contributions applied, and the net increase (or decrease) in the amounts owed by the recipient for goods and other property received, for services performed by employees, contractors, subrecipients and other payees and other amounts becoming owed under programs for which no current services or performance are required.
- (v) **Personal property** means property of any kind except real property. It may be tangible, having physical existence, or intangible, having no physical existence, such as copyrights, patents, or securities.
- (w) **Prior approval** means written approval by an authorized official evidencing prior consent.
- (x) **Program income** means gross income earned by the recipient that is directly generated by a supported activity or earned as a result of the award (see exclusions in paragraphs \_\_\_\_24 (e) and (h)). Program income includes, but is not limited to, income from fees for services performed, the use or rental of real or personal property acquired under federally-funded projects, the sale of commodities or items fabricated under an award, license fees and royalties on patents and copyrights, and interest on loans made with award funds. Interest earned on advances of Federal funds is not program income. Except as otherwise provided in Federal awarding agency regulations or the terms and conditions of the award, program income does not include the receipt of principal on loans, rebates, credits, discounts, etc., or interest earned on any of them.
- (y) **Project costs** means all allowable costs, as set forth in the applicable Federal cost principles, incurred by a recipient and the value of the contributions made by third parties in accomplishing the objectives of the award during the project period.
- (z) **Project period** means the period established in the award document during which Federal sponsorship begins and ends.
- (aa) **Property** means, unless otherwise stated, real property, equipment, intangible property and debt instruments.

(bb) **Real property** means land, including land improvements, structures and appurtenances thereto, but excludes movable machinery and equipment.

(cc) **Recipient** means an organization receiving financial assistance directly from Federal awarding agencies to carry out a project or program. The term includes public and private institutions of higher education, public and private hospitals, and other quasi-public and private non-profit organizations such as, but not limited to, community action agencies, research institutes, educational associations, and health centers. The term may include commercial organizations, foreign or international organizations (such as agencies of the United Nations) which are recipients, subrecipients, or contractors or subcontractors of recipients or subrecipients at the discretion of the Federal awarding agency. The term does not include government-owned contractor-operated facilities or research centers providing continued support for mission-oriented, large-scale programs that are government-owned or controlled, or are designated as federally-funded research and development centers.

(dd) **Research and development** means all research activities, both basic and applied, and all development activities that are supported at universities, colleges, and other non-profit institutions. "Research" is defined as a systematic study directed toward fuller scientific knowledge or understanding of the subject studied. "Development" is the systematic use of knowledge and understanding gained from research directed toward the production of useful materials, devices, systems, or methods, including design and development of prototypes and processes. The term research also includes activities involving the training of individuals in research techniques where such activities utilize the same facilities as other research and development activities and where such activities are not included in the instruction function.

(ee) **Small awards** means a grant or cooperative agreement not exceeding the small purchase threshold fixed at 41 U.S.C. 403(11) (currently \$25,000).

(ff) **Subaward** means an award of financial assistance in the form of money, or property in lieu of money, made under an award by a recipient to an eligible subrecipient or by a subrecipient to a lower tier subrecipient. The term includes financial assistance when provided by any legal agreement, even if the agreement is called a contract, but does not include procurement of goods and services nor does it include any form of assistance which is excluded from the definition of "award" in paragraph (e).

(gg) **Subrecipient** means the legal entity to which a subaward is made and which is accountable to the recipient for the use of the funds provided. The term may include foreign or international organizations (such as agencies of the United Nations) at the discretion of the Federal awarding agency.

(hh) **Supplies** means all personal property excluding equipment, intangible property, and debt instruments as defined in this section, and inventions of a contractor conceived or first actually reduced to practice in the performance of work under a funding agreement ("subject inventions"), as defined in 37 CFR part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts, and Cooperative Agreements."

(ii) **Suspension** means an action by a Federal awarding agency that temporarily withdraws Federal sponsorship under an award, pending corrective action by the recipient or pending a decision to terminate the award by the Federal awarding agency. Suspension of an award is a separate action from suspension under Federal agency regulations implementing E.O.s 12549 and 12689, "Debarment and Suspension."

(jj) **Termination** means the cancellation of Federal sponsorship, in whole or in part, under an agreement at any time prior to the date of completion.

(kk) **Third party in-kind contributions** means the value of non-cash contributions provided by non-Federal third parties. Third party in-kind contributions may be in the form of real property, equipment, supplies and other expendable property, and the value of goods and services directly benefiting and specifically identifiable to the project or program.

(ll) **Unliquidated obligations**, for financial reports prepared on a cash basis, means the amount of obligations incurred by the recipient that have not been paid. For reports prepared on an accrued expenditure basis, they represent the amount of obligations incurred by the recipient for which an outlay has not been recorded.

(mm) **Unobligated balance** means the portion of the funds authorized by the Federal awarding agency that has not been obligated by the recipient and is determined by deducting the cumulative obligations from the cumulative funds authorized.

(nn) **Unrecovered indirect cost** means the difference between the amount awarded and the amount which could have been awarded under the recipient's approved negotiated indirect cost rate.

(oo) **Working capital advance** means a procedure where by funds are advanced to the recipient to cover its estimated disbursement needs for a given initial period.

\_\_\_\_.3 **Effect on other issuances.** For awards subject to this Circular, all administrative requirements of codified program regulations, program manuals, handbooks and other nonregulatory materials which are inconsistent with the requirements of this Circular shall be superseded, except to the extent they are required by statute, or authorized in accordance with the deviations provision in Section \_\_\_\_4.

\_\_\_\_.4 **Deviations.** The Office of Management and Budget (OMB) may grant exceptions for classes of grants or recipients subject to the requirements of this Circular when exceptions are not prohibited by statute. However, in the interest of maximum uniformity, exceptions from the requirements of this Circular shall be permitted only in unusual circumstances. Federal awarding agencies may apply more restrictive requirements to a class of recipients when approved by OMB. Federal awarding agencies may apply less restrictive requirements when awarding small awards, except for those requirements which are statutory. Exceptions on a case-by-case basis may also be made by Federal awarding agencies.

\_\_\_\_.5 **Subawards.** Unless sections of this Circular specifically exclude subrecipients from coverage, the provisions of this Circular shall be applied to subrecipients performing work under awards if such subrecipients are institutions of higher education, hospitals or other non-profit organizations. State and local government subrecipients are subject to the provisions of regulations implementing the grants management common rule, "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments," published at 53 FR 8034 (3/11/88).

## **SUBPART B - Pre-Award Requirements**

\_\_\_\_.10 **Purpose.** Sections \_\_\_\_11 through \_\_\_\_17 prescribes forms and instructions and other pre-award matters to be used in applying for Federal awards.

\_\_\_\_.11 **Pre-award policies.**

(a) **Use of Grants and Cooperative Agreements, and Contracts.** In each instance, the Federal awarding agency shall decide on the appropriate award instrument (i.e., grant, cooperative agreement, or contract). The Federal Grant and Cooperative Agreement Act (31 U.S.C. 6301-08) governs the use of grants, cooperative agreements and contracts. A grant or cooperative agreement shall be used only when the principal purpose of a transaction is to accomplish a public purpose of support or stimulation authorized by Federal statute. The statutory criterion for choosing between grants and cooperative agreements is that for the latter, "substantial involvement is expected between the executive agency and the State, local government, or other recipient when carrying out the activity contemplated in the agreement." Contracts shall be used when the principal purpose is acquisition of property or services for the direct benefit or use of the Federal Government.

(b) **Public Notice and Priority Setting.** Federal awarding agencies shall notify the public of its intended funding priorities for discretionary grant programs, unless funding priorities are established by Federal statute.

\_\_\_\_.12 **Forms for applying for Federal assistance.**

(a) Federal awarding agencies shall comply with the applicable report clearance requirements of 5 CFR part 1320, "Controlling Paperwork Burdens on the Public," with regard to all forms used by the Federal awarding agency in place of or as a supplement to the Standard Form 424 (SF-424) series.

(b) Applicants shall use the SF-424 series or those forms and instructions prescribed by the Federal awarding agency.

(c) For Federal programs covered by E.O. 12372, "Intergovernmental Review of Federal Programs," the applicant shall complete the appropriate sections of the SF-424 (Application for Federal Assistance) indicating whether the application was subject to review by the State Single Point of Contact (SPOC). The name and address of the SPOC for a particular State can be obtained from the Federal awarding agency or the **Catalog of Federal Domestic Assistance**. The SPOC shall advise the applicant whether the program for which application is made has been selected by that State for review.

(d) Federal awarding agencies that do not use the SF-424 form should indicate whether the application is subject to review by the State under E.O. 12372.

\_\_\_\_.13 **Debarment and suspension.** Federal awarding agencies and recipients shall comply with the nonprocurement debarment and suspension common rule implementing E.O.s 12549 and 12689, "Debarment and Suspension." This common rule restricts subawards and contracts with certain parties that are debarred, suspended or otherwise excluded from or ineligible for participation in Federal assistance programs or activities.

\_\_\_\_.14 **Special award conditions.** If an applicant or recipient: (a) has a history of poor performance, (b) is not financially stable, (c) has a management system that does not meet the standards prescribed in this Circular, (d) has not conformed to the terms and conditions of a previous award, or (e) is not otherwise responsible, Federal awarding agencies may impose additional requirements as needed, provided that such applicant or recipient is notified in writing as to: the nature of the additional requirements, the reason why the additional requirements are being imposed, the nature of the corrective action needed, the time allowed for completing the corrective actions, and the method for requesting reconsideration of the additional requirements imposed. Any special conditions shall be promptly removed once the conditions that prompted them have been corrected.

\_\_\_\_.15 **Metric system of measurement.** The Metric Conversion Act, as amended by the Omnibus Trade and Competitiveness Act (15 U.S.C. 205) declares that the metric system is the preferred measurement system for U.S. trade and commerce. The Act requires each Federal agency to establish a date or dates in consultation with the Secretary of Commerce, when the metric system of measurement will be used in the agency's procurements, grants, and other business-related activities. Metric implementation may take longer where the use of the system is initially impractical or likely to cause significant inefficiencies in the accomplishment of federally-funded activities. Federal awarding agencies shall follow the provisions of E.O. 12770, "Metric Usage in Federal Government Programs."

\_\_\_\_.16 **Resource Conservation and Recovery Act (RCRA) (Pub. L. 94-580 codified at 42 U.S.C. 6962).** Under the Act, any State agency or agency of a political subdivision of a State which is using appropriated Federal funds must comply with Section 6002. Section 6002 requires that preference be given in procurement programs to the purchase of specific products containing recycled materials identified in guidelines developed by the Environmental Protection Agency (EPA) (40 CFR parts 247-254). Accordingly, State and local institutions of higher education, hospitals, and non-profit organizations that receive direct Federal awards or other Federal funds shall give preference in their procurement programs funded with Federal funds to the purchase of recycled products pursuant to the EPA guidelines.

\_\_\_\_.17 **Certifications and representations.** Unless prohibited by statute or codified regulation, each Federal awarding agency is authorized and encouraged to allow recipients to submit certifications and representations required by statute, executive order, or regulation on an annual basis, if the recipients have ongoing and continuing relationships with the agency. Annual certifications and representations shall be signed by responsible officials with the authority to ensure recipients' compliance with the pertinent requirements.

#### **SUBPART C - Post-Award Requirements**

##### **Financial and Program Management**

\_\_\_\_.20 **Purpose of financial and program management.** Sections \_\_\_\_21 through \_\_\_\_28 prescribe standards for financial management systems, methods for making payments and rules for: satisfying cost sharing and matching requirements, accounting for program income, budget revision approvals, making audits, determining allowability of cost, and establishing fund availability.

\_\_\_\_.21 **Standards for financial management systems.**

(a) Federal awarding agencies shall require recipients to relate financial data to performance data and develop unit cost information whenever practical.

(b) Recipients' financial management systems shall provide for the following.

(1) Accurate, current and complete disclosure of the financial results of each federally-sponsored project or program in accordance with the reporting requirements set forth in Section \_\_\_\_52. If a Federal awarding agency requires reporting on an accrual basis from a recipient that maintains its records on other than an accrual basis, the recipient shall not be required to establish an accrual accounting system. These recipients may develop such accrual data for its reports on the basis of an analysis of the documentation on hand.

(2) Records that identify adequately the source and application of funds for federally-sponsored activities. These records shall contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, outlays, income and interest.

(3) Effective control over and accountability for all funds, property and other assets. Recipients shall adequately safeguard all such assets and assure they are used solely for authorized purposes.

(4) Comparison of outlays with budget amounts for each award. Whenever appropriate, financial information should be related to performance and unit cost data.

(5) Written procedures to minimize the time elapsing between the transfer of funds to the recipient from the U.S. Treasury and the issuance or redemption of checks, warrants or payments by other means for program purposes by the recipient. To the extent that the provisions of the Cash Management Improvement Act (CMIA) (Pub. L. 101-453) govern, payment methods of State agencies, instrumentalities, and fiscal agents shall be consistent with CMIA Treasury-State Agreements or the CMIA default procedures codified at 31 CFR part 205, "Withdrawal of Cash from the Treasury for Advances under Federal Grant and Other Programs."

(6) Written procedures for determining the reasonableness, allocability and allowability of costs in accordance with the provisions of the applicable Federal cost principles and the terms and conditions of the award.

(7) Accounting records including cost accounting records that are supported by source documentation.

(c) Where the Federal Government guarantees or insures the repayment of money borrowed by the recipient, the Federal awarding agency, at its discretion, may require adequate bonding and insurance if the bonding and insurance requirements of the recipient are not deemed adequate to protect the interest of the Federal Government.

(d) The Federal awarding agency may require adequate fidelity bond coverage where the recipient lacks sufficient coverage to protect the Federal Government's interest.

(e) Where bonds are required in the situations described above, the bonds shall be obtained from companies holding certificates of authority as acceptable sureties, as prescribed in 31 CFR part 223, "Surety Companies Doing Business with the United States."

\_\_\_\_.22 Payment.

(a) Payment methods shall minimize the time elapsing between the transfer of funds from the United States Treasury and the issuance or redemption of checks, warrants, or payment by other means by the recipients. Payment methods of State agencies or instrumentalities shall be consistent with Treasury-State CMIA agreements or default procedures codified at 31 CFR part 205.

(b) Recipients are to be paid in advance, provided they maintain or demonstrate the willingness to maintain: (1) written procedures that minimize the time elapsing between the transfer of funds and disbursement by the recipient, and (2) financial management systems that meet the standards for fund control and accountability as established in Section \_\_\_\_21. Cash advances to a recipient organization shall be limited to the minimum amounts needed and be timed to be in accordance with the actual, immediate cash requirements of the recipient organization in carrying out the purpose of the approved program or project. The timing and amount of cash advances shall be as close as is administratively feasible to the actual disbursements by the recipient organization for direct program or project costs and the proportionate share of any allowable indirect costs.

(c) Whenever possible, advances shall be consolidated to cover anticipated cash needs for all awards made by the Federal awarding agency to the recipient.

(1) Advance payment mechanisms include, but are not limited to, Treasury check and electronic funds transfer.

(2) Advance payment mechanisms are subject to 31 CFR part 205.

(3) Recipients shall be authorized to submit requests for advances and reimbursements at least monthly when electronic fund transfers are not used.

(d) Requests for Treasury check advance payment shall be submitted on SF-270, "Request for Advance or Reimbursement," or other forms as may be authorized by OMB. This form is not to be used when Treasury check advance payments are made to the recipient automatically through the use of a predetermined payment schedule or if precluded by special Federal awarding agency instructions for electronic funds transfer.

(e) Reimbursement is the preferred method when the requirements in paragraph (b) cannot be met. Federal awarding agencies may also use this method on any construction agreement, or if the major portion of the construction project is accomplished through private market financing or Federal loans, and the Federal assistance constitutes a minor portion of the project.

(1) When the reimbursement method is used, the Federal awarding agency shall make payment within 30 days after receipt of the billing, unless the billing is improper.

(2) Recipients shall be authorized to submit request for reimbursement at least monthly when electronic funds transfers are not used.

(f) If a recipient cannot meet the criteria for advance payments and the Federal awarding agency has determined that reimbursement is not feasible because the recipient lacks sufficient working capital, the Federal awarding agency may provide cash on a working capital advance basis. Under this procedure, the Federal awarding agency shall advance cash to the recipient to cover its estimated disbursement needs for an initial period generally geared to the awardee's disbursing cycle. Thereafter, the Federal awarding agency shall reimburse the recipient for its actual cash disbursements. The working capital advance method of payment shall not be used for recipients unwilling or unable to provide timely advances to their subrecipient to meet the subrecipient's actual cash disbursements.

(g) To the extent available, recipients shall disburse funds available from repayments to and interest earned on a revolving fund, program income, rebates, refunds, contract settlements, audit recoveries and interest earned on such funds before requesting additional cash payments.

(h) Unless otherwise required by statute, Federal awarding agencies shall not withhold payments for proper charges made by recipients at any time during the project period unless (1) or (2) apply.

(1) A recipient has failed to comply with the project objectives, the terms and conditions of the award, or Federal reporting requirements.

(2) The recipient or subrecipient is delinquent in a debt to the United States as defined in OMB Circular A-129, "Managing Federal Credit Programs." Under such conditions, the Federal awarding agency may, upon reasonable notice, inform the recipient that payments shall not be made for obligations incurred after a specified date until the conditions are corrected or the indebtedness to the Federal Government is liquidated.

(i) Standards governing the use of banks and other institutions as depositories of funds advanced under awards are as follows.

(1) Except for situations described in paragraph (i)(2), Federal awarding agencies shall not require separate depository accounts for funds provided to a recipient or establish any eligibility requirements for depositories for funds provided to a recipient. However, recipients must be able to account for the receipt, obligation and expenditure of funds.

(2) Advances of Federal funds shall be deposited and maintained in insured accounts whenever possible.

(j) Consistent with the national goal of expanding the opportunities for women-owned and minority-owned business enterprises, recipients shall be encouraged to use women-owned and minority-owned banks (a bank which is owned at least 50 percent by women or minority group members).

(k) Recipients shall maintain advances of Federal funds in interest bearing accounts, unless (1), (2) or (3) apply.

(1) The recipient receives less than \$120,000 in Federal awards per year.

(2) The best reasonably available interest bearing account would not be expected to earn interest in excess of \$250 per year on Federal cash balances.

(3) The depository would require an average or minimum balance so high that it would not be feasible within the expected Federal and non-Federal cash resources.

(l) For those entities where CMIA and its implementing regulations do not apply, interest earned on Federal advances deposited in interest bearing accounts shall be remitted annually to Department of Health and Human Services, Payment Management System, Rockville, MD 20852. Interest amounts up to \$250 per year may be retained by the recipient for administrative expense. State universities and hospitals shall comply with CMIA, as it pertains to interest. If an entity subject to CMIA uses its own funds to pay pre-award costs for discretionary awards without prior written approval from the Federal awarding agency, it waives its right to recover the interest under CMIA.

(m) Except as noted elsewhere in this Circular, only the following forms shall be authorized for the recipients in requesting advances and reimbursements. Federal agencies shall not require more than an original and two copies of these forms.

(1) SF-270, Request for Advance or Reimbursement. Each Federal awarding agency shall adopt the SF-270 as a standard form for all nonconstruction programs when electronic funds transfer or predetermined advance methods are not used. Federal awarding agencies, however,

have the option of using this form for construction programs in lieu of the SF-271, "Outlay Report and Request for Reimbursement for Construction Programs."

(2) SF-271, Outlay Report and Request for Reimbursement for Construction Programs. Each Federal awarding agency shall adopt the SF-271 as the standard form to be used for requesting reimbursement for construction programs. However, a Federal awarding agency may substitute the SF-270 when the Federal awarding agency determines that it provides adequate information to meet Federal needs.

....23 Cost sharing or matching.

(a) All contributions, including cash and third party in-kind, shall be accepted as part of the recipient's cost sharing or matching when such contributions meet all of the following criteria.

- (1) Are verifiable from the recipient's records.
- (2) Are not included as contributions for any other federally-assisted project or program.
- (3) Are necessary and reasonable for proper and efficient accomplishment of project or program objectives.
- (4) Are allowable under the applicable cost principles.
- (5) Are not paid by the Federal Government under another award, except where authorized by Federal statute to be used for cost sharing or matching.
- (6) Are provided for in the approved budget when required by the Federal awarding agency.
- (7) Conform to other provisions of this Circular, as applicable.

(b) Unrecovered indirect costs may be included as part of cost sharing or matching only with the prior approval of the Federal awarding agency.

(c) Values for recipient contributions of services and property shall be established in accordance with the applicable cost principles. If a Federal awarding agency authorizes recipients to donate buildings or land for construction/facilities acquisition projects or long-term use, the value of the donated property for cost sharing or matching shall be the lesser of (1) or (2).

- (1) The certified value of the remaining life of the property recorded in the recipient's accounting records at the time of donation.
- (2) The current fair market value. However, when there is sufficient justification, the Federal awarding agency may approve the use of the current fair market value of the donated property, even if it exceeds the certified value at the time of donation to the project.

(d) Volunteer services furnished by professional and technical personnel, consultants, and other skilled and unskilled labor may be counted as cost sharing or matching if the service is an integral and necessary part of an approved project or program. Rates for volunteer services shall be consistent with those paid for similar work in the recipient's organization. In those instances in which the required skills are not found in the recipient organization, rates shall be consistent with those paid for similar work in the labor market in which the recipient competes for the kind of services involved. In either case, paid fringe benefits that are reasonable, allowable, and allocable may be included in the valuation.

(e) When an employer other than the recipient furnishes the services of an employee, these services shall be valued at the employee's regular rate of pay (plus an amount of fringe benefits that are reasonable, allowable, and allocable, but exclusive of overhead costs), provided these services are in the same skill for which the employee is normally paid.

(f) Donated supplies may include such items as expendable equipment, office supplies, laboratory supplies or workshop and classroom supplies. Value assessed to donated supplies included in the cost sharing or matching share shall be reasonable and shall not exceed the fair market value of the property at the time of the donation.

(g) The method used for determining cost sharing or matching for donated equipment, buildings and land for which title passes to the recipient may differ according to the purpose of the award, if (1) or (2) apply.

- (1) If the purpose of the award is to assist the recipient in the acquisition of equipment, buildings or land, the total value of the donated property may be claimed as cost sharing or matching.
- (2) If the purpose of the award is to support activities that require the use of equipment, buildings or land, normally only depreciation or use charges for equipment and buildings may be made. However, the full value of equipment or other capital assets and fair rental charges for land may be allowed, provided that the Federal awarding agency has approved the charges.

(h) The value of donated property shall be determined in accordance with the usual accounting policies of the recipient, with the following qualifications.

- (1) The value of donated land and buildings shall not exceed its fair market value at the time of donation to the recipient as established by an independent appraiser (e.g., certified real property appraiser or General Services Administration representative) and certified by a responsible official of the recipient.
- (2) The value of donated equipment shall not exceed the fair market value of equipment of the same age and condition at the time of donation.
- (3) The value of donated space shall not exceed the fair rental value of comparable space as established by an independent appraisal of comparable space and facilities in a privately-owned building in the same locality.
- (4) The value of loaned equipment shall not exceed its fair rental value.
- (5) The following requirements pertain to the recipient's supporting records for in-kind contributions from third parties.

(i) Volunteer services shall be documented and, to the extent feasible, supported by the same methods used by the recipient for its own employees.

(ii) The basis for determining the valuation for personal service, material, equipment, buildings and land shall be documented.

....24 Program income.

(a) Federal awarding agencies shall apply the standards set forth in this section in requiring recipient organizations to account for program income related to projects financed in whole or in part with Federal funds.

(b) Except as provided in paragraph (h) below, program income earned during the project period shall be retained by the recipient and, in accordance with Federal awarding agency regulations or the terms and conditions of the award, shall be used in one or more of the ways listed in the following.

(1) Added to funds committed to the project by the Federal awarding agency and recipient and used to further eligible project or program objectives.

(2) Used to finance the non-Federal share of the project or program.

(3) Deducted from the total project or program allowable cost in determining the net allowable costs on which the Federal share of costs is based.

(c) When an agency authorizes the disposition of program income as described in paragraphs (b)(1) or (b)(2), program income in excess of any limits stipulated shall be used in accordance with paragraph (b)(3).

(d) In the event that the Federal awarding agency does not specify in its regulations or the terms and conditions of the award how program income is to be used, paragraph (b)(3) shall apply automatically to all projects or programs except research. For awards that support research, paragraph (b)(1) shall apply automatically unless the awarding agency indicates in the terms and conditions another alternative on the award or the recipient is subject to special award conditions, as indicated in Section \_\_\_\_14.

(e) Unless Federal awarding agency regulations or the terms and conditions of the award provide otherwise, recipients shall have no obligation to the Federal Government regarding program income earned after the end of the project period.

(f) If authorized by Federal awarding agency regulations or the terms and conditions of the award, costs incident to the generation of program income may be deducted from gross income to determine program income, provided these costs have not been charged to the award.

(g) Proceeds from the sale of property shall be handled in accordance with the requirements of the Property Standards (See Sections \_\_\_\_30 through \_\_\_\_37).

(h) Unless Federal awarding agency regulations or the terms and condition of the award provide otherwise, recipients shall have no obligation to the Federal Government with respect to program income earned from license fees and royalties for copyrighted material, patents, patent applications, trademarks, and inventions produced under an award. However, Patent and Trademark Amendments (35 U.S.C. 18) apply to inventions made under an experimental, developmental, or research award.

\_\_\_\_25 Revision of budget and program plans.

(a) The budget plan is the financial expression of the project or program as approved during the award process. It may include either the Federal and non-Federal share, or only the Federal share, depending upon Federal awarding agency requirements. It shall be related to performance for program evaluation purposes whenever appropriate.

(b) Recipients are required to report deviations from budget and program plans, and request prior approvals for budget and program plan revisions, in accordance with this section.

(c) For nonconstruction awards, recipients shall request prior approvals from Federal awarding agencies for one or more of the following program or budget related reasons.

(1) Change in the scope or the objective of the project or program (even if there is no associated budget revision requiring prior written approval).

(2) Change in a key person specified in the application or award document.

(3) The absence for more than three months, or a 25 percent reduction in time devoted to the project, by the approved project director or principal investigator.

(4) The need for additional Federal funding.

(5) The transfer of amounts budgeted for indirect costs to absorb increases in direct costs, or vice versa, if approval is required by the Federal awarding agency.

(6) The inclusion, unless waived by the Federal awarding agency, of costs that require prior approval in accordance with OMB Circular A-21, "Cost Principles for Educational Institutions," OMB Circular A-122, "Cost Principles for Non-Profit Organizations," or 45 CFR part 74 Appendix E, "Principles for Determining Costs Applicable to Research and Development under Grants and Contracts with Hospitals," or 48 CFR part 31, "Contract Cost Principles and Procedures," as applicable.

(7) The transfer of funds allotted for training allowances (direct payment to trainees) to other categories of expense.

(8) Unless described in the application and funded in the approved awards, the subaward, transfer or contracting out of any work under an award. This provision does not apply to the purchase of supplies, material, equipment or general support services.

(d) No other prior approval requirements for specific items may be imposed unless a deviation has been approved by OMB.

(e) Except for requirements listed in paragraphs (c)(1) and (c)(4) of this section, Federal awarding agencies are authorized, at their option, to waive cost-related and administrative prior written approvals required by this Circular and OMB Circulars A-21 and A-122. Such waivers may include authorizing recipients to do any one or more of the following.

(1) Incur pre-award costs 90 calendar days prior to award or more than 90 calendar days with the prior approval of the Federal awarding agency. All pre-award costs are incurred at the recipient's risk (i.e., the Federal awarding agency is under no obligation to reimburse such costs if for any reason the recipient does not receive an award or if the award is less than anticipated and inadequate to cover such costs).

(2) Initiate a one-time extension of the expiration date of the award of up to 12 months unless one or more of the following conditions apply. For one-time extensions, the recipient must notify the Federal awarding agency in writing with the supporting reasons and revised expiration date at least 10 days before the expiration date specified in the award. This one-time extension may not be exercised merely for the purpose of using unobligated balances.

(i) The terms and conditions of award prohibit the extension.

(ii) The extension requires additional Federal funds.

(iii) The extension involves any change in the approved objectives or scope of the project.

(3) Carry forward unobligated balances to subsequent funding periods.

(4) For awards that support research, unless the Federal awarding agency provides otherwise in the award or in the agency's regulations, the prior approval requirements described in paragraph (e) are automatically waived (i.e., recipients need not obtain such prior approvals) unless one of the conditions included in paragraph (e)(2) applies.

(f) The Federal awarding agency may, at its option, restrict the transfer of funds among direct cost categories or programs, functions and activities for awards in which the Federal share of the project exceeds \$100,000 and the cumulative amount of such transfers exceeds or is expected to exceed 10 percent of the total budget as last approved by the Federal awarding agency. No Federal awarding agency shall permit a transfer that would cause any Federal appropriation or part thereof to be used for purposes other than those consistent with the original intent of the appropriation.

(g) All other changes to nonconstruction budgets, except for the changes described in paragraph (j), do not require prior approval.

(h) For construction awards, recipients shall request prior written approval promptly from Federal awarding agencies for budget revisions whenever (1), (2) or (3) apply.

(1) The revision results from changes in the scope or the objective of the project or program.

(2) The need arises for additional Federal funds to complete the project.

(3) A revision is desired which involves specific costs for which prior written approval requirements may be imposed consistent with applicable OMB cost principles listed in Section \_\_\_\_27.

(i) No other prior approval requirements for specific items may be imposed unless a deviation has been approved by OMB.

(j) When a Federal awarding agency makes an award that provides support for both construction and nonconstruction work, the Federal awarding agency may require the recipient to request prior approval from the Federal awarding agency before making any fund or budget transfers between the two types of work supported.

(k) For both construction and nonconstruction awards, Federal awarding agencies shall require recipients to notify the Federal awarding agency in writing promptly whenever the amount of Federal authorized funds is expected to exceed the needs of the recipient for the project period by more than \$5000 or five percent of the Federal award, whichever is greater. This notification shall not be required if an application for additional funding is submitted for a continuation award.

(l) When requesting approval for budget revisions, recipients shall use the budget forms that were used in the application unless the Federal awarding agency indicates a letter of request suffices.

(m) Within 30 calendar days from the date of receipt of the request for budget revisions, Federal awarding agencies shall review the request and notify the recipient whether the budget revisions have been approved. If the revision is still under consideration at the end of 30 calendar days, the Federal awarding agency shall inform the recipient in writing of the date when the recipient may expect the decision.

#### \_\_\_\_26 Non-Federal audits.

(a) Recipients and subrecipients that are institutions of higher education or other non-profit organizations (including hospitals) shall be subject to the audit requirements contained in the Single Audit Act Amendments of 1996 (31 USC 7501-7507) and revised OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

(b) State and local governments shall be subject to the audit requirements contained in the Single Audit Act Amendments of 1996 (31 USC 7501-7507) and revised OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

(c) For-profit hospitals not covered by the audit provisions of revised OMB Circular A-133 shall be subject to the audit requirements of the Federal awarding agencies.

(d) Commercial organizations shall be subject to the audit requirements of the Federal awarding agency or the prime recipient as incorporated into the award document.

\_\_\_\_27 **Allowable costs.** For each kind of recipient, there is a set of Federal principles for determining allowable costs. Allowability of costs shall be determined in accordance with the cost principles applicable to the entity incurring the costs. Thus, allowability of costs incurred by State, local or federally-recognized Indian tribal governments is determined in accordance with the provisions of OMB Circular A-87, "Cost Principles for State, Local, and Indian Tribal Governments." The allowability of costs incurred by non-profit organizations is determined in accordance with the provisions of OMB Circular A-122, "Cost Principles for Non-Profit Organizations." The allowability of costs incurred by institutions of higher education is determined in accordance with the provisions of OMB Circular A-21, "Cost Principles for Educational Institutions." The allowability of costs incurred by hospitals is determined in accordance with the provisions of Appendix E of 45 CFR part 74, "Principles for Determining Costs Applicable to Research and Development Under Grants and Contracts with Hospitals." The allowability of costs incurred by commercial organizations and those non-profit organizations listed in Attachment C to Circular A-122 is determined in accordance with the provisions of the Federal Acquisition Regulation (FAR) at 48 CFR part 31.

\_\_\_\_28 **Period of availability of funds.** Where a funding period is specified, a recipient may charge to the grant only allowable costs resulting from obligations incurred during the funding period and any pre-award costs authorized by the Federal awarding agency.

#### \_\_\_\_29 Conditional exemptions.

(a) OMB authorizes conditional exemption from OMB administrative requirements and cost principles circulars for certain Federal programs with statutorily-authorized consolidated planning and consolidated administrative funding, that are identified by a Federal agency and approved by the head of the Executive department or establishment. A Federal agency shall consult with OMB during its consideration of whether to grant such an exemption.

(b) To promote efficiency in State and local program administration, when Federal non-entitlement programs with common purposes have specific statutorily-authorized consolidated planning and consolidated administrative funding and where most of the State agency's resources come from non-Federal sources, Federal agencies may exempt these covered State-administered, non-entitlement grant programs from certain OMB grants management requirements. The exemptions would be from all but the allocability of costs provisions of OMB Circulars A-87 (Attachment A, subsection C.3), "Cost Principles for State, Local, and Indian Tribal Governments," A-21 (Section C, subpart 4), "Cost Principles for Educational Institutions," and A-122 (Attachment A, subsection A.4), "Cost Principles for Non-Profit Organizations," and from all of the administrative requirements provisions of OMB Circular A-110, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations," and the agencies' grants management common rule.

(c) When a Federal agency provides this flexibility, as a prerequisite to a State's exercising this option, a State must adopt its own written fiscal and administrative requirements for expending and accounting for all funds, which are consistent with the provisions of OMB Circular A-87, and extend such policies to all subrecipients. These fiscal and administrative requirements must be sufficiently specific to ensure that: funds are used in compliance with all applicable Federal statutory and regulatory provisions, costs are reasonable and necessary for operating these programs, and funds are not be used for general expenses required to carry out other responsibilities of a State or its subrecipients.

#### Property Standards

\_\_\_\_.30 **Purpose of property standards.** Sections \_\_\_\_31 through \_\_\_\_37 set forth uniform standards governing management and disposition of property furnished by the Federal Government whose cost was charged to a project supported by a Federal award. Federal awarding agencies shall require recipients to observe these standards under awards and shall not impose additional requirements, unless specifically required by Federal statute. The recipient may use its own property management standards and procedures provided it observes the provisions of Sections \_\_\_\_31 through \_\_\_\_37.

\_\_\_\_.31 **Insurance coverage.** Recipients shall, at a minimum, provide the equivalent insurance coverage for real property and equipment acquired with Federal funds as provided to property owned by the recipient. Federally-owned property need not be insured unless required by the terms and conditions of the award.

\_\_\_\_.32 **Real property.** Each Federal awarding agency shall prescribe requirements for recipients concerning the use and disposition of real property acquired in whole or in part under awards. Unless otherwise provided by statute, such requirements, at a minimum, shall contain the following.

(a) Title to real property shall vest in the recipient subject to the condition that the recipient shall use the real property for the authorized purpose of the project as long as it is needed and shall not encumber the property without approval of the Federal awarding agency.

(b) The recipient shall obtain written approval by the Federal awarding agency for the use of real property in other federally-sponsored projects when the recipient determines that the property is no longer needed for the purpose of the original project. Use in other projects shall be limited to those under federally-sponsored projects (i.e., awards) or programs that have purposes consistent with those authorized for support by the Federal awarding agency.

(c) When the real property is no longer needed as provided in paragraphs (a) and (b), the recipient shall request disposition instructions from the Federal awarding agency or its successor Federal awarding agency. The Federal awarding agency shall observe one or more of the following disposition instructions.

(1) The recipient may be permitted to retain title without further obligation to the Federal Government after it compensates the Federal Government for that percentage of the current fair market value of the property attributable to the Federal participation in the project.

(2) The recipient may be directed to sell the property under guidelines provided by the Federal awarding agency and pay the Federal Government for that percentage of the current fair market value of the property attributable to the Federal participation in the project (after deducting actual and reasonable selling and fix-up expenses, if any, from the sales proceeds). When the recipient is authorized or required to sell the property, proper sales procedures shall be established that provide for competition to the extent practicable and result in the highest possible return.

(3) The recipient may be directed to transfer title to the property to the Federal Government or to an eligible third party provided that, in such cases, the recipient shall be entitled to compensation for its attributable percentage of the current fair market value of the property.

\_\_\_\_.33 **Federally-owned and exempt property.**

(a) Federally-owned property.

(1) Title to federally-owned property remains vested in the Federal Government. Recipients shall submit annually an inventory listing of federally-owned property in their custody to the Federal awarding agency. Upon completion of the award or when the property is no longer needed, the recipient shall report the property to the Federal awarding agency for further Federal agency utilization.

(2) If the Federal awarding agency has no further need for the property, it shall be declared excess and reported to the General Services Administration, unless the Federal awarding agency has statutory authority to dispose of the property by alternative methods (e.g., the authority provided by the Federal Technology Transfer Act (15 U.S.C. 3710 (I)) to donate research equipment to educational and non-profit organizations in accordance with E.O. 12821, "Improving Mathematics and Science Education in Support of the National Education Goals.") Appropriate instructions shall be issued to the recipient by the Federal awarding agency.

(b) Exempt property. When statutory authority exists, the Federal awarding agency has the option to vest title to property acquired with Federal funds in the recipient without further obligation to the Federal Government and under conditions the Federal awarding agency considers appropriate. Such property is "exempt property." Should a Federal awarding agency not establish conditions, title to exempt property upon acquisition shall vest in the recipient without further obligation to the Federal Government.

\_\_\_\_.34 **Equipment.**

(a) Title to equipment acquired by a recipient with Federal funds shall vest in the recipient, subject to conditions of this section.

(b) The recipient shall not use equipment acquired with Federal funds to provide services to non-Federal outside organizations for a fee that is less than private companies charge for equivalent services, unless specifically authorized by Federal statute, for as long as the Federal Government retains an interest in the equipment.

(c) The recipient shall use the equipment in the project or program for which it was acquired as long as needed, whether or not the project or program continues to be supported by Federal funds and shall not encumber the property without approval of the Federal awarding agency. When no longer needed for the original project or program, the recipient shall use the equipment in connection with its other federally-sponsored activities, in the following order of priority: (i) Activities sponsored by the Federal awarding agency which funded the original project, then (ii) activities sponsored by other Federal awarding agencies.

(d) During the time that equipment is used on the project or program for which it was acquired, the recipient shall make it available for use on other projects or programs if such other use will not interfere with the work on the project or program for which the equipment was originally acquired. First preference for such other use shall be given to other projects or programs sponsored by the Federal awarding agency that financed the equipment; second preference shall be given to projects or programs sponsored by other Federal awarding agencies. If the equipment is owned by the Federal Government, use on other activities not sponsored by the Federal Government shall be permissible if authorized by the Federal awarding agency. User charges shall be treated as program income.

(e) When acquiring replacement equipment, the recipient may use the equipment to be replaced as trade-in or sell the equipment and use the proceeds to offset the costs of the replacement equipment subject to the approval of the Federal awarding agency.

(f) The recipient's property management standards for equipment acquired with Federal funds and federally-owned equipment shall include all of the following.

(1) Equipment records shall be maintained accurately and shall include the following information.

(i) A description of the equipment.

(ii) Manufacturer's serial number, model number, Federal stock number, national stock number, or other identification number.

(iii) Source of the equipment, including the award number.

- (iv) Whether title vests in the recipient or the Federal Government.
- (v) Acquisition date (or date received, if the equipment was furnished by the Federal Government) and cost.
- (vi) Information from which one can calculate the percentage of Federal participation in the cost of the equipment (not applicable to equipment furnished by the Federal Government).
- (vii) Location and condition of the equipment and the date the information was reported.
- (viii) Unit acquisition cost.
- (ix) Ultimate disposition data, including date of disposal and sales price or the method used to determine current fair market value where a recipient compensates the Federal awarding agency for its share.

(2) Equipment owned by the Federal Government shall be identified to indicate Federal ownership.

(3) A physical inventory of equipment shall be taken and the results reconciled with the equipment records at least once every two years. Any differences between quantities determined by the physical inspection and those shown in the accounting records shall be investigated to determine the causes of the difference. The recipient shall, in connection with the inventory, verify the existence, current utilization, and continued need for the equipment.

(4) A control system shall be in effect to insure adequate safeguards to prevent loss, damage, or theft of the equipment. Any loss, damage, or theft of equipment shall be investigated and fully documented; if the equipment was owned by the Federal Government, the recipient shall promptly notify the Federal awarding agency.

(5) Adequate maintenance procedures shall be implemented to keep the equipment in good condition.

(6) Where the recipient is authorized or required to sell the equipment, proper sales procedures shall be established which provide for competition to the extent practicable and result in the highest possible return.

(g) When the recipient no longer needs the equipment, the equipment may be used for other activities in accordance with the following standards. For equipment with a current per unit fair market value of \$5000 or more, the recipient may retain the equipment for other uses provided that compensation is made to the original Federal awarding agency or its successor. The amount of compensation shall be computed by applying the percentage of Federal participation in the cost of the original project or program to the current fair market value of the equipment. If the recipient has no need for the equipment, the recipient shall request disposition instructions from the Federal awarding agency. The Federal awarding agency shall determine whether the equipment can be used to meet the agency's requirements. If no requirement exists within that agency, the availability of the equipment shall be reported to the General Services Administration by the Federal awarding agency to determine whether a requirement for the equipment exists in other Federal agencies. The Federal awarding agency shall issue instructions to the recipient no later than 120 calendar days after the recipient's request and the following procedures shall govern.

(1) If so instructed or if disposition instructions are not issued within 120 calendar days after the recipient's request, the recipient shall sell the equipment and reimburse the Federal awarding agency an amount computed by applying to the sales proceeds the percentage of Federal participation in the cost of the original project or program. However, the recipient shall be permitted to deduct and retain from the Federal share \$500 or ten percent of the proceeds, whichever is less, for the recipient's selling and handling expenses.

(2) If the recipient is instructed to ship the equipment elsewhere, the recipient shall be reimbursed by the Federal Government by an amount which is computed by applying the percentage of the recipient's participation in the cost of the original project or program to the current fair market value of the equipment, plus any reasonable shipping or interim storage costs incurred.

(3) If the recipient is instructed to otherwise dispose of the equipment, the recipient shall be reimbursed by the Federal awarding agency for such costs incurred in its disposition.

(4) The Federal awarding agency may reserve the right to transfer the title to the Federal Government or to a third party named by the Federal Government when such third party is otherwise eligible under existing statutes. Such transfer shall be subject to the following standards.

(i) The equipment shall be appropriately identified in the award or otherwise made known to the recipient in writing.

(ii) The Federal awarding agency shall issue disposition instructions within 120 calendar days after receipt of a final inventory. The final inventory shall list all equipment acquired with grant funds and federally-owned equipment. If the Federal awarding agency fails to issue disposition instructions within the 120 calendar day period, the recipient shall apply the standards of this section, as appropriate.

(iii) When the Federal awarding agency exercises its right to take title, the equipment shall be subject to the provisions for federally-owned equipment.

#### ---.35 Supplies and other expendable property.

(a) Title to supplies and other expendable property shall vest in the recipient upon acquisition. If there is a residual inventory of unused supplies exceeding \$5000 in total aggregate value upon termination or completion of the project or program and the supplies are not needed for any other federally-sponsored project or program, the recipient shall retain the supplies for use on non-Federal sponsored activities or sell them, but shall, in either case, compensate the Federal Government for its share. The amount of compensation shall be computed in the same manner as for equipment.

(b) The recipient shall not use supplies acquired with Federal funds to provide services to non-Federal outside organizations for a fee that is less than private companies charge for equivalent services, unless specifically authorized by Federal statute as long as the Federal Government retains an interest in the supplies.

#### ---.36 Intangible property.

(a) The recipient may copyright any work that is subject to copyright and was developed, or for which ownership was purchased, under an award. The Federal awarding agency(ies) reserve a royalty-free, nonexclusive and irrevocable right to reproduce, publish, or otherwise use the work for Federal purposes, and to authorize others to do so.

(b) Recipients are subject to applicable regulations governing patents and inventions, including government-wide regulations issued by the Department of Commerce at 37 CFR part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements."

(c) The Federal Government has the right to:

- (1) obtain, reproduce, publish or otherwise use the data first produced under an award; and

(2) authorize others to receive, reproduce, publish, or otherwise use such data for Federal purposes.

(d) (1) In addition, in response to a Freedom of Information Act (FOIA) request for research data relating to published research findings produced under an award that were used by the Federal Government in developing an agency action that has the force and effect of law, the Federal awarding agency shall request, and the recipient shall provide, within a reasonable time, the research data so that they can be made available to the public through the procedures established under the FOIA. If the Federal awarding agency obtains the research data solely in response to a FOIA request, the agency may charge the requester a reasonable fee equaling the full incremental cost of obtaining the research data. This fee should reflect costs incurred by the agency, the recipient, and applicable subrecipients. This fee is in addition to any fees the agency may assess under the FOIA (5 U.S.C. 552(a)(4)(A)).

(2) The following definitions apply for purposes of paragraph (d) of this section:

(i) *Research data* is defined as the recorded factual material commonly accepted in the scientific community as necessary to validate research findings, but not any of the following: preliminary analyses, drafts of scientific papers, plans for future research, peer reviews, or communications with colleagues. This "recorded" material excludes physical objects (e.g., laboratory samples). Research data also do not include:

(A) Trade secrets, commercial information, materials necessary to be held confidential by a researcher until they are published, or similar information which is protected under law; and

(B) Personnel and medical information and similar information the disclosure of which would constitute a clearly unwarranted invasion of personal privacy, such as information that could be used to identify a particular person in a research study.

(ii) *Published* is defined as either when:

(A) Research findings are published in a peer-reviewed scientific or technical journal; or

(B) A Federal agency publicly and officially cites the research findings in support of an agency action that has the force and effect of law.

(iii) *Used by the Federal Government in developing an agency action that has the force and effect of law* is defined as when an agency publicly and officially cites the research findings in support of an agency action that has the force and effect of law.

(e) Title to intangible property and debt instruments acquired under an award or subaward vests upon acquisition in the recipient. The recipient shall use that property for the originally-authorized purpose, and the recipient shall not encumber the property without approval of the Federal awarding agency. When no longer needed for the originally authorized purpose, disposition of the intangible property shall occur in accordance with the provisions of paragraph \_\_\_\_34(g).

\_\_\_\_37 **Property trust relationship.** Real property, equipment, intangible property and debt instruments that are acquired or improved with Federal funds shall be held in trust by the recipient as trustee for the beneficiaries of the project or program under which the property was acquired or improved. Agencies may require recipients to record liens or other appropriate notices of record to indicate that personal or real property has been acquired or improved with Federal funds and that use and disposition conditions apply to the property.

#### **Procurement Standards**

\_\_\_\_40 **Purpose of procurement standards.** Sections \_\_\_\_41 through \_\_\_\_48 set forth standards for use by recipients in establishing procedures for the procurement of supplies and other expendable property, equipment, real property and other services with Federal funds. These standards are furnished to ensure that such materials and services are obtained in an effective manner and in compliance with the provisions of applicable Federal statutes and executive orders. No additional procurement standards or requirements shall be imposed by the Federal awarding agencies upon recipients, unless specifically required by Federal statute or executive order or approved by OMB.

\_\_\_\_41 **Recipient responsibilities.** The standards contained in this section do not relieve the recipient of the contractual responsibilities arising under its contract(s). The recipient is the responsible authority, without recourse to the Federal awarding agency, regarding the settlement and satisfaction of all contractual and administrative issues arising out of procurements entered into in support of an award or other agreement. This includes disputes, claims, protests of award, source evaluation or other matters of a contractual nature. Matters concerning violation of statute are to be referred to such Federal, State or local authority as may have proper jurisdiction.

\_\_\_\_42 **Codes of conduct.** The recipient shall maintain written standards of conduct governing the performance of its employees engaged in the award and administration of contracts. No employee, officer, or agent shall participate in the selection, award, or administration of a contract supported by Federal funds if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award. The officers, employees, and agents of the recipient shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, or parties to subagreements. However, recipients may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct shall provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the recipient.

\_\_\_\_43 **Competition.** All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition. The recipient shall be alert to organizational conflicts of interest as well as noncompetitive practices among contractors that may restrict or eliminate competition or otherwise restrain trade. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, invitations for bids and/or requests for proposals shall be excluded from competing for such procurements. Awards shall be made to the bidder or offeror whose bid or offer is responsive to the solicitation and is most advantageous to the recipient, price, quality and other factors considered. Solicitations shall clearly set forth all requirements that the bidder or offeror shall fulfill in order for the bid or offer to be evaluated by the recipient. Any and all bids or offers may be rejected when it is in the recipient's interest to do so.

\_\_\_\_44 **Procurement procedures.**

(a) All recipients shall establish written procurement procedures. These procedures shall provide for, at a minimum, that (1), (2) and (3) apply.

(1) Recipients avoid purchasing unnecessary items.

(2) Where appropriate, an analysis is made of lease and purchase alternatives to determine which would be the most economical and practical procurement for the Federal Government.

(3) Solicitations for goods and services provide for all of the following.

(i) A clear and accurate description of the technical requirements for the material, product or service to be procured. In competitive procurements, such a description shall not contain features which unduly restrict competition.

(ii) Requirements which the bidder/offeror must fulfill and all other factors to be used in evaluating bids or proposals.

(iii) A description, whenever practicable, of technical requirements in terms of functions to be performed or performance required, including the range of acceptable characteristics or minimum acceptable standards.

(iv) The specific features of "brand name or equal" descriptions that bidders are required to meet when such items are included in the solicitation.

(v) The acceptance, to the extent practicable and economically feasible, of products and services dimensioned in the metric system of measurement.

(vi) Preference, to the extent practicable and economically feasible, for products and services that conserve natural resources and protect the environment and are energy efficient.

(b) Positive efforts shall be made by recipients to utilize small businesses, minority-owned firms, and women's business enterprises, whenever possible. Recipients of Federal awards shall take all of the following steps to further this goal.

(1) Ensure that small businesses, minority-owned firms, and women's business enterprises are used to the fullest extent practicable.

(2) Make information on forthcoming opportunities available and arrange time frames for purchases and contracts to encourage and facilitate participation by small businesses, minority-owned firms, and women's business enterprises.

(3) Consider in the contract process whether firms competing for larger contracts intend to subcontract with small businesses, minority-owned firms, and women's business enterprises.

(4) Encourage contracting with consortiums of small businesses, minority-owned firms and women's business enterprises when a contract is too large for one of these firms to handle individually.

(5) Use the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Department of Commerce's Minority Business Development Agency in the solicitation and utilization of small businesses, minority-owned firms and women's business enterprises.

(c) The type of procuring instruments used (e.g., fixed price contracts, cost reimbursable contracts, purchase orders, and incentive contracts) shall be determined by the recipient but shall be appropriate for the particular procurement and for promoting the best interest of the program or project involved. The "cost-plus-a-percentage-of-cost" or "percentage of construction cost" methods of contracting shall not be used.

(d) Contracts shall be made only with responsible contractors who possess the potential ability to perform successfully under the terms and conditions of the proposed procurement. Consideration shall be given to such matters as contractor integrity, record of past performance, financial and technical resources or accessibility to other necessary resources. In certain circumstances, contracts with certain parties are restricted by agencies' implementation of E.O.s 12549 and 12689, "Debarment and Suspension."

(e) Recipients shall, on request, make available for the Federal awarding agency, pre-award review and procurement documents, such as request for proposals or invitations for bids, independent cost estimates, etc., when any of the following conditions apply.

(1) A recipient's procurement procedures or operation fails to comply with the procurement standards in the Federal awarding agency's implementation of this Circular.

(2) The procurement is expected to exceed the small purchase threshold fixed at 41 U.S.C. 403 (11) (currently \$25,000) and is to be awarded without competition or only one bid or offer is received in response to a solicitation.

(3) The procurement, which is expected to exceed the small purchase threshold, specifies a "brand name" product.

(4) The proposed award over the small purchase threshold is to be awarded to other than the apparent low bidder under a sealed bid procurement.

(5) A proposed contract modification changes the scope of a contract or increases the contract amount by more than the amount of the small purchase threshold.

\_\_\_\_.45 **Cost and price analysis.** Some form of cost or price analysis shall be made and documented in the procurement files in connection with every procurement action. Price analysis may be accomplished in various ways, including the comparison of price quotations submitted, market prices and similar indicia, together with discounts. Cost analysis is the review and evaluation of each element of cost to determine reasonableness, allocability and allowability.

\_\_\_\_.46 **Procurement records.** Procurement records and files for purchases in excess of the small purchase threshold shall include the following at a minimum: (a) basis for contractor selection, (b) justification for lack of competition when competitive bids or offers are not obtained, and (c) basis for award cost or price.

\_\_\_\_.47 **Contract administration.** A system for contract administration shall be maintained to ensure contractor conformance with the terms, conditions and specifications of the contract and to ensure adequate and timely follow up of all purchases. Recipients shall evaluate contractor performance and document, as appropriate, whether contractors have met the terms, conditions and specifications of the contract.

\_\_\_\_.48 **Contract provisions.** The recipient shall include, in addition to provisions to define a sound and complete agreement, the following provisions in all contracts. The following provisions shall also be applied to subcontracts.

(a) Contracts in excess of the small purchase threshold shall contain contractual provisions or conditions that allow for administrative, contractual, or legal remedies in instances in which a contractor violates or breaches the contract terms, and provide for such remedial actions as may be appropriate.

(b) All contracts in excess of the small purchase threshold shall contain suitable provisions for termination by the recipient, including the manner by which termination shall be effected and the basis for settlement. In addition, such contracts shall describe conditions under which the contract may be terminated for default as well as conditions where the contract may be terminated because of circumstances beyond the control of the contractor.

(c) Except as otherwise required by statute, an award that requires the contracting (or subcontracting) for construction or facility improvements shall provide for the recipient to follow its own requirements relating to bid guarantees, performance bonds, and payment bonds unless the construction contract or subcontract exceeds \$100,000. For those contracts or subcontracts exceeding \$100,000, the Federal awarding agency may accept the bonding policy and requirements of the recipient, provided the Federal awarding agency has made a determination that the Federal Government's interest is adequately protected. If such a determination has not been made, the minimum requirements shall be as follows.

(1) A bid guarantee from each bidder equivalent to five percent of the bid price. The "bid guarantee" shall consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder shall, upon acceptance of his bid, execute such contractual documents as may be required within the time specified.

(2) A performance bond on the part of the contractor for 100 percent of the contract price. A "performance bond" is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.

(3) A payment bond on the part of the contractor for 100 percent of the contract price. A "payment bond" is one executed in connection with a contract to assure payment as required by statute of all persons supplying labor and material in the execution of the work provided for in the contract.

(4) Where bonds are required in the situations described herein, the bonds shall be obtained from companies holding certificates of authority as acceptable sureties pursuant to 31 CFR part 223, "Surety Companies Doing Business with the United States."

(d) All negotiated contracts (except those for less than the small purchase threshold) awarded by recipients shall include a provision to the effect that the recipient, the Federal awarding agency, the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers and records of the contractor which are directly pertinent to a specific program for the purpose of making audits, examinations, excerpts and transcriptions.

(e) All contracts, including small purchases, awarded by recipients and their contractors shall contain the procurement provisions of Appendix A to this Circular, as applicable.

#### Reports and Records

\_\_\_\_.50 **Purpose of reports and records.** Sections \_\_\_\_51 through \_\_\_\_53 set forth the procedures for monitoring and reporting on the recipient's financial and program performance and the necessary standard reporting forms. They also set forth record retention requirements.

\_\_\_\_.51 **Monitoring and reporting program performance.**

(a) Recipients are responsible for managing and monitoring each project, program, subaward, function or activity supported by the award. Recipients shall monitor subawards to ensure subrecipients have met the audit requirements as delineated in Section \_\_\_\_26.

(b) The Federal awarding agency shall prescribe the frequency with which the performance reports shall be submitted. Except as provided in paragraph \_\_\_\_51(f), performance reports shall not be required more frequently than quarterly or, less frequently than annually. Annual reports shall be due 90 calendar days after the grant year; quarterly or semi-annual reports shall be due 30 days after the reporting period. The Federal awarding agency may require annual reports before the anniversary dates of multiple year awards in lieu of these requirements. The final performance reports are due 90 calendar days after the expiration or termination of the award.

(c) If inappropriate, a final technical or performance report shall not be required after completion of the project.

(d) When required, performance reports shall generally contain, for each award, brief information on each of the following.

(1) A comparison of actual accomplishments with the goals and objectives established for the period, the findings of the investigator, or both. Whenever appropriate and the output of programs or projects can be readily quantified, such quantitative data should be related to cost data for computation of unit costs.

(2) Reasons why established goals were not met, if appropriate.

(3) Other pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.

(e) Recipients shall not be required to submit more than the original and two copies of performance reports.

(f) Recipients shall immediately notify the Federal awarding agency of developments that have a significant impact on the award-supported activities. Also, notification shall be given in the case of problems, delays, or adverse conditions which materially impair the ability to meet the objectives of the award. This notification shall include a statement of the action taken or contemplated, and any assistance needed to resolve the situation.

(g) Federal awarding agencies may make site visits, as needed.

(h) Federal awarding agencies shall comply with clearance requirements of 5 CFR part 1320 when requesting performance data from recipients.

\_\_\_\_.52 **Financial reporting.**

(a) The following forms or such other forms as may be approved by OMB are authorized for obtaining financial information from recipients.

(1) SF-269 or SF-269A, Financial Status Report.

(i) Each Federal awarding agency shall require recipients to use the SF-269 or SF-269A to report the status of funds for all nonconstruction projects or programs. A Federal awarding agency may, however, have the option of not requiring the SF-269 or SF-269A when the SF-270, Request for Advance or Reimbursement, or SF-272, Report of Federal Cash Transactions, is determined to provide adequate information to meet its needs, except that a final SF-269 or SF-269A shall be required at the completion of the project when the SF-270 is used only for advances.

(ii) The Federal awarding agency shall prescribe whether the report shall be on a cash or accrual basis. If the Federal awarding agency requires accrual information and the recipient's accounting records are not normally kept on the accrual basis, the recipient shall not be required to convert its accounting system, but shall develop such accrual information through best estimates based on an analysis of the documentation on hand.

(iii) The Federal awarding agency shall determine the frequency of the Financial Status Report for each project or program, considering the size and complexity of the particular project or program. However, the report shall not be required more frequently than quarterly or less frequently than annually. A final report shall be required at the completion of the agreement.

(iv) The Federal awarding agency shall require recipients to submit the SF-269 or SF-269A (an original and no more than two copies) no later than 30 days after the end of each specified reporting period for quarterly and semi-annual reports, and 90 calendar days for annual and final reports. Extensions of reporting due dates may be approved by the Federal awarding agency upon request of the recipient.

(2) SF-272, Report of Federal Cash Transactions.

(i) When funds are advanced to recipients the Federal awarding agency shall require each recipient to submit the SF-272 and, when necessary, its continuation sheet, SF-272a. The Federal awarding agency shall use this report to monitor cash advanced to recipients and to obtain disbursement information for each agreement with the recipients.

(ii) Federal awarding agencies may require forecasts of Federal cash requirements in the "Remarks" section of the report.

(iii) When practical and deemed necessary, Federal awarding agencies may require recipients to report in the "Remarks" section the amount of cash advances received in excess of three days. Recipients shall provide short narrative explanations of actions taken to reduce the excess balances.

(iv) Recipients shall be required to submit not more than the original and two copies of the SF-272 15 calendar days following the end of each quarter. The Federal awarding agencies may require a monthly report from those recipients receiving advances totaling \$1 million or more per year.

(v) Federal awarding agencies may waive the requirement for submission of the SF-272 for any one of the following reasons: (1) When monthly advances do not exceed \$25,000 per recipient, provided that such advances are monitored through other forms contained in this section; (2) If, in the Federal awarding agency's opinion, the recipient's accounting controls are adequate to minimize excessive Federal advances; or, (3) When the electronic payment mechanisms provide adequate data.

(b) When the Federal awarding agency needs additional information or more frequent reports, the following shall be observed.

(1) When additional information is needed to comply with legislative requirements, Federal awarding agencies shall issue instructions to require recipients to submit such information under the "Remarks" section of the reports.

(2) When a Federal awarding agency determines that a recipient's accounting system does not meet the standards in Section \_\_\_\_21, additional pertinent information to further monitor awards may be obtained upon written notice to the recipient until such time as the system is brought up to standard. The Federal awarding agency, in obtaining this information, shall comply with report clearance requirements of 5 CFR part 1320.

(3) Federal awarding agencies are encouraged to shade out any line item on any report if not necessary.

(4) Federal awarding agencies may accept the identical information from the recipients in machine readable format or computer printouts or electronic outputs in lieu of prescribed formats.

(5) Federal awarding agencies may provide computer or electronic outputs to recipients when such expedites or contributes to the accuracy of reporting.

#### \_\_\_\_53 Retention and access requirements for records.

(a) This section sets forth requirements for record retention and access to records for awards to recipients. Federal awarding agencies shall not impose any other record retention or access requirements upon recipients.

(b) Financial records, supporting documents, statistical records, and all other records pertinent to an award shall be retained for a period of three years from the date of submission of the final expenditure report or, for awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, as authorized by the Federal awarding agency. The only exceptions are the following.

(1) If any litigation, claim, or audit is started before the expiration of the 3-year period, the records shall be retained until all litigation, claims or audit findings involving the records have been resolved and final action taken.

(2) Records for real property and equipment acquired with Federal funds shall be retained for 3 years after final disposition.

(3) When records are transferred to or maintained by the Federal awarding agency, the 3-year retention requirement is not applicable to the recipient.

(4) Indirect cost rate proposals, cost allocations plans, etc. as specified in paragraph \_\_\_\_53(g).

(c) Copies of original records may be substituted for the original records if authorized by the Federal awarding agency.

(d) The Federal awarding agency shall request transfer of certain records to its custody from recipients when it determines that the records possess long term retention value. However, in order to avoid duplicate recordkeeping, a Federal awarding agency may make arrangements for recipients to retain any records that are continuously needed for joint use.

(e) The Federal awarding agency, the Inspector General, Comptroller General of the United States, or any of their duly authorized representatives, have the right of timely and unrestricted access to any books, documents, papers, or other records of recipients that are pertinent to the awards, in order to make audits, examinations, excerpts, transcripts and copies of such documents. This right also includes timely and reasonable access to a recipient's personnel for the purpose of interview and discussion related to such documents. The rights of access in this paragraph are not limited to the required retention period, but shall last as long as records are retained.

(f) Unless required by statute, no Federal awarding agency shall place restrictions on recipients that limit public access to the records of recipients that are pertinent to an award, except when the Federal awarding agency can demonstrate that such records shall be kept confidential and would have been exempted from disclosure pursuant to the Freedom of Information Act (5 U.S.C. 552) if the records had belonged to the Federal awarding agency.

(g) Indirect cost rate proposals, cost allocations plans, etc. Paragraphs (g)(1) and (g)(2) apply to the following types of documents, and their supporting records: indirect cost rate computations or proposals, cost allocation plans, and any similar accounting computations of the rate at which a particular group of costs is chargeable (such as computer usage chargeback rates or composite fringe benefit rates).

(1) If submitted for negotiation. If the recipient submits to the Federal awarding agency or the subrecipient submits to the recipient the proposal, plan, or other computation to form the basis for negotiation of the rate, then the 3-year retention period for its supporting records starts on the date of such submission.

(2) If not submitted for negotiation. If the recipient is not required to submit to the Federal awarding agency or the subrecipient is not required to submit to the recipient the proposal, plan, or other computation for negotiation purposes, then the 3-year retention period for the proposal, plan, or other computation and its supporting records starts at the end of the fiscal year (or other accounting period) covered by the proposal, plan, or other computation.

#### Termination and Enforcement

\_\_\_\_60 Purpose of termination and enforcement. Sections \_\_\_\_61 and \_\_\_\_62 set forth uniform suspension, termination and enforcement procedures.

#### \_\_\_\_61 Termination.

(a) Awards may be terminated in whole or in part only if (1), (2) or (3) apply.

(1) By the Federal awarding agency, if a recipient materially fails to comply with the terms and conditions of an award.

(2) By the Federal awarding agency with the consent of the recipient, in which case the two parties shall agree upon the termination conditions, including the effective date and, in the case of partial termination, the portion to be terminated.

(3) By the recipient upon sending to the Federal awarding agency written notification setting forth the reasons for such termination, the effective date, and, in the case of partial termination, the portion to be terminated. However, if the Federal awarding agency determines in the case of partial termination that the reduced or modified portion of the grant will not accomplish the purposes for which the grant was made, it may terminate the grant in its entirety under either paragraphs (a)(1) or (2).

(b) If costs are allowed under an award, the responsibilities of the recipient referred to in paragraph \_\_\_\_71(a), including those for property management as applicable, shall be considered in the termination of the award, and provision shall be made for continuing responsibilities of the recipient after termination, as appropriate.

#### \_\_\_\_62 Enforcement.

(a) Remedies for noncompliance. If a recipient materially fails to comply with the terms and conditions of an award, whether stated in a Federal statute, regulation, assurance, application, or notice of award, the Federal awarding agency may, in addition to imposing any of the special conditions outlined in Section \_\_\_\_14, take one or more of the following actions, as appropriate in the circumstances.

(1) Temporarily withhold cash payments pending correction of the deficiency by the recipient or more severe enforcement action by the Federal awarding agency.

(2) Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance.

(3) Wholly or partly suspend or terminate the current award.

(4) Withhold further awards for the project or program.

(5) Take other remedies that may be legally available.

(b) Hearings and appeals. In taking an enforcement action, the awarding agency shall provide the recipient an opportunity for hearing, appeal, or other administrative proceeding to which the recipient is entitled under any statute or regulation applicable to the action involved.

(c) Effects of suspension and termination. Costs of a recipient resulting from obligations incurred by the recipient during a suspension or after termination of an award are not allowable unless the awarding agency expressly authorizes them in the notice of suspension or termination or subsequently. Other recipient costs during suspension or after termination which are necessary and not reasonably avoidable are allowable if (1) and (2) apply.

(1) The costs result from obligations which were properly incurred by the recipient before the effective date of suspension or termination, are not in anticipation of it, and in the case of a termination, are noncancellable. <

(2) The costs would be allowable if the award were not suspended or expired normally at the end of the funding period in which the termination takes effect.

(d) Relationship to debarment and suspension. The enforcement remedies identified in this section, including suspension and termination, do not preclude a recipient from being subject to debarment and suspension under E.O.s 12549 and 12689 and the Federal awarding agency implementing regulations (see Section \_\_\_\_13).

#### **SUBPART D - After-the-Award Requirements**

\_\_\_\_70 **Purpose.** Sections \_\_\_\_71 through \_\_\_\_73 contain closeout procedures and other procedures for subsequent disallowances and adjustments.

#### \_\_\_\_71 Closeout procedures.

(a) Recipients shall submit, within 90 calendar days after the date of completion of the award, all financial, performance, and other reports as required by the terms and conditions of the award. The Federal awarding agency may approve extensions when requested by the recipient.

(b) Unless the Federal awarding agency authorizes an extension, a recipient shall liquidate all obligations incurred under the award not later than 90 calendar days after the funding period or the date of completion as specified in the terms and conditions of the award or in agency implementing instructions.

(c) The Federal awarding agency shall make prompt payments to a recipient for allowable reimbursable costs under the award being closed out.

(d) The recipient shall promptly refund any balances of unobligated cash that the Federal awarding agency has advanced or paid and that is not authorized to be retained by the recipient for use in other projects. OMB Circular A-129 governs unreturned amounts that become delinquent debts.

(e) When authorized by the terms and conditions of the award, the Federal awarding agency shall make a settlement for any upward or downward adjustments to the Federal share of costs after closeout reports are received.

(f) The recipient shall account for any real and personal property acquired with Federal funds or received from the Federal Government in accordance with Sections \_\_\_\_31 through \_\_\_\_37.

(g) In the event a final audit has not been performed prior to the closeout of an award, the Federal awarding agency shall retain the right to recover an appropriate amount after fully considering the recommendations on disallowed costs resulting from the final audit.

#### \_\_\_\_72 Subsequent adjustments and continuing responsibilities.

(a) The closeout of an award does not affect any of the following.

(1) The right of the Federal awarding agency to disallow costs and recover funds on the basis of a later audit or other review.

(2) The obligation of the recipient to return any funds due as a result of later refunds, corrections, or other transactions.

(3) Audit requirements in Section \_\_\_\_26.

(4) Property management requirements in Sections \_\_\_\_31 through \_\_\_\_37.

(5) Records retention as required in Section \_\_\_\_53.

(b) After closeout of an award, a relationship created under an award may be modified or ended in whole or in part with the consent of the Federal awarding agency and the recipient, provided the responsibilities of the recipient referred to in paragraph \_\_\_\_73(a), including those for property management as applicable, are considered and provisions made for continuing responsibilities of the recipient, as appropriate.

....73 Collection of amounts due.

(a) Any funds paid to a recipient in excess of the amount to which the recipient is finally determined to be entitled under the terms and conditions of the award constitute a debt to the Federal Government. If not paid within a reasonable period after the demand for payment, the Federal awarding agency may reduce the debt by (1), (2) or (3).

(1) Making an administrative offset against other requests for reimbursements.

(2) Withholding advance payments otherwise due to the recipient.

(3) Taking other action permitted by statute.

(b) Except as otherwise provided by law, the Federal awarding agency shall charge interest on an overdue debt in accordance with 4 CFR Chapter II, "Federal Claims Collection Standards."

## Appendix A

### Contract Provisions

All contracts, awarded by a recipient including small purchases, shall contain the following provisions as applicable:

**1. Equal Employment Opportunity** – All contracts shall contain a provision requiring compliance with E.O. 11246, "Equal Employment Opportunity," as amended by E.O. 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and as supplemented by regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."

**2. Copeland "Anti-Kickback" Act (18 U.S.C. 874 and 40 U.S.C. 276c)** – All contracts and subgrants in excess of \$2000 for construction or repair awarded by recipients and subrecipients shall include a provision for compliance with the Copeland "Anti-Kickback" Act (18 U.S.C. 874), as supplemented by Department of Labor regulations (29 CFR part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subrecipient shall be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he is otherwise entitled. The recipient shall report all suspected or reported violations to the Federal awarding agency.

**3. Davis-Bacon Act, as amended (40 U.S.C. 276a to a-7)** – When required by Federal program legislation, all construction contracts awarded by the recipients and subrecipients of more than \$2000 shall include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 276a to a-7) and as supplemented by Department of Labor regulations (29 CFR part 5, "Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction"). Under this Act, contractors shall be required to pay wages to laborers and mechanics at a rate not less than the minimum wages specified in a wage determination made by the Secretary of Labor. In addition, contractors shall be required to pay wages not less than once a week. The recipient shall place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation and the award of a contract shall be conditioned upon the acceptance of the wage determination. The recipient shall report all suspected or reported violations to the Federal awarding agency.

**4. Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333)** – Where applicable, all contracts awarded by recipients in excess of \$2000 for construction contracts and in excess of \$2500 for other contracts that involve the employment of mechanics or laborers shall include a provision for compliance with Sections 102 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333), as supplemented by Department of Labor regulations (29 CFR part 5). Under Section 102 of the Act, each contractor shall be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than 1 ½ times the basic rate of pay for all hours worked in excess of 40 hours in the work week. Section 107 of the Act is applicable to construction work and provides that no laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

**5. Rights to Inventions Made Under a Contract or Agreement** – Contracts or agreements for the performance of experimental, developmental, or research work shall provide for the rights of the Federal Government and the recipient in any resulting invention in accordance with 37 CFR part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency.

**6. Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), as amended** – Contracts and subgrants of amounts in excess of \$100,000 shall contain a provision that requires the recipient to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251 et seq.). Violations shall be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

**7. Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)** – Contractors who apply or bid for an award of \$100,000 or more shall file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier shall also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the recipient.

**8. Debarment and Suspension (E.O.s 12549 and 12689)** – No contract shall be made to parties listed on the General Services Administration's List of Parties Excluded from Federal Procurement or Nonprocurement Programs in accordance with E.O.s 12549 and 12689, "Debarment and Suspension." This list contains the names of parties debarred, suspended, or otherwise excluded by agencies, and contractors declared ineligible under statutory or regulatory authority other than E.O. 12549. Contractors with awards that exceed the small purchase threshold shall provide the required certification regarding its exclusion status and that of its principal employees.

Dated: January 16, 2009.

**Stephen J. Claeys,**

*Deputy Assistant Secretary for Import Administration.*

[FR Doc. E9-1720 Filed 1-27-09; 8:45 am]

BILLING CODE 3510-DS-P

## DEPARTMENT OF COMMERCE

### National Oceanic and Atmospheric Administration

#### Proposed Information Collection; Comment Request; NOAA Community-based Restoration Program Progress Reports

**AGENCY:** National Oceanic and Atmospheric Administration (NOAA).

**ACTION:** Notice.

**SUMMARY:** The Department of Commerce, as part of its continuing effort to reduce paperwork and respondent burden, invites the general public and other Federal agencies to take this opportunity to comment on proposed and/or continuing information collections, as required by the Paperwork Reduction Act of 1995.

**DATES:** Written comments must be submitted on or before March 30, 2009.

**ADDRESSES:** Direct all written comments to Diana Hynek, Departmental Paperwork Clearance Officer, Department of Commerce, Room 7845, 14th and Constitution Avenue, NW., Washington, DC 20230 (or via the Internet at [dHynek@doc.gov](mailto:dHynek@doc.gov)).

**FOR FURTHER INFORMATION CONTACT:** Requests for additional information or copies of the information collection instrument and instructions should be directed to Robin Bruckner, 301-713-0174 or via the Internet at [Robin.Bruckner@noaa.gov](mailto:Robin.Bruckner@noaa.gov).

#### SUPPLEMENTARY INFORMATION:

##### I. Abstract

The NOAA Community-based Restoration Program (CRP) provides financial assistance on a competitive basis to implement grass-roots, community-based habitat restoration, debris prevention and removal, and dam and other barrier removal activities through individual projects or restoration partnerships. The NOAA Restoration Center (RC) within the NOAA Fisheries Service Office of Habitat Conservation intends to continue requiring specific information on projects funded under various grants initiatives managed by the RC as part of routine progress reporting. Recipients of NOAA funds under these initiatives will be required to submit information including project location, restoration

techniques used, species benefited, acres restored, stream miles opened to access for diadromous fish, volunteer participation, and other parameters. This information collection is necessary to track and report on the large number of community-based projects being implemented with RC support around the country. This information will be used to continue populating a database of NOAA-funded habitat restoration, debris prevention and removal, and barrier removal projects. The database, with its robust querying capabilities, is instrumental to accurate and timely responses to NOAA, Department of Commerce, Congressional, and constituent inquiries. It also ensures accountability for federal funds expended for community-based activities, reported by NOAA through the Government Performance and Reporting Act "acres restored" performance measure. The grant recipients are required by the NOAA Grants Management Division to submit periodic performance reports and a final report for each award. This collection will stipulate the information to be provided in these reports until the Performance Progress Report standard forms family (SF-PPR) comes into use government-wide, at which time this information collection will be discontinued.

##### II. Method of Collection

The reporting form and format outline will be provided to funding recipients and will also be available on the Restoration Center's home page. Electronic submission of forms and progress report narratives will be encouraged but is not required.

##### III. Data

*OMB Number:* 0648-0472.

*Form Number:* None.

*Type of Review:* Regular submission.

*Affected Public:* Not-for-profit institutions; State, Local and Tribal Governments, business or other for-profit organizations.

*Estimated Number of Respondents:* 200.

*Estimated Time Per Response:* Interim reports: 9 hours and 45 minutes; final reports: 11 hours and 45 minutes. Three semi-annual reports and one final report over a 24-month period are required for each award; however, information collected and submitted for any single report need not be collected again for subsequent reports.

*Estimated Total Annual Burden Hours:* 8,240.

*Estimated Total Annual Cost to Public:* \$2,940.

#### IV. Request for Comments

Comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden (including hours and cost) of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology.

Comments submitted in response to this notice will be summarized and/or included in the request for OMB approval of this information collection; they also will become a matter of public record.

Dated: January 22, 2009.

**Gwellnar Banks,**

*Management Analyst, Office of the Chief Information Officer.*

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BILLING CODE 3510-22-P

## DEPARTMENT OF COMMERCE

### National Oceanic and Atmospheric Administration

#### Continued Information Collection; Comment Request; Questionnaire To Support Review of Federal Assistance Applications

**AGENCY:** National Oceanic and Atmospheric Administration (NOAA).

**ACTION:** Notice.

**SUMMARY:** The Department of Commerce, as part of its continuing effort to reduce paperwork and respondent burden, invites the general public and other Federal agencies to take this opportunity to comment on proposed and/or continuing information collections, as required by the Paperwork Reduction Act of 1995.

**DATES:** Written comments must be submitted on or before March 30, 2009.

**ADDRESSES:** Direct all written comments to Diana Hynek, Departmental Paperwork Clearance Officer, Department of Commerce, Room 7845, 14th and Constitution Avenue, NW., Washington, DC 20230 (or via the Internet at [dHynek@doc.gov](mailto:dHynek@doc.gov)).

**FOR FURTHER INFORMATION CONTACT:** Requests for additional information or copies of the information collection instrument and instructions should be