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Section 1: Introduction

This *Primer on National Heritage Areas Partnership Agreements* offers step-by-step guidance to assist National Heritage Areas and National Park Service (NPS) staff in the Northeast Region (NER) with managing cooperative and task agreements. In 2006, the National Park System Advisory Board found that “National Heritage Areas contribute to the mission of the National Park Service and offer an expanded role for conservation stewardship and for the preservation of historic and cultural resources.” Congress recognizes the partnership role of the National Park Service in assisting the Heritage Areas to carry out their work, and authorizes the use of agreements to provide funding and assistance in NHA enabling legislation. Unlike grants or contracts for services, working through cooperative agreements requires that the parties develop substantive relationships based upon mutual goals, and work together to achieve them.

This document provides information on the process of creating and maintaining agreements, and outlines requirements for management, record-keeping, and accountability. It is also a guide for NPS staff members who maintain relationships with Heritage Areas through agreements, to help them understand their roles and responsibilities with regard to the NHA and the NPS.

This primer will show you how to

- Prepare cooperative agreements, task agreements, and modifications;
- Account for financial outlays and respond to reporting requirements; and
- Compile annual performance reports that meet NPS reporting requirements for agreements and the requirements of the Heritage Area’s enabling legislation.

This *Primer on National Heritage Areas Partnership Agreements* is an evolving document, subject to change as policies are updated, laws and regulations are changed and improved approaches are developed. It is not intended to supersede or contradict other NPS agreements handbooks. No one document can answer all questions or address every circumstance. However, the *Primer* intends to demystify the agreements process, enable NHA agreements management to run more smoothly, and provide sources for additional information.

A note about the policies that govern cooperative agreements

The NPS has received statutory authorization to enter into agreements with state and local governments, educational institutions and non-profits through a number of laws of general application, e.g., 16 U.S.C. §1g, as well as site specific authorization, e.g., 16 U.S.C. § 410vv-4. Implementing regulations are found at 43 CFR [Code of Federal Regulations] Subtitle A, Part 12 (Subparts C and F).

These federal regulations, which are incorporated by reference into every NHA agreement, provide the legal framework that governs all NPS grants and cooperative agreements. Title 43 CFR Part 12 incorporates a series of Office of Management and Budget circulars (including A-110, A-122 and A-133 – see Appendix B) which are applicable to cooperative agreement and incorporated by reference. This title provides the basis for both NPS and NHA responsibilities toward the administration of agreements.

For more information on agreements, or to provide feedback on this document, contact:

Suzanne Copping
National Heritage Areas Coordinator
Northeast Region
Chesapeake Bay Program Office
410 Severn Avenue, Suite 109
Annapolis, MD 21403
410-295-3149
suzanne_copping@nps.gov

Beth Faudree
Deputy Regional Chief of Contracting, Northeast
Region
National Park Service, Boston Support Office
15 State Street
Boston, MA 02109
617-223-5095
beth_faudree@nps.gov

Section 2: Definitions

A **cooperative agreement** is a legal written instrument reflecting the relationship between the National Park Service and a state or local government, tribal government, or other non-federal recipient, in which the principal purpose is to transfer money, property, and/or services to the recipient to stimulate or support a public purpose authorized by federal statute. Substantial involvement is anticipated between the NPS and the NHA throughout the project period.

The cooperative agreement is the foundation document for the flow of technical and financial assistance between the NPS and the NHA management entity. It requires specific provisions that are generally not included in subsequent task agreements and/or modifications.

A **task agreement** is a legal written instrument that describes a specific project or project period within the partnership detailed in the master cooperative agreement. It includes a statement of work with an itemized budget, project schedule, and deliverables. Task agreements always reference the initial agreement, and should only include information relevant to the specific project or project period.

A **modification** is a legal written instrument that modifies the terms and conditions or funding of a master cooperative agreement or task agreement.

Funding is **appropriated** by Congress for the purposes of the NHA enabling legislation; once a task agreement is signed, approved by NPS, and processed in the NPS' procurement database, the funding is **obligated** to the entity and becomes available for reimbursement.

The **Key Official** is a named individual, agreed upon by both parties during negotiations, who will ensure that specific tasks in an agreement are carried out.

The **Agreements Technical Representative (ATR)** is the individual who provides technical information, statements of work, and technical assistance for cooperative agreements and other types of agreements, and receives reports and other deliverables. The ATR ensures that invoices are reviewed for accuracy and payments are processed in accordance with the terms and conditions of the agreement. ATRs initially attend a 24-hour agreements training course and an eight-hour refresher course every three years.

Central Contractor Registration (CCR): NHAs not managed by Federal commissions must, at least once a year, verify and update their organization's information on the CCR website (www.ccr.gov), as well as at any time their organization's information changes. Cooperators must maintain an "active" status in the CCR database through final payment of the agreement. See Section 3, Step 3 for more information.

The **Contracting Officer** designates qualified personnel, as their authorized representatives, to assist in the technical monitoring or administration of an agreement. A contracting officer is the signatory on agreements, justifications, and substantial involvement documentation, and approves and assigns agreements to specialists for processing.

The **Contract Specialist** is in charge of purchasing and contracting methods to procure products and services, or to prepare and track contracts or agreements. Contract specialists apply the contracting process from beginning to end, and do post award contract administration.

In this document, the **management entity** refers to the authorized coordinating entity for the National Heritage Area, in most cases specified in the Heritage Area's enabling legislation.

Section 3: Heritage Area Agreements Step-by-step

I. Your master cooperative agreement

Step 1 Determine Legislative Authority

The first step in developing a contractual partnership or cooperative agreement is to confirm that the National Heritage Area management entity (for the purposes of this *Primer*, “NHA” refers to the Congressionally-recognized management entity) has the legislative authority to enter into the agreement. Language in the Heritage Area’s enabling legislation usually authorizes the NPS to enter into agreements with this entity, whether a state or local government, educational institution, or non-profit. A cooperative agreement is different from a grant, because unlike a grant it requires **substantial involvement** on the part of the government in the cooperator’s work.

Because the NPS is entering into a substantive relationship with the Heritage Area by signing the agreement, the document must describe how the relationship furthers the mission of the NPS, and ensures that substantial involvement of both parties in each others’ missions is necessary to carry out their respective mandates.

A cooperative agreement is co-developed by the NHA management entity and NPS staff. Both parties should understand and agree to all of the terms of the agreement. If you disagree with or do not understand any of the terms, you should work with the other party to resolve your questions and concerns.

Step 2 Register the NHA management entity (for non-profit coordinating entities) and Understand Bank Account Requirements

First, the NHA obtains an interest-free checking account, as federal funds will be transferred via direct deposit. Should the NPS request it, the NHA may need to complete a Direct Deposit form (OMB #1510-0007) which will be filed with the NPS.

Non-profit entities must request a unique, nine-digit Data Universal Numbering System number (www.dnb.com), through Dun and Bradstreet. This number establishes a credit file, which the government uses to assess the management entity’s creditworthiness. A tax identification number and an electronic funds transfer account are also required.

Once the NHA receives a number, it then registers its organization on the "Central Contractor Registration" website (www.ccr.gov). This government-maintained website is a database of all organizations that do business with the federal government. The NHA receives an email reminder annually to update their information. The database can then provide up-to-date information, which the government uses to communicate with the NHA on matters concerning agreement approvals, payments, and reporting.

Ensure that the bank account is able to receive funds via electronic funds transfer. In addition, if the NHA plans to ask for advances, according to OMB Circular A-102, it must have access to an interest-bearing account, unless the NHA expects to earn less than \$250 per year in interest on any advances.

Step 3 Identify Key Official Determinations and Other Signatories

Both the NHA and the NPS need to identify key signatories of the agreement who thereby assume responsibility for assuring that their organizations carry out the roles and projects stipulated in the agreement. The NPS assigns additional staff to facilitate various portions of the agreements process.

The executive director or chair of the Board of Directors is the key official for the Heritage Area. A park superintendent or program manager is the key official for the NPS. The NPS key official can, but does not have to be, different from the Agreements Technical Representative (ATR). The ATR does the actual work of implementing the agreement. The NPS region's contracting officer works with the ATR to develop and implement the agreement, and a contract specialist is assigned to facilitate future reimbursements and advances as well as closeouts.

Step 4 Discuss Mission and Goals; Develop a Statement of Work

The NHA key official/s and NPS key official/s and ATR should write and agree to work statements that delineate their roles and responsibilities with regard to the NHA and toward one another. These statements describe the cooperation and assistance that will occur to enable their parties to achieve compatible objectives. These work statements should be revisited every time a new cooperative agreement is drafted (every five years).

The statement of work should reflect the parties' roles and responsibilities toward one another over the next five years. **The statement of work must also support the purpose of the NHA and specifically refer to projects and actions described in the NHA management plan** (or, in the case of newly designated areas, anticipated actions required to complete and implement the plan). Think carefully about your five-year goals. What will you develop, improve, and/or accomplish in the next five years that will demonstrate the impacts of the NHA-NPS relationship?

A cooperative agreement should never extend more than five years beyond the date of final signature by the Contracting Officer. While it establishes the relationship between the parties, **a cooperative agreement does not commit federal funds. Federal funds may only be committed through a specific task agreement.** A task agreement, which builds upon the master agreement and ties NPS funding with specific activities, is created every time that the NHA receives NPS funding during the period that the cooperative agreement is in effect.

Step 5 Prepare the Cooperative Agreement

If you are engaged in developing the cooperative agreement, **make sure that you understand the entirety of this legally-binding document.** The content of agreements, especially the purpose, statement of work, nature of the relationship, and major milestones, should be co-developed, reviewed, and understood by both parties. Key officials should agree to the terms before a draft document is submitted to the regional office for processing. (See Appendix A for a summary of the components of a cooperative agreement, and Tab 2 of the NHA agreements binder for an example of a completed agreement).

Step 6 Seek Legal and Contractual Review of the Cooperative Agreement

After both parties agree to the language in the agreement, the proposed agreement is reviewed by each of the parties' legal, key/program, and contracting staff for concurrence and legal sufficiency.

NER policy requires that a completed *Documentation for Use of a Cooperative Agreement* form accompany the agreement. The NPS key official or ATR fills out the *Documentation* form and submits it along with the draft agreement (and enabling legislation, if the NHA was recently authorized) to the solicitor for review and approval. The agreement must be approved in writing (fax or email is acceptable) by the solicitor before it is submitted to the deputy regional chief of contracting (with the solicitor's comments and/or approval) for processing.

If changes need to be made, the NPS key official/ATR should incorporate the comments in a final version of the agreement and/or *Documentation* form (the final version does not need to be resubmitted to the Solicitor).

Step 7 Prepare the Agreement for Processing (NPS only)

The final agreement is emailed or faxed to the deputy regional chief of contracting for approval. Upon approval, the NPS key official/ATR (or his or her representative) creates a Purchase Request (PR) in IDEAS [the NPS acquisition management system], and submits it with the following attachments to the "NER Acquisition Box" for processing through the IDEAS system:

- 1. Agreement*
- 2. Documentation for the Use of a Cooperative Agreement*
- 3. Written approval from the solicitor (a scanned fax or email is acceptable).*
- 4. Written approval from deputy regional chief of contracting (a scan is acceptable).*

Step 8 Obtain Signatures and Implement Agreement (NPS coordinates)

The contracting office assigns a contract specialist to the agreement. This specialist prepares and sends a packet to the NHA which includes the following:

- 1. At least three original master cooperative agreements;*
- 2. DI-2010 (Certifications)*

The NHA signs and returns the documents to the NPS. The contract specialist logs the signed agreement in the acquisition management system and sends a signed original and copies of associated documents to the NPS Accounting Operations Center (AOC), NHA, and the NPS ATR/key official for their files.

II. Defining the Annual Scope of Work and Authorizing Funding -- The Task Agreement

When a National Heritage Area receives notification of its appropriation from Congress, it develops a task agreement with the NPS in order to be able to draw on that money to implement its legislated mandate and management plan goals. The task agreement builds on a master cooperative agreement. Therefore, a cooperative agreement must in place **before** funding can be obligated to and spent by the NHA.

The NPS receives an authorization from Congress to provide funding to the NHA. A signed task agreement authorizes the NHA to spend the authorization on behalf of the NPS in ways that are spelled out in the task agreement. **Funding must be obligated to the NHA** (the final task agreement has been signed, processed and copies sent to the NHA for their files, and the funding has been moved into the appropriate NPS account to secure it for spending by the NHA only) **before the NHA can submit advance or reimbursement requests to the NPS.**

Funding is **not** automatically direct deposited into the NHA's bank account, or received upfront as soon as the agreement is signed. Instead, the NHA submits a "Request for Advance or

Reimbursement” (form SF-270) to cover work clearly described in the task agreement. The agreement clearly lays out the terms for requesting payment, including the forms that should be used and the frequency of requests.

The task agreement builds upon the purpose, goals, and relationship outlined in the master cooperative agreement. It further defines projects, budget, timeframe and deliverables associated with a specific funding amount. **The funding provided through a task agreement is available for a maximum of five years following the date of last signature by the Contracting Officer, regardless of when the master cooperative agreement expires.** A new task agreement is created every year that additional funding is appropriated by Congress. Heritage Areas are urged, however, to spend the funding remaining in earlier task agreements before drawing down on new agreements, even though it is possible to have more than one task agreement open at a time.

See Tab 3 of the NHA agreements binder for sample letters that a heritage area sends for the release of funds.

Step 1 Develop the Statement of Work for the Appropriation

The statement of work, also considered an annual work plan, is the most important component of the agreement. The work plan should be mutually discussed, negotiated and agreed upon. It should clearly outline the work that will be accomplished under the agreement, when it will be done and at what cost.

Any work performed under a task agreement **must** be within the scope of the master agreement.

The work plan should include a detailed budget breakdown that provides specificity without restricting the Heritage Area’s flexibility and ability to fulfill its mission and goals. The breakdown illustrates that the Heritage Area is accountable for how the money will be spent. The NPS, in signing the agreement, approves of the ways that the Heritage Area will spend its appropriation. The statement of work is a barometer against which the NHA measures its year-end progress.

Step 2 Discuss and Finalize Other Components of the Task Agreement

In addition to the statement of work, the Task Agreement provides information on award and payment terms (e.g., how to request funding), and reporting and deliverables (when and where the reports should be sent). It also specifies the amount or percentage non-Federal matching funding required by the NHA enabling legislation.

Step 3 Seek Legal and Contractual Review of the Task Agreement

The draft Task Agreement should be reviewed by the ATR, NHA key official, and legal and contracting staff. The Northeast Region’s solicitor requires that a completed *Substantial Involvement Documentation* form accompany the agreement. The ATR should complete the substantial involvement form and submit it with the draft task agreement to the solicitor, who must approve the agreement in writing (fax or email is acceptable).

Step 4 Prepare and Submit the Agreement for NPS Processing (NPS only)

After the agreement is mutually developed and agreed upon, the NPS ATR assigns a NPS financial officer to create a Purchase Request (PR) in the NPS acquisition management system (IDEAS). The agreement and the following documents are attached to the PR:

- 1. Agreement*
- 2. Documentation for the Use of a Cooperative Agreement*
- 3. Written approval from the solicitor (a scanned fax or email is acceptable).*
- 4. Written approval from deputy regional chief of contracting (a scan is acceptable).*

The final agreement is emailed or faxed to the Deputy Regional Chief of Contracting for approval. Following this approval, and contingent upon the appropriation of funding for the purposes of the agreement, the PR is approved by a NPS staff person with budget authority (the regional budget office, a park staff with budget authority, or through the “NER Financial Inbox”), and it is then submitted in IDEAS to the “NER Acquisition Box” for processing.

Step 5 Collect Signatures, Obligate Funding and Implement Agreement (NPS coordinates)

The contract specialist assigned to the agreement acquires NPS signatures and then prepares and sends a packet to the NHA which includes the following:

- 1. At least three original task agreements*
- 2. SF-LLL, for actions over \$100,000 (See Appendix B)*
- 3. SF-424*

The NHA key official/s signs, dates and returns the signed documents to the NPS contract specialist who then establishes the task agreement in the NPS acquisition management system and ensures that the funding is obligated to the account code specifically created for the NHA. The contract specialist sends copies of the obligated agreement to the NHA and the ATR. The packet includes an OF347, a form which confirms that the federal funds are committed to the NHA account code.

III. Modifications to an Agreement

Step 1 Determine whether a modification to an agreement is required

If changes to the master cooperative and/or task agreement are needed, a modification can be created. A modification may be a written change in the terms and conditions, agreement official, reporting or deliverables, or funding level.

Step 2 Draft and submit modification

Depending on who is initiating the modifications, the ATR or the NHA drafts the document, and both review it together. The rationale behind and changes to the original agreement should be mutually understood and agreed to. The ATR then submits the document for processing.

Step 3 Process Modification (NPS only)

The NPS key official/ATR (or his or her representative) creates a PR in the IDEAS system, attaches the modification, and submits it to the NER Acquisitions Inbox. The contract specialist assigned to the original agreement submits it to the Deputy Regional Chief of Contracting, and then mails it to the NHA for signature. When two originals are returned, they are signed by the NPS contracting officer and NHA key official, processed, and final copies are sent to the AOC, NHA and the key official/ATR.

Section 4: Seeking Payment

Step 1 Understand Award and Payment Terms

Award and payment terms are outlined in every task agreement. The NHA submits requests for reimbursement or an advance to the NPS, which approves and processes the request. Payment should be received via direct deposit into the NHA bank account within 60 days of submitting the request.

Step 2 Submit a Request for Advance or Reimbursement

To receive reimbursement for expenditures, the NHA completes and submits a signed original SF-270 ("Request for Advance and Reimbursement") to the ATR at the address outlined in the task agreement. Some agreements require one or two duplicate signed copies. The NHA can seek an advance or reimbursement only for projects already specified in the annual work plan, and only in an amount up to what is specified in the work plan for each specified project. For example, money set aside for trail projects must be expended on trail projects. If a planned project is not able to be completed as anticipated in the year the funding was obligated, the NHA has up to five years (following date of last signature) to request reimbursement, as long the work is compatible with the work statement included in the agreement.

A modification to the scope of work outlined in a task agreement to reallocate funding for a different purpose may be prepared, following agreement by both parties and as long as the change of scope is compatible with other NHA management plan goals (see Section 3, Part III).

Advances may be requested based on criteria outlined in OMB Circular A-110 (See Appendix B). An appropriate advance might be for start-up costs. A cash advance must be spent within 30 days of receipt. A NHA can request a "working capital advance" if it anticipates needing to retain the funding for a longer period of time. In either case, the NHA must completely spend the advance and submit a completed SF-272 with documentation of the deliverables before requesting further funding on a reimbursable basis.

When an advance is transferred to a NHA interest-bearing account, the NHA must reimburse the NPS for any interest payments over \$250 annually (or \$100 annually, if the management entity is a state or local government). Working capital advances are usually required to be deposited in an interest-bearing account. For more information on whether you qualify to receive a working capital advance, and whether an interest-bearing account is required in order to accept them, please talk with the ATR listed on your agreement.

Step 3 Include Documentation of Work Completed with the Request

A brief description of deliverables should accompany a request for reimbursement. The description directly responds to the detailed statement of work outlined in the agreement. This documentation ensures that work is going according to plan, that funding is being spent in the ways that the NPS and the NHA have agreed to, and that federal funding is being spent legally (see OMB circular A-122 describes how federal funding can, and can not, be spent, including on lobbying, alcohol, and some kinds of marketing and publications).

After an advance is expended, the NHA should submit a "Federal Cash Transactions Report" SF-272 to the ATR. This form can be included with the next request for funding, but the NHA can

not received additional funding until the advance has been completely expended and reported on. A description of what was accomplished with the advance should be included with a completed SF-272.

Step 4 NPS Processes Request (NPS only)

The ATR receives the request and the narrative report and approves the request in writing (a signed memo is sufficient). If more information is needed, the ATR should contact the NHA. The ATR then forwards the approval memo and request in hard copy to the contract specialist named in the agreement. A faxed copy is acceptable to move the approved request more quickly. The specialist processes the paperwork, forwards it to the Accounting Operations Center, and AOC has 30 days to move the requested funding into the NHA direct deposit account.

Step 5 Receive Payment through Direct Deposit

If the funding is not deposited within 60 days of submitting the request, the NHA should call the ATR. The ATR should confirm with the contract specialist when the Accounting Operations Center (AOC) received the request, and take the appropriate steps to ensure prompt processing of the direct deposit.

The ATR is responsible for confirming that there is adequate funding in the NHA account to cover the request, and that the funding being requested has been spent on items described in the statement of work. The accompanying narrative report should describe the connection between the request for reimbursement or advance and the planned or completed work.

Section 5: Reporting

43CFR Part 12, Sec. 12.80 states:

- (1) Grantees shall submit annual performance reports unless the awarding agency requires quarterly or semi-annual reports. However, performance reports will not be required more frequently than quarterly. Annual reports shall be due 90 days after the grant year, quarterly or semi-annual reports shall be due 30 days after the reporting period. The final performance report will be due 90 days after the expiration or termination of grant support. If a justified request is submitted by a grantee, the Federal agency may extend the due date for any performance report. Additionally, requirements for unnecessary performance reports may be waived by the Federal agency.
- (2) Performance reports will contain, for each grant, brief information on the following:
 - (i) A comparison of actual accomplishments to the objectives established for the period. Where the output of the project can be quantified, a computation of the cost per unit of output may be required if that information will be useful.
 - (ii) The reasons for slippage if established objectives were not met.
 - (iii) Additional pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.
- (3) Grantees will not be required to submit more than the original and two copies of performance reports.
- (4) Grantees will adhere to the standards in this section in prescribing performance reporting requirements for sub-grantees.

All National Heritage Areas which receive NPS funding should submit final reports annually (once federal funding in an agreement has been expended) describing their performance against the work plan described in their agreement.

Step 1 Submit Required Quarterly Financial Reports

In addition to narratives submitted with a request for reimbursement, the agreement (and specifically 43 CFR Sec. 12.952) requires that a SF-269, *Financial Status Report*, be submitted to the NPS key official at least quarterly to document progress on the annual work plan. Matching funds are included and broken down by type on lines e through i, *Recipient's share of net outlays*. See Appendix D for a description of matching funds.

Matching funding can, but does not have to be reported on line f on the SF-270 when a request for advance or reimbursement is submitted. The NHA should retain for their files financial records of disbursements to carry out the program that illustrate both the federal and matching share.

A SF-272 (Report of Federal Cash Transactions) should be submitted after advances are received and spent and before the NHA submits a new funding request.

Step 2 Prepare and Submit a Final Report

A final (performance) report is required within 90 days following the completion of the work outlined in a task agreement. The work plan is considered complete when funds from that agreement are completely expended, or by December 31 (90 days following the end of the federal fiscal year, when the new budget cycle normally begins). This deadline can be extended if there is a justifiable reason for doing so. If funding is not entirely expended, the NHA should provide an interim report for the work completed to date, and an addendum when the remaining money is spent and reimbursed.

A final report (see Tab 4 in the NHA agreements binder) **should include the following:**

1. Progress and Accomplishments

- a. A comparison of actual accomplishments to the objectives laid out in the task agreement,
 - b. Projects/products/services were or are being delivered,
 - c. NPS funding and match provided for each objective, and
 - d. For incomplete objectives, the reasons why they were not met.
2. Funding
 - a. The total expenditure of NPS Funds via the task agreement,
 - b. Total non-federal match and source/s.
 3. Reporting on Grants Given
 - a. The recipient, project description, grant amount, and deliverable for each grant.

A checklist of the items required in a final report is included in Tab 4 of the *NHA agreements primer*. You can include this checklist with your final report submission to the NPS if you wish. If you already produce a production-quality annual report for Congress and your partners, you can submit that to the NPS and do not need to create a separate final report. However, if any of the items in the checklist are not addressed specifically in your annual report, you should attach this information as an addendum in your submission to the NPS ATR. All of the items in the checklist must be addressed in order to fulfill the requirements outlined in Article VIII of the task agreement.

Step 3 Prepare and Submit a Financial Audit

When federal funding (including non-NPS funds) of \$500,000 or more is received in any given year, a financial audit is required to be conducted by an organization that meets the generally accepted government auditing standards (See Appendix B - OMB Circular A-133).

If less than \$500,000 of federal funds is received, an audit is not required, although records are required to be available for review or audit by the Department of the Interior, NPS, and the Government Accountability Office (See Appendix B - OMB Circular A-133).

NHAs submit a copy of their audit to the ATR listed in their agreement. It is recommended that NHAs set up files to accommodate annual auditing requirements, and review Circular A-133 to understand the kinds of record-keeping that are required.

Step 4 Retain Documentation for Three Years Following Closing of Agreement

The NHA should keep the following documents on file while the cooperative agreement is in place and for at least three years after the agreement is closed.

- Correspondence
- Original Signed Cooperative Agreements, Task Agreements, and Modifications
- Original Cooperative Agreement Forms: DI-2010, SF-LLL, SF-424
- OF-347 (Optional Form 347) confirming that the federal funds are committed (this document is sent by the contract specialist along with a final, signed copy of the agreement)
- Annual Reports
- Audit Results
- Advance and/or Reimbursement Requests (SF-270)
- Financial and Banking Statements
- Financial Status Reports (SF-269)
- Federal Transaction Reports (SF-272)
- Copies of third party invoices and related contractual documents
- Matching Funds Financial Information

Appendix A: Explanations of the Articles

Cooperative Agreements

Article I -- Background and Objectives – Identify the public purpose of federal support and the relationship; the purposes of the NHA outlined in enabling legislation; the substantial involvement of the federal government in the NHA, and the contributions of the NHA to the NPS.

Article II -- Legislative Authority – Cite legislative authority to use a cooperative agreement for the activity and the program authority to undertake the activity, both found in enabling legislation. Also cite United States Code authorities which enable the NPS to enter into agreements.

Article III -- Statement of Work – Describe the relationship, and list the specific and joint roles and responsibilities of the NHA and the NPS.

Article IV -- Term of the Agreement – This section provides the five-year term of the agreement, and references the termination clause.

Article V -- Agreement Officials – Provide the names of the key officials for both parties. Include name, address, telephone, fax, and e-mail. Communications are outlined between the two parties. The section also outlines the parameters for changing key officials when and if applicable.

Article VI -- Award and Payment - This section describes payment procedures and financial reporting requirements, including obtaining prior approval for changes to the budget. This section also contains rules concerning contractor registration and seeking advance payments.

Article VII – Liability -- This section outlines the NHA legal responsibilities as a recipient of federal funding.

Article VIII -- Reports and/or Deliverables - This section provides guidance on the frequency of performance review reports, annual reports, documentation of matching funding, and auditing procedures.

Article IX -- Property Utilization - This section addresses government furnished property that is being provided or is part of the agreement.

Article X -- Modifications - This section provides guidance on modifying the agreement.

Article XI -- Termination - This section provides guidance on terminating the agreement.

Article XII -- General and Special Provisions - This section outlines the administrative requirements contained in OMB Circulars that substantiate the agreement and must be followed when executing an agreement between NHA and the NPS. These circulars describe all aspects of utilizing federal funds, including which expenses are and are not allowed, matching funding, reporting, documentation, contracting for services, auditing and financial accountability.

This article also cites United States Code concerning non-discrimination, lobbying, minority business development, and financial obligations of the part of the government.

The section also includes provisions about how the NHA can and can not use its relationship with the federal government to promote and publicize its activities. It also describes the parties' responsibility toward sharing the results of studies prior to publication.

Article XIII -- Attachments – This section lists the forms that are required to be attached into the master cooperative agreement. They include DI-2010 (Certifications), SF-424 (Application for Federal Assistance—for every action that is funded) and SF-LLL (Lobbying -- for actions over \$100,000).

Article XVI -- Signatures - Both parties sign and date in this section. This signifies the approval and concurrence of both parties to the Articles of the agreement.

Task Agreements

Background and Objectives Statement - This opening paragraph reaffirms the information that is part of the master cooperative agreement.

Article III -- Statement of Work - Outlines the annual work plan. A description of each type of project, budget, timeframe and deliverables for each type should be included in the statement of work. Roles of the NPS in the work should also be described.

Article IV -- Term of the Agreement - Outlines the dates of the expiration of the task agreement. Task agreements (and modifications) may not extend a cooperative agreement beyond five years.

Article V -- Agreement Officials – Provide the names of the key officials for both parties. Include name, address, telephone, fax, and e-mail. As described in the master agreement, communications are outlined between the two parties, as well as the parameters for changing key officials when and if applicable.

Article VI -- Award and Payment - This section addresses the amount of federal funding, provides a breakdown, the account number to which the appropriation should be obligated, and includes financial reimbursement and reporting requirements. This section also references the match requirement.

Article VIII -- Reports and/or Deliverables - This section provides guidance on the frequency of reports and deliverables to the NPS.

Article XII -- General and Special Provisions – include language on the Davis-Bacon Act when doing construction under the task agreement. Otherwise, this article can be deleted unless the Regional Solicitor requests that other special language be included.

Article XIII -- Attachments – Include forms that are required to be attached to or incorporated by reference into the task agreement.

Article XVI -- Signatures - Both parties sign and date this section. This signifies the approval and concurrence of both parties to the Articles of the agreement.

Appendix B: References

1. Forms can be obtained from: www.whitehouse.gov/omb/grants/grants_forms.html

Attached by reference to the Cooperative Agreement

DI-2010 (Certifications)

- SF-LLL (Lobbying)
- SF-424 (Application for Federal Assistance)

Financial Forms required for Payment and Reporting

- SF-269 (Financial Status Report)
- SF-270 (Request for Advance and/or Reimbursement)
- SF-272 (Federal Transaction Report)

2. Office of Management and Budget (OMB) Circulars can be obtained from: www.whitehouse.gov/omb/circulars

OMB Circulars build on **43 CFR [Code of Federal Regulations] Part 12 Subtitle A**. Subpart C provides requirements for state and local governments; Subpart F for educational institutions and non-profit organizations. Subtitle A describes important concepts such as match, sub-granting, competition, reimbursements, and reporting. These concepts are further defined in the following **OMB circulars, incorporated by reference in your agreement:**

A-110, Administrative Requirements, provides uniform government-wide requirements for managing grants and agreements. It clearly defines the NPS role in administering NHA funds. A-110 builds upon the principles outlined in 43 CFR. In particular:

- Subpart C, Section 22 (b) and (c) describes Advance Payment Criteria, and
- Subpart C, Section 23 describes Cost Sharing or Matching.

A-122, Cost Principles, defines what expenses can and cannot legally be reimbursed, including defining acceptable staffing expenses, donations and contributions, equipment handling, liability, lobbying, required documentation, contracts, rental, marketing, taxes, and travel.

A-133, Audits, explains what is required to meet auditing standards, proper record keeping, NHA responsibilities and the process to be followed.

3. Departmental and Agency Policies

National Park Service Director's Orders:

- www.nps.gov/refdesk/DOrders/DOrder20.html

National Park Service Cooperative Agreement Handbook:

- www.nps.gov/hfc/acquisition/agreements.htm

Department of the Interior Partnership Legal Primer:

- www.doi.gov/partnerships/partnership_legal_framework.html

Appendix C: Advance Payment Criteria

Two kinds of advances are possible: Cash Advances, and Working Capital Advances. Cash Advances, when less than \$100,000, must be spent within 30 days of receipt. You have longer to spend Working Capital Advances, but they must be expended and reported on before submitting a new request for reimbursement. For more information on advance payments, visit <http://www.whitehouse.gov/omb/circulars/a110/a110.html#22>

Per OMB Circular A-110, Subpart C [Post-award requirements], Section 22 [Payment],

“(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.”

“(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.”

Also according to Circular A-110,

"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.”

Appendix D: Cost Principles – How Federal Funding Can Be Spent

Excerpted from OMB Circular A-122, Cost Principles. Visit <http://www.whitehouse.gov/omb/circulars/a122/a122.html> for more information.

General Principles

2. Factors affecting allowability of costs. To be allowable under an award, costs must meet the following general criteria:
 - a. Be reasonable for the performance of the award and be allocable thereto under these principles.
 - b. Conform to any limitations or exclusions set forth in these principles or in the award as to types or amount of cost items.
 - c. Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the organization.
 - d. Be accorded consistent treatment.
 - e. Be determined in accordance with generally accepted accounting principles (GAAP).
 - f. Not be included as a cost or used to meet cost sharing or matching requirements of any other federally-financed program in either the current or a prior period.
 - g. Be adequately documented.

3. Reasonable costs. A cost is reasonable if, in its nature or amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the costs. The question of the reasonableness of specific costs must be scrutinized with particular care in connection with organizations or separate divisions thereof which receive the preponderance of their support from awards made by Federal agencies.

Attachment B contains guidance on spending Federal dollars on certain activities including:

Advertising and public relations costs, **Alcohol**, Bid and proposal costs, Communications, Contingency provisions, Contributions, Donations, Employee morale, health, and welfare costs and credits, **Entertainment**, Equipment and other capital expenditures, Fringe benefits, Independent research and development, **Lobbying**, Maintenance and repairs, Materials and supplies, Meetings and conferences, Memberships, subscriptions, and professional activity costs, Organization costs, Professional service costs, Publication and printing, Recruiting, Relocation, Rental, Selling and marketing, Training and education, Transportation, and Travel.

Appendix E: Matching Funding

The following guidance on cost-sharing or matching is excerpted from OMB Circular A-110 (see <http://www.whitehouse.gov/omb/circulars/a110/a110.html#subc#subc>):

____.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.