

# ***NIFA Policy Guide Follow-up Webinar for the Western Region***

*Thursday, May 13, 2021 • 2:00 - 3:00 p.m. PT*

*Zoom*

## ***Summary***

- Introduction (Katina Hanson)
  - Where NIFA can be more helpful with the policy guide and where there are questions
  - Brief review of the capacity tables, which have been updated
  - Happy to answer questions
  - Susan Rice is the policy branch chief.
  - Katina has been with NIFA for 1 year
- The updated NIFA Policy Guide can be [found here](#).
  - The overall review session is [posted on the NIFA website here](#).
  - View 508-compliant version of the NIFA Policy Guide presentation [here](#).
  - It is recommended to download the full guide using Google Chrome.
- The updated table for capacity programs has been updated in [Section IV - Award Issuance](#), beginning on page 66.
  - 2 CFR 200 updates were focused on to update the tables.
  - Each of the capacity programs is organized in the same way, with the primary authority (linked to U.S. Code), grantees, as well as discussion of the formula used. Additionally, use of funds, limitations, reporting requirements and matching requirements are also listed. Finally, carryover is provided at the bottom of the table.
  - Tables include Smith Lever (b) and (c), DCPPERA, Section 1444, Section 1445, Hatch Act, Hatch Multi-State, Animal Health Disease Research Program, EFNEP, McIntyre-Stennis Cooperative Forestry Act, Renewable Resources Extension Act, and Smith-Lever Special Needs.
    - Some include only text updates. Others include clarification for matching requirements.
  - Questions and comments can be sent to [policyguide@usda.gov](mailto:policyguide@usda.gov).
  - NIFA is available for help and assistance related to existing grants.
    - [Awards@usda.gov](mailto:Awards@usda.gov) mailbox for competitive grant and [capacitygrantquestions@usda.gov](mailto:capacitygrantquestions@usda.gov) mailbox for capacity grants are both available to receive questions.
  - Questions about changes, comments or things that are missing can be sent to [policyguide@usda.gov](mailto:policyguide@usda.gov).

## ***Question and Answer***

- *Clarification of formulas were mentioned. What is an example of clarification of formula?*
  - On Smith-Lever, the different pieces used in the calculation were bulleted out. For 20-40-40 was clarified.

- An audit of capacity programs was conducted several years ago. NIFA is still working on the audit. The reason for clarifying was to resolve impact from auditors to make it more clear.
  - More work will be done to address clarity, but much of the work will include clear documentation. These changes involved low-hanging fruit.
- *Audits and review: Will follow-up reports on audit be sent out?*
  - Following the change of staffing at NIFA, several compliance reviews that were completed by a contractor were not completed.
  - NIFA will follow up.
- *Other substantial changes to the capacity tables?*
  - There were no big, substantial changes in the capacity tables.
  - For Section 1444 and 1445, NIFA worked to update some of the changes resulting from the 2018 Farm Bill. The tables were updated to be consistent with Farm Bill language.
- *5% retirement contribution cap in place for capacity projects but does not apply to non-formula projects? Grants are not subject to the 5% cap. Only funds allocated as formula funds have that limitation, not competitive awards. Competitive funds are not restricted. Why is there a difference, based on the way the funds are given out?*
  - NIFA reflected language used in RFAs to ensure it was updated in the Policy Guide.
  - The cap is based on the statutory requirement used for the funds.
  - The 5% limitation is related to federal funds that are being provided under the program.
  - NIFA will follow up and provide additional information on why the 5% restriction is more applicable to capacity versus competitive.
- *Highlight of updates*
  - NIFA will provide some more detail to the larger issues that were updated (not including mechanical/grammatical updates)
- *Will NIFA be moving forward with requiring institutions to submit budgets for capacity funds? If so, can institutions include budget items that prior approval would have to be obtained for, to avoid the prior approval process?*
  - NIFA is still examining results from the pilot of budgets for capacity programs. They will take the information back.
  - NIFA is in the process of finalizing the RFAs for this year's capacity programs. As the clearance goes on, there is discussion whether there is additional year on the pilot and whether those budgets will be required. No final decision has been made.
- *Several years ago, there was discussion about NIFA was leaning on capacity funds, which are supposed to be provided generally, rather than be treated as grants. Will NIFA be expecting budgeted expenditures to match actual budgets? Capacity funds are meant to be used to help meet needs that were not forecasted. Will revised budgets be required?*

- With an unknown of whether budgets will be required, NIFA does not know the answer to this question yet.
- NIFA will follow up and take into account the feedback. NIFA is seeking information on how NIFA can better support stakeholders.
- *Have there been major changes to unallowable costs, such as research incentive payments?*
  - There have not been any major changes to unallowable costs.
  - There are overall changes to 2 CFR 200, but the big changes are related to indirect costs and changes to procurement thresholds.
  - NIFA is also looking at other places where reporting guidance is coming out from OMB. A big effort is currently ongoing to work on reporting to NIFA.
  - There have been no changes related to research incentive payments in particular.
- *Procurement limitations: Have some of the figures gone up? Was there an impact on specialized equipment requests and prior approvals?*
  - Yes, the figure have increased.
  - There is no impact on specialized equipment requests.
  - It was related to micro-purchases and sub-recipient thresholds.
  - None of the prior approval language changed.
- *If the purchasing changes from \$5,000 to \$10,000, then the prior approval limits also changed, as well, correct?*
  - The equipment thresholds did not change, though micro-purchasing thresholds increased.
- *Purchasing threshold is \$5,000 currently. A formal purchase order was required for anything over \$5,000. If micro-purchases are now \$5,000, not \$10,000, how can those be separated from equipment purchases?*
  - The micro-purchase threshold has to do with whether purchases have to be competed.
  - NIFA will look at this further, but this change does not apply to equipment.
- *Indirect costs on the competitive grants: What are the implications to an AFRI grant?*
  - The changes that occurred in the 2 CFR concerning indirect costs are mainly related to the election of the *de minimus* rate of 10%. Previously, the language in the 2 CFR stated, if there had been a negotiated rate previously. The language was removed.
  - As long as there is not a current negotiated rate or current provisional rate, you can make the election to 10 percent.
  - In dealing with competitive programs, the RFA should be referenced to see the indirect costs for programs. The majority of programs are subject to a 30% threshold, different than other parts of government. It is important to look at the RFA to see what is stipulated.
  - The largest change related to the *de minimus* rate and when that rate can be used.

- *Has there been additional consideration given to the definition of prior approval regarding equipment? Any purchase above \$5,000, even if it does make the equipment definition, must go through NIFA, according to prior guidance from NIFA. For example, work that was contracted out (i.e. feasibility study) that is not "equipment" but NIFA advised that prior approval would be required.*
  - A prior approval matrix for grants is available. Depending on exactly what the purchase is, prior approval requirements from other areas may be triggered.
  - Equipment prior approval will not be triggered by the feasibility study.
  - Please forward this question to [policyguide@nifa.gov](mailto:policyguide@nifa.gov) for more information.
  - The copy of the Prior Approval Matrix can be accessed with the Terms and Conditions [on the website or found here](#).
- *It has been made apparent that Hatch projects are being deferred or declined if they are not at least 80% research. Why is that level of detail not in the administrative guide? Is it too in the weeds? This change was not something that people knew about. All that has been found in writing was "significant" amounts towards research. A percentage is not found in writing.*
  - There have not been particular conversations on the subject.
  - NIFA will look at this subject with the rest of the reporting requirements to see what needs to be added.
  - NIFA will follow-up to see where that originates and what is being done currently about it.
- *Requirements that are not part of the law are advised to not be included. If something in the guide cannot be supported by law, it is recommended to not include the information in the Policy Guide.*
  - NIFA will follow-up.
- *Has OMB given any direction on another extension for capacity funds, given the inability for institutions to re-start research programs due to restrictions as a result of the pandemic?*
  - NIFA is working on updates to its FAQs for COVID.
  - All institutions are encouraged, if they have trouble meeting deadlines, to reach out to [capacitygrantquestions@usda.gov](mailto:capacitygrantquestions@usda.gov).
  - There has been analysis on when the funds expire to determine whether there is flexibility to extend beyond the second year. Statutory language is a problem for Hatch, in particular, because it only allows carry-over into the second year.
  - NIFA is working with its lawyers, but a statutory fix may be required.
  - Additional guidance related to COVID FAQs has been released, but extensions have not been solved yet.
  - NIFA is trying to provide as much flexibility as possible where funding issues don't prevent extensions.
- *In addition to equipment purchase limitations, are there any changes on purchases?*
  - Changes related to procurement were related to micro-purchase thresholds that increased, simplified acquisition, and the sub-recipient thresholds.