

## CARE FUNCTIONAL REVIEW

### EXTRAMURAL AGREEMENTS

For information on the interpretation of clarification on the functional questions in this section, please contact Kim Hicks on 301-504-1141.

#### 8.0 Extramural Agreements Program (General)

Reference: Extramural Agreements Manual (EAM) 280.0 dated April 1994. Additional information is available on the EAD Web site -

<http://www.afm.ars.usda.gov/agreements/index.htm>

- Interview the AO/T to identify Location staff involved in the extramural agreements process, including the types of agreements they process and their roles, duties, and responsibilities. (ADODRs, AO, LSS, CD/LD (if applicable))
- Interview the Location staff involved in the extramural agreements process to document their concerns, comments, and/or recommendations about the following:
  - process and turn around times;
  - training needs; and
  - improvement(s) to the extramural agreements process.
- Interview the Location staff involved in the agreements process to determine the following:
  - Is the staff aware that all agreements must be approved in ARIS/AIMS prior to execution?
  - Are all the Location's agreements entered into ARIS/AIMS? If not, document why and what types are not being entered. Note: Not applicable to Standard Cooperative Agreements.
  - Is the staff aware of the Agency wide implementation of the new Extramural Agreements process and the new ARIS/AIMS data entry requirements?
  - Has the staff received any AIMS or ARIS training? If so, by whom?
  - Is the staff aware of the following ARIS/AIMS resources:
    - The Short Guide "Almost Everything You Need to Know About the Agreements Process"
    - The ARIS User Guide
- Interview the AO/T to determine if they provide the following assistance to the ADODR:
  - Advice and guidance on the administrative requirements for extramural agreements.

- A pre-award review of all proposed agreements information entered into ARIS/AIMS.
  - Development of the proposed budget to ensure costs are allowable, allocable, and reasonable.
  - A pre-award review of the Statement of Work (SOW) versus budget to ensure budgeted items corresponds to the proposed level of effort.
  - Conducting preliminary negotiations on proposed terms and conditions of the agreements and budget.
  - Providing technical direction to the cooperator regarding program and administrative requirements within the scope and terms of the agreement.
- Interview the appropriate LSS to determine if they provide the following assistance to their ADODR:
    - Entering the appropriate information into ARIS/AIMS (ARS-416/417/425) completely and accurately.
    - Providing assistance in the development of the budget to ensure all applicable and indirect costs are documented.
    - Assisting the ADODR in reviewing the request for compliance prior to forwarding the request to the ADO.
    - Preparing justifications for funding increase/decrease and extensions of time.
- Verify the Location maintains an agreement file, for each type of agreement with copies of information relevant to the extramural project. (The Area office maintains the “official” Agency file.)
- Identify who maintains the agreement file (usually the ADODR) at the Location.
    - The file should include the following: (1) a fully executed copy of the agreement, (2) a copy of the approved ARIS documents and (3) a copy of the appointment letter delegating authority to the ADODR. The file may also include the following: (1) copies of amendment(s), (2) copies of correspondence, (3) copies of Financial and Performance reports, and (4) copies of internal e-mails and notes.

#### 8.01 Research Support Agreement

Research Support Agreement (RSA) – A cost reimbursable agreement between ARS and State Cooperative Institutions or other colleges or universities, for the acquisition of goods or services, including personal services, to carry out agricultural research, extension, or teaching activities of mutual interest. There is a 4-year limitation on full time recurring requirements and a 10 percent limitation on reimbursing the cooperator for indirect costs. The terms RSA and Cost Reimbursable Cooperative Agreement (CRCA) are interchangeable.

Reference: REE Bulletin 07-001, Research Support Agreement (Revised 2008)

- Determine if the RSA is used at the Location. If yes:
  - Verify the Location has a copy of the approved ARS-550, Research Agreements Plan from the Annual Resources Management Plans System (ARMPS) to use the RSA.
  - Determine who serves as ADO for the RSA.
- If the RSA is administered at the Area, end the RSA review here.
- If the RSA is administered at the location, verify the following:
  - The ADO has a Level 1 Delegation of Authority granted by the Director, EAD to establish the RSA. Is the Certificate for Delegation of Authority for Extramural Agreements displayed in an open area in their office or primary work location? (P&P 700.0, Delegation of Authority for Authorized Departmental Officers)
  - The ADODR (usually the Research Leader) has a written delegation of authority from the ADO to act as the technical representative on the RSA.
  - The location has an e-mail or letter from the Area, indicating who is responsible for negotiating the Indirect Cost Rate (ICR) payable on the RSA.
- Verify the following:
  - The ADO is using ARIS/AIMS to produce the agreements package (REE-451, Signature Page, and SOW) for the RSA. Note: This will require access to ARIS/AIMS. (Bulletin 07-001)
  - The 5-year umbrella agreement is not in use.
  - Task Orders or Optional Forms 347 and 348 are not used to order supplies or services.
- Verify that the RSA does not exceed 12 months in duration. Note: The award period can cross fiscal years.
- Verify ARS employees are not intervening in personnel matters between the Cooperator and its employees including, but not limited to:
  - Selecting cooperator employees
  - Administratively supervising cooperator employees
  - Administering cooperator payrolls
  - Establishing wage levels

- Entering into employment agreements with individuals
  - Approving/disapproving cooperator employees' leave
- Determine if the ADO is verifying the RSA pricing and/or determining the wage rates with the Cooperator.
  - Determine if services requested on the RSA are in accordance with ARS policy and procedures regarding the acquisition of goods and personal services. Specifically:
    - Is the ADO aware of ARS policy, which specifies a 4-year limitation on acquiring personal services for recurring requirements, i.e., a Lab Technician? Note: General support costs i.e., janitorial and maintenance services, etc. are excluded from the 4-year limitation.
    - Is the ADO aware that acquiring the services of a university employee equivalent to an ARS Category 1 and/or 4 Scientist position is limited to 90 days?
  - Verify the Cooperator's ICR does not exceed 10 percent of their total direct cost.
  - Verify the ADO is performing the following:
    - Reviewing all ARIS/AIMS data fields for accuracy and completeness of the RSA information.
    - Conducting ICR negotiations with the Cooperator, as determined by the Area policy.
    - Entering into, administering, closing out and/or terminating the RSA.
    - Issuing a written delegation of authority, assigning technical oversight responsibilities to the ADODR.
    - Providing a copy of obligating documents and invoices to ARS Operations or their Budget and Fiscal Office (ABFO) for certification and processing.
    - Verifying the eligibility of the proposed Cooperator.
    - Verifying the presence of mutuality of interest between ARS and the Cooperator.
    - Obtaining the Cooperator's banking and FFIS vendor code information.
    - Obtaining and evaluating the Cooperator's pricing information to ensure costs are allowable, allocable, and reasonable.
    - Ensuring proper use of the RSA in accordance with Bulletin 07-001.
    - Reviewing all data fields for accuracy and completeness of the RSA information in ARIS/AIMS.
    - Maintaining the "official" RSA file.
    - Monitoring Cooperator performance and ensuring financial and performance reporting requirements are met as prescribed in the terms and conditions of the RSA.
    - Adjusting the RSA obligation, as needed, based on expenditures and changing programmatic needs.

- Ensuring the ADODR reviews and approves Management Reports (MRs).
- Verify the REE-451 (including amendments) includes the following:
  - Appropriate ARS Budget Object Code and Sub-Object Code Note: BOC = 2554, SUB BOCs = LG and PU. This information is required for FFIS purposes.
- A SOW, which includes the following:
  - A general description and amount of supplies, materials, and/or services
  - Listing of occupational categories (title) with duties
  - Dates or a time frame for delivery of goods or performance of services
- If payment method for RSA is under the Health and Human Services/Payment Management System (HHS/PMS):
  - Determine if the Cooperator is providing the ADO with a MR or equivalent.
  - Determine if the ADO and ADODR verify and approve the MR or equivalent based upon documentation (i.e., packing slips, payroll detail listing, delivery tickets, memoranda, etc.).
  - Verify the ADO is promptly submitting a copy of the MR to ARS Operations or ABFO, for comparison against disbursement activity in the HHS/PMS.
- If payment method for RSA is not HHS/PMS:
  - Determine if the Cooperator submits an itemized invoice to the ADO.
  - Determine if the ADODR is certifying the receipt of goods and/or services on the invoice based upon documentation (i.e., packing slips, payroll detail listing, delivery tickets, memoranda, etc.), and approve them for payment.
  - Determine if the ADO is promptly submitting the invoices to ARS Operations or ABFO for payment.

8.02 Cooperative Agreements: (Specific Cooperative Agreements (SCA), Trust Fund Cooperative Agreements (TFCA), and Reimbursable Cooperative Agreements (RCA))

SCA – describes in detail a jointly planned, executed, and funded research program or project.

TFCA – involves cooperative research between ARS and another party where ARS is paid in advance to conduct research or for the other party to share in the cost of a research project conducted by ARS.

RCA- similar to the TFCA except, that the Cooperator pays when billed by ARS for work completed.

Reference: EAM 280.0 Chapters 2100 and 2300

- Determine if the SCA, TFCA, and/or RCA is used at the Location. If yes:
- Verify the agreements are entered into ARIS/AIMS (100 percent requirement). Determine by whom.

#### 8.03 Standard Cooperative Agreement (STCA)

STCA – describes a cooperative relationship between ARS and another party that defines a mutually beneficial relationship relative to the use of land, labor, equipment, facilities, livestock, or other resources. The agreement includes a “make whole” provision using one of the following methods: (1) Tort claims Act, or (2) a fair market value as agreed upon by the parties.

Reference: EAM 280.0, Chapter 2200 and REE Bulletin 03-700

<http://www.afm.ars.usda.gov/ppweb/03-700.pdf>

- Determine if the STCA is used at the Location. If yes:
- Determine who serves as the ADO for the STCA. Note: The AO/T may be the ADO for the STCA.
- If the STCA is administered at the Location level, verify the ADO has a Certificate for Delegation of Authority for Extramural Agreements signed by the Director, EAD displayed in an open area in their office or primary work location. (P&P 700.0, Delegation of Authority for Authorized Departmental Officers)
- Verify the Location maintains an agreement file and forwards a copy of the STCA to the Area office. Note: The file should include the following: (1) fully executed copy of the agreement and (2) a copy of the appointment letter delegating authority to the ADODR. The file may also include internal e-mails and notes.
- If the STCA is at the Area level, verify that the Location receives a copy of the agreement and maintains a file. (The Area office maintains the “official” Agency file.)

#### 8.04 Grants and Assistance Type Cooperative Agreement (ATCA)

Grant – transfers a thing of value (money, property, services, etc.) to the recipient to stimulate or carry out a public purpose with no substantial involvement anticipated between the agency and the recipient.

ATCA – transfers a thing of value to the recipient to stimulate or carry out a public purpose and substantial involvement is anticipated between the agency and the recipient.

Reference: EAM 280.0, Chapter 3100

- Determine if the Grant and/or ATCA is used at the Location. If yes:
- Verify the agreements are entered into ARIS/AIMS (100 percent requirement). Determine by whom.
- Determine whether the AO/T is familiar with the requirement to document substantial involvement on the ATCA.

#### 8.05 Supplements to the MMOU

Supplements to the MMOU - further defines cooperative research related to the MMOU. Used prior to August 14, 2003. Supplements have been replaced by Non-Funded Cooperative Agreements (NFCAs).

- Determine if there are active Supplements. If yes:
  - Ensure the Location is advised to work with the Area Office to terminate all active Supplements and convert those still needed to NFCAs.

#### 8.06 Standard Memorandum of Understanding (SMOU)

SMOU - describes a cooperative relationship between ARS and another party that defines a mutually beneficial relationship relative to the use of land, labor, equipment, facilities, livestock, or other resources. The agreement does not include a “make whole” provision. Used prior to August 14, 2003. SMOUs have been replaced by Non-Funded Cooperative Agreements.

- Determine if there are active SMOUs. If yes:
  - Ensure the Location is advised to work with the Area Office to terminate all SMOUs and convert those still needed to NFCAs.

#### 8.07 Individual Memorandum of Understanding (IMOU)

IMOU - describes a cooperative program or project between ARS and another party when there was no Master MOU to supplement. Used prior to August 14, 2003. IMOUs have been replaced by NFCAs.

- Determine if there are active IMOUs. If yes:
  - Ensure the Location is advised to work with the Area Office to terminate all IMOUs and convert those still needed to NFCAs.

#### 8.08 Non-Funded Cooperative Agreement (NFCA)

NFCAs - describes in detail a jointly planned and executed project of mutual interest. All

parties contribute resources and benefit independently in the outcome of the project. There is no direct transfer of funding from one party to the other. NFCA replaces the Individual Memorandum of Understanding (IMOU), Supplements to the MMOU and the Standard Memorandum of Understanding.

Reference REE Bulletin 03-700

Determine if the NFCA is used at the Location. If yes:

- Verify the agreements are entered into ARIS/AIMS (100 percent requirement). Determine by whom.