

Community Wildfire Defense Grants Award Administration Guide for Grantees



**US Forest Service
State, Private & Tribal Forestry
Washington Office**

[Community Wildfire Defense Grant Program | US Forest Service \(usda.gov\)](https://www.usda.gov/programs/community-wildfire-defense-grant-program)

This guide addresses high level and general components of grants administration process for recipients/grantees. For general assistance or inquiries on your Community Wildfire Defense Grant award, contact your local Grants & Agreements office or Outreach and Partnership Engagement.

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Part I: Forest Service Awards

The Community Wildfire Defense Grant (CWDG) Award Administration Guide provides general guidance to US Forest Service (FS) policies regarding the award and administration of Domestic Grants (DG) and Cooperative Agreements (CA), commonly referred to as awards. Refer to [2 CFR § 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements](#) for Federal Awards as they apply to Forest Service financial instruments. This guide addresses both high level and general components of the grant administration process for recipients who apply for federal financial assistance through the Forest Service. In instances where there is a discrepancy between this Award Administration Guide, or any previously mentioned statutory codes, the Forest Service policy and Federal Regulatory Code (2 CFR Part 200) maintain precedence.

This funding opportunity provides grants to at-risk communities to develop or revise a Community Wildfire Protection Plan (CWPP) and to carry out projects described in a CWPP that is less than 10 years old. CWDG prioritizes at-risk communities that are in an area identified as having high or very high wildfire hazard potential, are low-income, and/or have been impacted by a severe disaster.

CONTACT FOR FURTHER INFORMATION

For general questions related to this Award Administration Guide, please contact the following shared inbox sm.fs.usfs_cwdg@usda.gov. If you need assistance completing forms for your award, please contact OPEGA@usda.gov. For inquiries specific to a Forest Service award, contact the Grants and Agreements Specialist listed in the notification email or award instrument.

A. Grant Award Life Cycle

In general, once the Forest Service completes the application review process, the CWDG Award phase begins. The final award decisions rest solely in the hands of the Forest Service staff with fiduciary responsibility and legal authority to enter into a binding instrument, i.e., Domestic Grants (DG) and Cooperative Agreements (CA). Federal staff review and make award recommendations based on the programmatic and financial reviews of the applications. These recommendations are reviewed within a series of levels to ensure compliance with all prescribed regulatory language. After awards are publicly announced, applicants will be contacted to submit paperwork for review. Public award announcement does not guarantee an award will be received. Awards are dependent on review and compliance with all Federal Grant Regulations.

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B. Notice of Award

All successful CWDG applicants that will be receiving direct awards from the Forest Service must complete and submit the following forms within 30 days of the announcement. Forms must be submitted to the regional CWDG program manager in order to move forward with the grant. SF-424 forms are located at www.grants.gov under forms www.grants.gov/forms/forms-repository/sf-424-family

SF-424 Application Form

SF-424A Budget Information Form
Scope of Work Narrative
Budget Narrative

Applicant's Negotiated Indirect Cost Rate Agreement (NICRA)

Financial Capability Questionnaire
Lobbying Form

Representation and Certifications Forms, if not completed in SAM.gov

Civil Rights Compliance Review Record – The Forest Service program manager will contact you and go over the questions.

Other AD forms if requested to complete are located here [Electronic Forms | USDA](#)

Once the final award decision is made, and all application forms and components are complete, the awarding agency sends the award document to the successful applicant for review and signature via email. The award package specifies key factors such as the award amount, applicable award provisions, performance measures, reporting requirements, etc. It is considered a formal, legally binding document. When you or your organization accepts the award (i.e., by signing the award instrument) you become legally obligated to carry out the full terms and conditions of the award. As an award recipient, you are also subject to federal statutory and regulatory requirements as outlined in the award instrument. Should you elect to not accept the terms and conditions of the award, the Forest Service should be notified.

Composition of a Forest Service Award

- **Federal award identification number**
- **Legal authority for issuing the award**
- **Principal recipient and Forest Service contacts**
- **System for Award Management (SAM) registration requirements**
- **How to submit invoicing for Federal funds**
- **How to submit for any needed modifications throughout the award life cycle**
- **Period of performance**
- **Recipient and Forest Service signatory officials**
- **Forest Service award provisions**
- **Sub-award information and requirements**
- **Equipment provisions if applicable**
- **Reporting requirements**
- **Award closeout requirements**
- **Administrative Federal Award Requirements ([2 CFR Chapter II](#))**
- **The proposal referenced in the award;**

Awards must be approved through signature by someone authorized to approve legal agreements for your organization. Acceptable signatures are either ink signature scanned and sent electronically or a digital signature which is an electronic signature based upon cryptographic methods of originator authentication, computed by using a set of rules and a set of parameters such that the identity of the signer and the integrity of the data can be verified.

C. Grant Periods

The Forest Service grant or cooperative agreement gives authority to the grantee to commit and expend funds for allowable costs in support of the project up to the amount specified in the grant. This action can be performed at any time during the grant performance period. Expenditures may not be charged prior to the start date without

prior approval from a program manager. The approval of pre-award costs, and the date that they are approved from, will be noted in the award instrument.

All funding agreements may be for a period of up to 5 years. All activities and expenses must be completed within the award period.

Grantees will be expected to implement and demonstrate measurable progress within twelve (12) months of the execution of the award.

Changes in a Grant Period of Performance

The performance period end date may be changed with an approved request on an SF-424 submitted by the recipient. The request may be submitted by email to the Forest Service principal program contact. When appropriate, the Forest Service Grants Management Specialist will issue a modification to extend the grant.

Grantees are cautioned not to make new commitments or incur new expenditures after the end date of the approved budget period until an approval for the extension is fully executed.

Part II: Grant Administration

The post award phase comprises a significant amount of work over the duration of the period of performance, which includes implementing the grant, reporting progress, and completing the closeout requirements. The federal agency that issues the award to you is also there to assist and ensure you and your organization complies with the grant terms and conditions.

D. Terms and Definitions

Advance Payment – Transfer of federal funds to grantee in advance of incurring the actual expense. Payments are made upon request for a predetermined payment period and funds must be fully disbursed prior to requesting another advance.

Disbursements/Outlays/Expenditures – means costs incurred by the grantee for a project or program for which a Forest Service award was received.

Grantee - means the organization or other entity that receives a grant and assumes legal and financial responsibility and accountability both for the awarded funds and for the performance of the grant-supported activity.

Grantee Obligations – means orders placed for property and services, contracts and subawards made, and similar transactions during a given period that require payment by the grantee during the same or a future period.

Payments – means the funds transferred from Forest Service to the grantee by electronic funds transfer (Automated Clearing House (ACH)) and on some rare occasions by check or by wire for same day electronic funds transfer or international payments.

Pass-through entity (PTE) – means a non-Federal entity that provides a subaward to a subrecipient to carry out part of a federal program.

Sub-Award - an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a federal award received by the pass-through entity. It does not include payments to contractor or payments to an individual that is a beneficiary of a federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract.

Subrecipient - an entity, usually but not limited to non-Federal entities, that receives a subaward from a pass-through entity to carry out part of a federal award; but does not include an individual that is a beneficiary of such award. A subrecipient may also be a recipient of other Federal awards directly from a federal awarding agency.

Program Income - means gross income earned by the grantee that is directly generated by a supported activity or earned as a result of the grant during the period of performance. Program income includes, but is not limited to, income from fees for services performed, the use of rental or real or personal property acquired under the grant, the sale of commodities or items fabricated under the grant, license fees and royalties on patents and copyrights, and principal and interest on loans made with grant funds. Interest earned on advances of Federal funds is not program income. Except as otherwise provided in Federal statutes, regulations, or the terms and conditions of the grant, program income does not include rebates, credits, discounts, and interest earned on any of them.

Suspension - means an action by the Forest Service that temporarily withholds Federal support of a project pending corrective action by the grantee or a decision by the Forest Service to terminate the grant.

Termination - means the ending of the Forest Service award, in whole or in part at any time prior to the planned end of the period of performance.

E. Monitoring Project Performance

Roles and Responsibilities

Grantees: The grantee has full responsibility for the conduct of the project or activity supported under a Forest Service grant and for the results achieved. All grantees should monitor the performance of the project to assure adherence to performance goals, time schedules or other requirements as appropriate to the project or the terms and conditions of the grant. To carry out these responsibilities, each grantee organization shall agree to comply with the applicable Federal requirements for grants and to the prudent management of all expenditures and actions affecting the grant. Documentation for each expenditure or action affecting the grant shall reflect appropriate organizational reviews or approvals, which should be made in advance of the action. Organizational reviews are intended to help assure that expenditures are allowable, necessary, and reasonable for the conduct of the project, and that the proposed action:

- is consistent with grant terms and conditions.
- is consistent with Forest Service and grantee policies.
- represents effective utilization of resources; and
- does not constitute changes in objectives or scope.

Forest Service Program Managers (PM): A PM may conduct a review on behalf of the agency. They can review project accomplishments, grantee management control systems and administration and management of the grant and to provide technical assistance as may be required. If any site visit is made by the Forest Service on the premises of the grantee or a subrecipient under a grant, the grantee shall provide and shall require its subrecipients to provide all reasonable facilities and assistance for the safety and convenience of the Forest Service representatives. PMs are generally responsible with the following:

- Monitoring of financial and performance standards
- Evaluating project data to ensure compliance with the grant agreement.
- Completing desk audits or site visits as needed.
- Reviewing invoices (SF-270) for accuracy and approval of payments
- Monitoring financial capability
- Maintain an ongoing, periodic assessment of current and cumulative project activities for all their grants and agreements.

Grants Management Specialist (GMS):

- Assist the PM as needed to provide direction regarding equipment justification, purchase, reporting, and disposition.
- Ensuring that any required forms are completed and placed in the official files.
- Upon disposition of equipment, the GMS follow the collection process through to completion in financial systems.

Notwithstanding these responsibilities, Forest Service continues to encourage communication between grantees, PMs, and GMS on the progress of projects supported by Forest Service as well as on project changes.

F. Changes & Prior Approval

Budget Revisions

The Forest Service understands the need for flexibility in adhering to the proposal budget and allow for changes in various line items, provided such changes do not affect the scope of work. This means that actual expenditures in many budget categories may vary from the original proposal. However, there may be limitations on shifts into or out of certain expense categories; may not allow any single expense category to be “overdrawn;” or may limit the budget changes to a certain dollar amount or percentage. Because rebudgeting could be a key or significant change, prior approval is needed. Prior approval should generally be requested in the following instances:

- If the rebudgeting will involve moving substantial sums into or out of a budget category in excess of 10% of the total budget
- If the rebudgeting will involve creating a new budget line item that did not exist in the original budget
- If the rebudgeting will result in a change in the scope of work regardless of the dollar amount being re-

budgeted.

- Significant changes from what was originally proposed and approved always require notification and/or approval from the appropriate Forest Service official (i.e., PM, GMS). Grantees are advised to contact the appropriate Forest Service official as soon as possible in the following situations: changes in objectives or scope, changes in methodology, and significant changes, delays or events of unusual interest.

The request must be signed and submitted, and Forest Service authorization will be indicated by a modification to the grant signed by the GMS, recipient authorized representative and the Forest Service signatory official.

Key Personnel

Grantee must request approval for a change in Key Personnel identified in the grant award. The regulation defines a change in Key Personnel as the replacement or change in status (such as an absence for any continuous period of 3 months or more, or a significant reduction of time devoted from the level in the approved application.

Cost Sharing

Most Forest Service awards of Federal Financial Assistance require a cost share or match. The terms are used interchangeably. Cost sharing or matching means the portion of project costs not paid by Federal funds. Match may be comprised of an organization's cost for salary, travel, materials and supplies, and even indirect costs. Match can be contributed through employees paid by another non-Federal organization or volunteers working to accomplish the project. Cost sharing or matching is addressed in detail in the OMB grant regulations in [2 CFR 200, specifically §200.306](#) goes into detail about the requirements for match.

There are two kinds of matching/cost-share: cash and third-party in-kind. Cash includes cash spent for project-related costs. The allowable cash match must include costs that are necessary, reasonable, and allowable (further explained below) under the federal program.

Matching and cost share funds must meet requirements in 2 CFR 200. Matching funds generally have the same restrictions as federal funds and must be directly tied to the project where federal funds are committed through the instrument. These funds must follow the guidelines in [§200.306](#) in that matching funds are verifiable, necessary, reasonable, allowable, and not paid by other federal funds. If, for example, a conference is unallowable under the grant award that has matching requirements, then grantees would not be able to use costs for a conference as part of the matching funds. The expense generally must be allowable with federal funds for it to be allowable with matching or cost share funds.

Third Party In-Kind includes, but is not limited to, the valuation of non-cash contributions provided by a third party. An in-kind match may be in the form of services, supplies, real property, and equipment. The value of the service may be used for the matching requirements, if the services are necessary, reasonable, and allowable under that federal program. Grantees are allowed to use unrecovered indirect costs for matching or cost sharing requirements; however, this requires prior approval. Third-party in-kind matching—such as supplies, equipment, or space—the value must not exceed the fair market value at the time of the donation.

Grantees are required to maintain records, which clearly show the source, amount, and timing for all matched contributions. While grantees are not required to submit their supporting documentation to the Forest Service, their records must be available in the event of an audit or site visit in accordance with [§200.334](#).

Match Waiver: In accordance with the Infrastructure Investment & Jobs Act Public Law 117-58, grantees must provide a match calculated as a percent of the total combined project cost that includes both the federal funds to be spent on the project as well as the match provided by the grantee. The amount of match required varies based on whether the project is for creation of a Community Wildfire Protection Plan (CWPP) or if the project is for work covered within a CWPP that is less than 10 years old. Projects that create a develop a CWPP plan require 10% cost share match of the total project cost. Projects that carry out work under an existing CWPP require a 25% cost share match of the total project cost. **Match may be waived for projects that benefit underserved communities according to the Notice of Funding Opportunity (NOFO).**

All work must be tracked at the level that designates disadvantaged communities. Applicants receiving

match waiver approval that pass-through funding (sub-award) for work in disadvantaged communities must pass the match waiver to sub-awardees performing the work.

While the pace of federal expenditures and cost sharing/matching may vary throughout the award period, the agency will actively monitor expenditure rates and cost sharing/matching levels as it receives payment requests to ensure the total cost sharing/matching requirement is met by the award period of performance end date. Additional details about cost sharing or matching funds/contributions are located at [2 CFR 200.306](#).

Reporting Requirements

The Forest Service requires project reports for all assistance awards through various programmatic and financial reporting procedures. These reports also provide Forest Service program officials with information on the progress of supported projects and the way these funds are used, maintain transparency, and prevent fraud and abuse. Information in these reports may be made available to the public through the Freedom of Information Act (FOIA).

Types of Reporting

Financial Reporting:

Standard Form SF-425 must be used for financial reporting.

The submission of an interim SF-425 must be submitted on a quarterly basis. A final SF-425 must be submitted at the completion of the award. The following reporting period end dates will be used: March 31st, June 30th, September 30th and December 31st. For final SF-425s, the reporting period end date must be the end date of the project or grant period (see table below). Quarterly interim reports must be submitted no later than 30 days after the end of each reporting period. Final reports will be submitted no later than 120 days after the project or grant period end date. Timely submittal of financial and performance reports for each grant as indicated in your award agreement will be required.

Performance Reporting:

Performance reports should highlight direct quantitative and qualitative investment activities and outcomes and include success stories and photographs that illustrate these. If a justified request is submitted by a recipient, the Program Manager may extend the due date for any performance report.

Optional Project Performance Report, FS-1500-23, may be used for progress reporting. Alternatively, the recipient may utilize reporting templates provided by the Regional Grants Management Specialist or Program Manager to fulfill the progress reporting requirement of the agreement provided the information includes:

- Recipient's name
- Federal Identifier Number
- Reporting period
- Written, narrative summary of project progress including quantitative and qualitative data and success stories, photos, etc. that illustrate performance progress,

If the recipient fails to provide a performance report, or performance report reveal significantly delays or problems, Forest Service may be required to take additional action, such as taking steps to obtain additional information, suspend the grant, or withhold payments until the required reports are obtained.

Reporting Frequency and forms

For Federal financial assistance in the Community Wildfire Defense Grant Program, the following forms and reporting schedules are indicated in the table below.

Report Due	Form Required	Frequency	Due Date
Advance/Reimbursement Request	SF-270	Monthly-Quarterly	
Financial Report	SF-425	Quarterly	4/30, 7/30 10/30 & 1/30
Performance Report	Not specified or optional FOREST SERVICE-1500-23	Annually	1/30
Final Report	SF-425	Once per grant period	120 days after Period of Performance Ends

Final Performance Report

The Final Performance Report should address progress in all activities of the project. This report is cumulative; it is the last annual report of the project and covers the entire grant period. You may send a Final Performance Report to your PM for review before officially submitting it. Unless otherwise specified in the award, the final performance report should be submitted electronically no later than 120 days following expiration of the grant. The report becomes overdue the day after the 120-day period ends.

Final Financial Report

A Federal Financial Report, SF-425, is due at the above schedule per the award. We recommend that grant match is documented in each financial report. The Final Financial Report should cover the entire grant period. Unless otherwise specified in the award, the Final Financial Report should be submitted electronically no later than 120 days following expiration of the grant. The report becomes overdue the day after the 120-day period ends.

G. Grant Closeout

Grant closeout is the process by which the Forest Service determines that all applicable administrative actions and all required work of the grant have been completed. The close out amount will be based on the costs recorded at that time.

Grantee shall, no later than 120 calendar days after the end date of the period of performance (Grant Expiration), submit all financial, performance, and other reports as required by the terms and conditions of the Federal award. The Federal awarding agency or pass-through entity may approve extensions when requested and justified by the non-Federal entity, as applicable.

In addition, grantee must promptly refund any balances of unobligated cash that the Federal awarding agency or pass-through entity paid in advance or paid and that are not authorized to be retained by the non-Federal entity for use in other projects. See § 200.346, for requirements regarding unreturned amounts that become delinquent debts.

Grantee must account for any equipment and personal property acquired with Federal funds or received from the Federal Government in accordance with [2 CFR 200 Subpart D](#).

H. Record Retention and Audit

Per [2 CFR § 200.334](#), Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient. Federal awarding agencies and pass-through entities must not

impose any other record retention requirements upon non-Federal entities. The only exceptions are the following:

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

(b) When the non-Federal entity is notified in writing by the Federal awarding agency, cognizant agency for audit, oversight agency for audit, cognizant agency for indirect costs, or pass-through entity to extend the retention period.

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

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

(e) Records for program income transactions after the period of performance. In some cases recipients must report program income after the period of performance. Where there is such a requirement, the retention period for the records pertaining to the earning of the program income starts from the end of the non-Federal entity's fiscal year in which the program income is earned.

(f) Indirect cost rate proposals and cost allocations plans. This paragraph applies 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 proposal, plan, or other computation is required to be submitted to the Federal Government (or to the pass-through entity) to form the basis for negotiation of the rate, then the 3-year retention period for its supporting records starts from the date of such submission.

(2) If not submitted for negotiation. If the proposal, plan, or other computation is not required to be submitted to the Federal Government (or to the pass-through entity) for negotiation purposes, then the 3-year retention period for the proposal, plan, or computation and its supporting records starts from the end of the fiscal year (or other accounting period) covered by the proposal, plan, or other computation.

Part III - Financial Requirements and Payments

The acceptance of an award from the Forest Service creates a legal duty on the part of the grantee organization to use the funds or property made available in accordance with the terms and conditions of the award. Payments may be made in advance of work performed or as a reimbursement for work performed and/or costs incurred by the grantee. Payments, however, may not be made in advance of an award being executed between the parties.

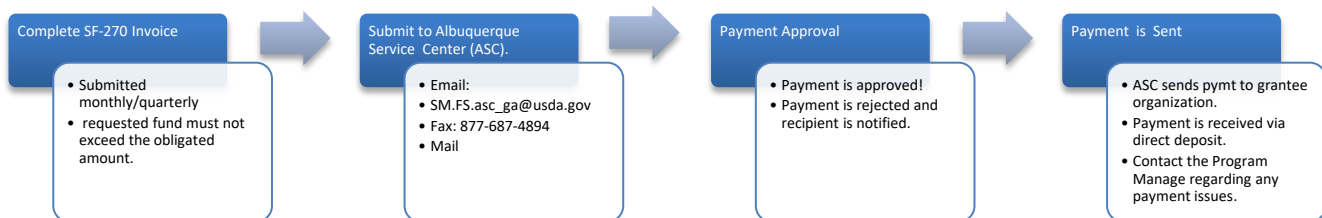
The Forest Service has a reversionary interest in the unused balance of advance payments, in any funds improperly applied (whether or not received as an advance payment).

Requests for payment must be submitted on Standard Form 270 (SF-270), Request for Advance or Reimbursement, and must be submitted no more than monthly. To approve a Request for Advance Payment or Reimbursement, the Forest Service shall review such requests to ensure advances or payments for reimbursement are in compliance and otherwise consistent with OMB, USDA, and Forest Service regulations.

Advance payments must not exceed the minimum amount needed or no more than is needed for a 30-day period, whichever is less. If the Recipient receives an advance payment and subsequently requests an advance or reimbursement payment, then the request must clearly demonstrate that the previously advanced funds have been fully expended before the Forest Service can approve the request for payment. Any funds advanced, but not spent, upon expiration of this award must be returned to the Forest Service. The Program Manager reserves the right to request additional information prior to approving a payment.

All Forest Service grantees are required to have financial management systems that meet the requirements of [2 CFR § 200.302](#).

Payment Process



Request for Advance

Grantees may submit requests for advances monthly and are authorized to receive payments from the Forest Service in advance of costs incurred provided that the following conditions exist:

- Funds for the project period have been obligated by a Grants & Agreements Specialist in the form of an electronically signed grant.
- The grantee has established written procedures that will minimize the time elapsing between the transfer of funds from the US Treasury and their disbursement by the grantee; and
- The grantee's financial management system meets the standards for fund control and accountability prescribed in [2 CFR § 200.302](#).

- Grantees shall maintain advances of Forest Service funds in interest bearing accounts as specified in the award.

Grantee Banking Information for Payments

The System for Award Management (SAM) is the Forest Service system of record for organizational financial information. Once a grant is awarded, the grantee must ensure that their banking information is up to date in sam.gov. Failure to maintain current and complete financial information within SAM could prevent the grantee from receiving funds.

Part IV: Grantee Standards

2 CFR § 200 prescribes three separate sets of standards related to the financial and program management of Federal grants, each governing a different area: financial management, property management, and procurement management.

I. Financial Management Systems Standards

Recipients are required to meet the standards and requirements for financial management systems set forth or referenced in 2 CFR Part 200.302, as applicable. The standards and requirements for a financial management system are essential to the grant relationship.

Recipients must have in place accounting and internal control systems that provide for appropriate monitoring of grant accounts to ensure that obligations and expenditures are reasonable, allocable, and allowable. Internal controls in accounting are procedures that are put in place within an organization to ensure business is carried out in an orderly, effective, and accurate manner. In addition, the systems must be able to identify large unobligated balances, accelerated expenditures, inappropriate cost transfers, and other inappropriate obligation and expenditure of funds.

J. Property Management Standards

[2 CFR §§ 200.310-316](#) prescribe standards for managing and disposing equipment purchased with grant funding. State governments will use, manage, and dispose of equipment acquired under a grant in accordance with state laws and procedures as specified in.

Equipment

Equipment purchases are rarely approved and will be reviewed prior to grant award. Equipment rental or short-term leasing within the grant period should be considered as an alternative. Equipment is defined as an article of nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit.

Equipment can only be purchased with Federal funds with written approval of Federal Awarding agency ([2 CFR 200.439](#)). Instructions for how to handle equipment purchased can be found in [2 CFR 200.313](#). In addition, review the award carefully to address any additional equipment requirements. Below is a synopsis to give you a broad understanding, it is recommended to carefully review the entire equipment section referenced in 2 CFR 200.

- Must get written prior approval to purchase.
- The Title will Vest upon acquisition with the Non-Federal entity.
- The equipment must be properly used and disposed of.
- Equipment must be used in the program or project for which it was acquired.
- Very Detailed records must be kept of the Equipment and damage, or loss must be investigated.
- Must be maintained.
- When no longer needed the equipment must be disposed of according to awarding agency.

General Purpose Equipment

Expenditures for general purpose equipment are typically not available for support.

Equipment Usage

The equipment must remain in use for the specific project for which it was obtained in accordance with [2 CFR § 200.313](#) unless the provision in 2 CFR § 200.313(c)(4) applies.

Equipment Sharing

The equipment must be shared on other projects or programs in accordance with 2 CFR § 200.313(c)(1).

Property Management Standards

The grantee shall maintain a property management system which, at a minimum, meets the requirements of 2 CFR § 200.313(d).

Competition

In accordance with 2 CFR § 200.313(c)(3), grantees 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 statute, for as long as the Federal Government retains an interest in the equipment.

K. Procurement Standards

Recipients may acquire a variety of goods or services in connection with a grant-supported project, ranging from those that are routinely purchased goods or services to those that involve substantive programmatic work. States may follow the same policies and procedures they use for procurements from non-Federal funds and ensure that every purchase order or other contract includes any clauses required by [2 CFR Part 200.327](#). All other recipients must follow the requirements in 2 CFR Part 200.317 through 200.327 and the purchase of goods or services through contracts under grants, as applicable.

Part V: Allowability of Costs

Uniform Guidance is a government-wide framework for grants management. It is an authoritative set of rules and requirements for Federal awards, including post-award administration. [Code of Federal Regulations \(CFR\) – Chapter II, Part 200](#) covers Grants and Agreements. You will see Subpart A-F; [Subpart E addresses cost principles](#) that might be beneficial to review while administering your grant.

L. Basic Considerations

Allowable

The cost must be allowable under [2 CFR 200 Section E](#) – Cost Principles. Keep in mind that for a cost to be considered allowable, it must also be included in the approved budget/budget breakdown for the grant. This means that the program manager is knowledgeable about the cost and approves. Costs expressly unallowable or mutually agreed to be unallowable should be identified and excluded from any billing, claim, application, or proposal related to the award. Inclusion of an unallowable cost in a proposal does not make the cost allowable. Adding a justification to an unallowable cost in a proposal also does not make the cost allowable.

Allocable

The cost must be able to be properly allocated to the grant. Is this a portion of a larger cost incurred to the recipient organization? Does it benefit the Award and/or other funding sources? Can it be distributed to all benefited funding sources using reasonable methods? Does the basis for allocating the cost represent a reasonable estimation of the benefit provided to the Award objectives? There must be a methodology in place to demonstrate how the costs were allocated to the grant and other cost centers of the recipient. Proper allocation of costs that benefit the entire operation of the recipient is usually accomplished through an indirect rate (NICRA or de minimis).

Reasonable

A cost is considered reasonable if the nature of the goods or services, and the price paid for the goods or services, reflects the action that a prudent person would have taken given the prevailing circumstances at the time the decision to incur the cost was made. To determine if a cost is reasonable, ask the following questions: Is the cost necessary for the performance of the award?

Does incurring this cost violate the restraints or requirements imposed by federal and state laws and regulations, or the award's terms and conditions?

Is the price of the goods or services comparable from multiple vendors/sources that have no vested interest or relationship to the award or to the person involved in the purchase?

Have the individuals incurring this cost acted with due prudence (discretion and good sense) in the circumstances? Have they considered their responsibilities to the institution, its employees and students, the federal government, and the public at large?

Were the actions that were taken in respect to incurring the cost consistent with established institutional policies and practices applicable to the awards?

Consistent

Costs must be treated consistently and applied uniformly to all recipient programs whether federally funded or not. All costs incurred for the same purpose and in like circumstances must be treated uniformly either as direct costs or as indirect (facilities and administrative or F&A) costs. Since certain costs, such as administrative salaries and office supplies, are normally treated as F&A costs, these costs cannot be charged directly to federal awards unless the circumstances of an award are clearly different from the normal operations of the unit. If a rate methodology is selected for valuing volunteers, the same methodology must be used consistently throughout.

Volunteer Time

For volunteer services, the rates must be consistent with the rates normally paid for similar work in the organization. If an employee from another organization conducts services free of charge, the services should be valued at that employee's regular rate of pay, in addition to their fringe benefits and allowable indirect costs. There are online resources to help you determine the value of volunteer time, such as:

<https://independentsector.org/resource/value-of-volunteer-time/>. It is important to maintain a record for tracking and reporting volunteer time and services.

The following uses the basic considerations applicable under volunteer time:

- **Allowable:** is the work that's being performed allowable? Volunteers and staff time are generally allowable, but the work being performed must also be considered. If they are fundraising for the recipient organization, that is not an allowable expense, and that time or cost may not be used as match.
- **Allocable:** is the volunteer working on only the grant funded project or are they working on a number of different projects for the recipient organization. If so, what is the methodology to allocate the hours to each project and is it documented?
- **Reasonable:** There are several different organizations that provide rates for volunteers. The recipient organization must decide if the rate is reasonable for the work performed in their area. If the organization were paying for the work rather than valuing the hours, is that a rate they would pay? Does it track with the actual costs for the recipient organization? For example, if staff members work on a project side by side with volunteers are their rates consistent? Or is the staff member cost (wages and fringe) \$16/hour and the volunteer valued at \$23.25/hour for the performance of similar work? There can be disparity, but the reasonableness and basis of the rates must be considered and documented.
- **Consistent:** Are the values for volunteers used consistently on both the federal award and other work? A recipient organization should pick a methodology and stick to it unless there's compelling and documented reason for change.

Volunteers that are not paid by any party for their services. These volunteers are performing work in support of a grant funded project or program: A good example of this type of volunteer might be community members that volunteer to plant trees in a city park on a Saturday morning. They show up with their shovels ready to go to work. To document the volunteer time, there must be a sign-in sheet that includes the time each volunteer spent working on the project. A good source for reasonable, documented rates for volunteers may be found at the Bureau of Labor and Statistics website at [U.S. Bureau of Labor Statistics \(bls.gov\)](https://www.bls.gov/). Another source is [Value of Volunteer Time Report | Independent Sector Resources](#). A copy of the document showing the rate should be placed in the file. Children may not be included as volunteers.

Employees of another organization

Employees of organizations like non-profits or local governments that are working on the grant funded project or program may be counted as third-party in-kind or categorized as subrecipients, depending on the relationship with the organization. In this case, the time spent must follow the regulations above and be recorded in the same manner as salaries and wages would be recorded for reimbursement. Simply put, an employee's time must be recorded on some manner of timesheet or system to reflect all of their time worked and break out the actual time spent on the grant funded project. See §200.430(i) (1). The actual cost of these employees, including fringe, may be used as cost share or match.

Other Considerations

Pre-Award (Pre-Start Date) Costs

Grantees may incur allowable pre-award costs within the 90-day period immediately preceding the start date of the grant providing:

Forest Service approval of a request for pre-award costs is documented in accordance with the grantee's

procedures.

Pre-award expenditures are made at the grantee's risk. Grantee authority to approve pre-award costs does not impose an obligation on the Forest Service: (1) in the absence of appropriations; (2) if an award is not subsequently made; or (3) if an award is made for a lesser amount than the grantee anticipated.

Requests for pre-award costs for periods exceeding 90 days must be submitted to the Forest Service. Pre-award expenditures prior to funding of an increment within a continuing grant are not subject to this limitation or approval requirement but are subject to paragraph (ii) above.

Post-End Date Costs

Forest Service funds may not be expended subsequent to the end date of the grant, except to liquidate valid commitments that were made on or before the end date, e.g., commitment of project funds for subrecipient or contractor for services rendered during that award period but not billed to the grantee until after the grant expired. Generally, the costs of equipment or materials and supplies ordered after the end date, may not be charged to the project.

In addition, the grantee typically should not purchase items of equipment, computing devices, or restock materials and supplies in anticipation of grant expiration where there is little, or no time left for such items to be utilized in the actual conduct of the research.

Prior Written Approvals

The funding of items identified in the Forest Service award budget constitutes authorization for the grantee to incur these costs, provided there is not a specific limitation in the grant language and the costs are otherwise allowable, allocable, and reasonable in accordance with the cost principles contained in 2 CFR § 200, Subpart E. If required in furtherance of the project, the grantee is authorized to transfer funds from one budget category to another for allowable expenditures. Grantees should refer to the applicable grant terms and conditions referenced in the grant.

M. Direct Costs

Compensation - Personal Services

Salaries and Wages

Compensation paid or accrued by the organization for employees working on the FOREST SERVICE-supported project during the grant period is allowable, in accordance with [2 CFR § 200.430](#).

Fringe Benefits

If the recipient's usual accounting practices provide that its contributions to employee benefits (leave, employee insurance, social security, retirement, other payroll-related taxes, etc.) be treated as direct costs, grant funds may be requested to fund fringe benefits as a direct cost. These are typically determined by application of a calculated fringe benefit rate for a particular class of employee (full time or part-time) applied to the salaries and wages requested. They also may be paid based on actual costs for individual employees, if that institutional policy has been approved by the cognizant federal agency.

Fringe benefits that are not accrued but are charged as direct costs and incurred under "pay as you go plans" may be subject to reasonableness determination where the benefits are earned under other work and charged to the last activity the employee was working on. This is of particular concern for large lump sum payments for leave, disability, pregnancy or other employee fringe benefits. See [2 CFR § 200.431](#) for the definition and allowability of fringe benefits.

Administrative and Clerical Salaries & Wages

In accordance with [2 CFR § 200.413](#), the salaries of administrative and clerical staff should normally be treated as indirect (F&A) costs. Direct charging of these may be appropriate only if all the conditions identified below are met:

- Administrative or clerical services are integral to a project or activity.
- Individuals involved can be specifically identified with the project or activity.
- Such costs are explicitly included in the approved budget or have the prior written approval of the Forest Service; and
- The costs are not also recovered as indirect costs.

Federal Employees

Employees of the Federal government (other than Forest Service) may be utilized as lecturers or staff members on a project and may receive compensation and/or expenses if they obtain prior approval from their agencies to participate, and if services to the project are performed outside their regular working hours or while they are on leave status from official duties. Under no circumstances may Forest Service employees receive compensation from an Forest Service-supported project.

N. Other Direct Costs

Other costs are listed in the “other” line h on the SF-424a form and all items under that category must be itemized in an attached financial plan.

News Release Costs

Costs of communicating with the public and press to announce the results and accomplishments of a Forest Service supported project are allowable. Grantees should be aware of the restrictions on advertising, organizational promotion, and lobbying costs as outlined in the applicable cost principles. See [2 CFR § 200.421](#) for additional information on advertising and public relations.

Rental or Lease of Facilities or Special Purpose Equipment

On occasion, it may be necessary to use facilities or equipment not under the control of the grantee. See [2 CFR § 200.465](#) for additional information on rental costs of real property and equipment.

Temporary Dependent Care Travel Costs

Temporary dependent care costs (a dependent is defined in 26 U.S.C. 152) above and beyond regular dependent care that directly results from travel to conferences are allowable costs provided that the costs are:

- a direct result of the individual’s travel for the FOREST SERVICE conference award;
- consistent with the awardee’s documented travel policy for all employee travel; and
- only temporary during the travel period.

See [2 CFR § 200.474](#) for additional information on travel costs.

O. Indirect Costs

Grantees are entitled to reimbursement from grant funds for indirect costs allocable to the Forest Service share of allowable direct costs of a project. Forest Service program staff are not authorized to negotiate indirect costs as a discrete item of a proposal budget. Forest Service program staff also are not authorized to suggest or request that grantee seek reductions or waivers of indirect costs.

The awarded indirect cost rate is generally based upon a grantee’s current Federally Negotiated Indirect Cost Rate Agreement (NICRA). When establishing an indirect rate for an award where the domestic grantee does not

have a current negotiated rate agreement, the grantee may use the de minimis indirect rate of 10% of Modified Total Direct Costs (MTDC). Supporting documentation is not required for organizations that request a *de minimis* rate of 10% (or less) of modified total direct costs. Since some types of rates limit indirect cost recoveries and require adjustments, grantees receiving awards should ensure that they understand the type of indirect cost rate, the applicable base and the type of rate used in the grant.

Forest Service Cognizant Organizations

If the Forest Service is your cognizant Agency and you need to obtain a NICRA, please visit the Resource Audit branch (RAB) [Audit and Assurance Staff | US Forest Service \(usda.gov\)](#). Refer to the Appendix for the Forest Service NICRA application that you may be required to submit. Please contact the RAB before filling out the form.

Part VI: Other Post Award Requirements and Considerations

P. Common Federal Statutes

Non-Discrimination Statutes

A number of statutes bar recipients of Federal financial assistance from excluding persons, because of their race, color, national origin, disability, sex, or age, from participation in Federally supported activities. These include Title VI of the Civil Rights Act of 1964 (barring discrimination on grounds of race, color, or national origin); Section 504 of the Rehabilitation Act of 1973 (barring discrimination against qualified individuals with disabilities); Title IX of the Educational Amendments of 1972 (barring sex discrimination in Federally assisted education programs or activities); and the Age Discrimination Act of 1975 (barring discrimination on the grounds of age). In addition to statutory prohibitions, Executive Order (E.O.) 11246 bars various types of discriminatory employment practices under grants for construction, and E.O. 13166 "Improving Access to Services for Persons with Limited English Proficiency" requires government agencies to take steps to provide meaningful access to its programs and activities to members of the public who are limited in their English proficiency (LEP).

Title VI of the Civil Rights Act of 1964

Section 602 of the Civil Rights Act of 1964 (42 USC § 2000d, et seq.) provides that no person in the US shall, on the grounds of race, color or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity receiving Federal financial assistance. Section 602 requires that each Government agency which is empowered to extend such financial assistance issue rules or regulations implementing Title VI with respect to such programs or activities administered by the agency.

Section 504 of the Rehabilitation Act of 1973

Section 504 of the Rehabilitation Act of 1973, as amended (29 USC § 794) provides that "no otherwise qualified individual with a disability in the United States...shall, solely by reason of her or his disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance."

Before any organization serves as a subrecipient on an Forest Service grant (for other than the purchase of commercially available materials and supplies, equipment or general support services), it must first file an Assurance of Compliance with the grantee.

Section 504 Certification - Subrecipients

In lieu of requiring grantees to obtain separate certifications from subrecipients receiving financial assistance under an Forest Service grant, grantees will include in all subawards (for other than the purchase of commercially available materials and supplies, equipment or general support services), a certification of compliance comparable to that included in Forest Service grants.

Title IX of the Education Amendments of 1972 (Sex Discrimination)

Subject to certain exceptions regarding admission policies at certain religious and military organizations, Title IX of the Education Amendments of 1972 (20 USC §§ 1681-1686) prohibits the exclusion of persons on the basis of sex from any education program or activity receiving Federal financial assistance. All Forest Service grantees must comply with Title IX.

Age Discrimination Act of 1975

The Age Discrimination Act of 1975, as amended (42 USC § 6101 et seq.), provides that pursuant to regulations issued by DHHS "no person in the United States shall, on the basis of age, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity receiving Federal financial

assistance.”

Equal Employment Opportunity under E.O. 11246

E.O. 11246, as amended, requires contractors and subcontractors performing Federally assisted construction projects to provide equal opportunity, without regard to race, color, religion, sex or national origin, to persons employed or seeking employment with them. This E.O. may apply to some Forest Service grants for construction.

Limited English Proficiency (LEP) under E.O. 13166

E.O. 13166 requires government agencies to take steps to provide meaningful access to its programs and activities to members of the public who are limited in their English proficiency (LEP). The primary purpose of the E.O., in regard to Federally assisted and conducted programs, is to ensure that people for whom English is not a first language, people who may be said to be “limited” in their English proficiency, may still enjoy meaningful access to the programs and services offered by Federal agencies.

Q. Suspension and Termination Procedures

A grant may be suspended or terminated in whole or in part in pursuant to [2 CFR 200.340](#) this includes:

- If the grantee fails to comply with the terms and conditions of the grant.
- to the greatest extent authorized by law, if an award no longer effectuates the program goals or agency priorities.
- mutual agreement of Forest Service and the grantee; or
- the grantee on written notice to F Forest Service setting forth the reasons for such action, the effective date, and, in the case of partial termination, the portion to be terminated or suspended (with the understanding that if Forest Service determines that the unterminated portion will not accomplish the purposes of the grant it may suspend or terminate the entire grant).

Normally, action by Forest Service to suspend or terminate a grant will be taken only after the grantee has been informed by the Forest Service of the proposed action or informed of any deficiency on its part and given an opportunity to correct it. Forest Service, however, may immediately suspend or terminate a grant without notice when it believes such action is reasonable to protect the interests of the government.

No costs incurred during a suspension period or after the effective date of a termination will be allowable, except those costs which, in the opinion of Forest Service the grantee could not reasonably avoid or eliminate, or which were otherwise authorized by the suspension or termination notice, provided such costs would otherwise be allowable under the terms of the grant and the governing cost principles.

Within 30 days of the termination date the grantee will furnish a summary of progress under the grant and an itemized accounting of costs incurred prior to the termination date or pursuant to (iii) above. Final allowable costs under a termination settlement shall be in accordance with the terms of the grant, including this section, and the governing cost principles, giving due consideration to the progress under the grant. In no event will the total of Forest Service payments under a terminated grant exceed the grant amount or the Forest Service pro rata share when cost sharing was anticipated, whichever is less. A notice of termination other than by mutual agreement and/or the final settlement amount may be subject to review F Forest Service will report award terminations to the OMB-designated integrity and performance system in accordance with Federal regulation, but only after the grantee has had an opportunity to exhaust the review procedures.

Procedures for Suspension or Termination by Forest Service

When it is believed that a grantee has failed to comply with one or more of the terms and conditions of a grant, the Forest Service Grants & Agreements Specialist will normally advise the grantee in writing of the nature of the

problem and that failure to correct the deficiency may result in suspension or termination of the grant. The grantee will be requested to respond in writing within 30 calendar days of the date of such letter, describing the action taken or the plan designed to correct the deficiency. Copies of such correspondence will be furnished to the grantee and to the cognizant Forest Service Program Officer. Forest Service, however, may immediately suspend or terminate a grant without notice when it believes such action is reasonable to protect the interests of the government.

If a satisfactory response is not received within the above period, the Forest Service Grants & Agreements Specialist may issue a notice immediately suspending authority to further obligate grant funds, in whole or in part. Notice of suspension is sent to the Authorized Organizational Representative, with a copy to the PI/PD. Within Forest Service, copies are furnished to the Forest Service E Division of Financial Management and to the cognizant Forest Service Program Officer. The notice will set forth the terms of the suspension and its effective date.

Normally, the suspension will remain in effect for a maximum of 60 days to allow the grantee to take corrective action. In the event that the deficiency is not corrected to the satisfaction of Forest Service the Forest Service Grants & Agreements Specialist may issue a notice of termination, addressed as in b., above. The notice will set forth the reasons for the action and its effective date.

The Forest Service reserves the right to terminate the award and de-obligate award funds when the grantee fails to demonstrate satisfactory performance and timely completion of project activities, or when financial and performance standards are non-compliant with the grant agreement.