

# **NEOTROPICAL MIGRATORY BIRD CONSERVATION ACT**

## **GRANT ADMINISTRATION STANDARDS**

**For Recipients with Grant Activities  
Outside of the United States of America**

**Updated May 2024**

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**Note:** The term “Federal” throughout these Standards is used to refer to the United States (U.S.) Federal Government. These Standards are adapted from the U.S. Grant Administration Standards for the Neotropical Migratory Bird Conservation Act (NMBCA).

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## **Section A: Applicability and Authorities**

In 2000, recognizing the significant threats Neotropical migratory birds face in their annual migrations between the United States (U.S.) and Latin America and the Caribbean, the U.S. Congress enacted the Neotropical Migratory Bird Conservation Act (NMBCA). The Neotropical Migratory Bird Conservation Act grant program solicits project proposals for the conservation of Neotropical migratory birds throughout their range. The purpose of the NMBCA is (1) to perpetuate healthy populations of neotropical migratory birds; (2) to assist in the conservation of neotropical migratory birds by supporting conservation initiatives in the United States, Canada, Latin America, and the Caribbean; and (3) to provide financial resources and to foster international cooperation for those initiatives. As clarified in the Act, “conservation” means the use of methods and procedures necessary to bring a species of Neotropical migratory bird to the point at which there are sufficient populations in the wild to ensure the long-term viability of the species, including:

- (A) protection and management of neotropical migratory bird populations,
- (B) maintenance, management, protection, and restoration of neotropical migratory bird habitat,
- (C) research and monitoring,
- (D) law enforcement, and
- (E) community outreach and education.

### **1: Overview of Standards**

These Standards apply to any project that:

- (a) is granted Federal financial assistance approved under the authority of the Neotropical Migratory Birds Conservation Act (NMBCA); and
- (b) occurs on lands or waters in the Western Hemisphere outside of the U.S.

The term “Federal” throughout these Standards refers to the United States (U.S.) Federal Government. These Standards are parallel to the U.S. Grant Administration Standards. The term FWS Program Office for the purposes of these Standards refers to the U.S Fish and Wildlife Service (FWS) Division of Bird Habitat Conservation in the Migratory Birds Program. When directed to contact the FWS Program Office for an awarded grant you should contact your FWS Project Officer. For proposals, pre-award issues or closed grants, contact the FWS Program Office staff.

### **2: NMBCA Authorities**

The authority of the Neotropical Migratory Birds Conservation Act (NMBCA) grant program is Public Law 106-247-July 20, 2000, as amended [16 USC Ch.80]. General provisions applicable to grants awarded by agencies of the US Department of the Interior, including definitions of terms used in this document, are in [Title 2, Part 200, of the Code of Federal Regulations \(CFR\)](#). The actual laws and regulations take precedence over any restatement, summary, or interpretation of the same in this document.

## **Section B: Grant Agreement**

### **1: Grant Agreement Overview**

The Grant Agreement consists of a Notice of Grant Award (NGA) Form which incorporates these Standards, the Proposal and any approved modifications, and the Recipient's signed Standard Form 424 (SF-424), including required Financial Assistance Representation and Certification.

### **2: Binding Grant Agreement**

The Recipient agrees to terms and conditions of the grant by signing the SF-424 and reading and agreeing to the representations and certifications in the System for Award Management (SAM) (see [SAM.gov](http://SAM.gov)) and enters into a binding agreement by receiving Federal funds.

### **3: Termination**

The Recipient may decline the award or request a delay of the execution date by written notice to US Fish and Wildlife Service (FWS) Program Office within 10 business days of receipt of the Grant Agreement. FWS may terminate the award in whole or in part if a Recipient materially fails to comply with the terms and conditions of an award. FWS may also terminate this award with the consent of the Recipient, in which case the two parties must agree upon the termination conditions, including the effective date, and in the case of partial termination, the portion to be terminated. The Recipient may terminate the award upon sending to FWS written notification setting forth the reasons for such termination, the effective date, and in the case of partial termination, the portion to be terminated.

However, if FWS determines in the case of partial termination that the reduced or modified portion of the Grant Agreement will not accomplish the purposes for which the grant was issued, it may terminate the grant in its entirety. In any partial termination of an award, FWS must consider the Recipient's responsibilities for property management (if any) and to submit financial, performance, and other reports required by this document.

### **4: Subrecipients**

If grant funds are subawarded to a subrecipient, the subrecipient is responsible for adhering to the Federal program requirements specified in the Federal award, including these Standards and 2 CFR 200. For the purposes of this document, subrecipient and Recipient are synonymous, and subrecipients have the same responsibilities as the Recipients. The pass-through entity must comply with [2 CFR 200.332](#) (Requirements for pass-through entities), when issuing a subaward.

A Federal entity cannot be a subrecipient in a NMBCA grant. Funds are passed directly to Federal entities through an Internal or Interagency Agreement, or similar mechanism. These agreements are separate binding agreements for which the non-Federal entity cannot be held responsible. The Federal entity is solely responsible for furnishing financial and performance reports for their share of the

project and the timely submission of these reports directly to the FWS Program Office.

## **5: Federal Entities**

Federal agencies receiving grant funds must follow the same guidelines for grants and cooperative agreements in 2 CFR 200. If funds are passed directly to a Federal entity, the project officer representing the Federal entity is responsible for the financial and performance reporting under the terms and conditions of the Internal or Interagency Agreement. A non-Federal entity is not responsible for reporting on behalf of the Federal entity.

Funds are passed directly to Federal entities through an Internal or Interagency Agreement, or similar mechanism. The Federal entity agrees to terms and conditions and enters a binding agreement upon receipt of the funds. The option to terminate the agreement is the same as in Section B-3: Termination.

## **Section C: Eligibility**

### **1: Eligibility Criteria**

Eligible activities and costs for NMBCA grants are outlined in Appendix I of these Standards. The Eligibility Criteria should be reviewed before submitting a proposal for funding. It is the responsibility of the applicant to ensure all costs and activities are eligible to be included in a NMBCA grant. Eligibility Criteria for NMBCA grants are also explained in the grant application instructions.

### **2: Business Registration**

To receive funds, the Recipient must be registered to do business with the U.S. government and have a Unique Entity ID (UEI). Recipients can complete the registration process in the SAM at <https://www.sam.gov>. Registration must be maintained annually.

### **3: Financial Assistance Representation and Certification**

All recipients are required to read and agree to the representations and certifications in the SAM accessed via <https://www.sam.gov> as a part of required registration.

Registrants are required to review and update the representations and certifications submitted to SAM as necessary, but at least annually, to ensure they are kept current, accurate, and complete. The representations and certifications are effective until one year from date of submission or update to SAM.

### **4: Financial Management System**

A recipient organization must have a financial management system that complies with the U.S. Code of Federal Regulations (2 CFR 200) and provides the requirements listed in [Section D: Financial Administration, Part 3: Accounting and Records](#).

## **Section D: Financial Administration**

### **1: Allowable Costs**

Grant and match funds may be used to cover costs necessary to carry out the purpose of the projects as described in the Proposal, Grant Agreement, or approved modification if the costs in doing so are allowable, reasonable, and allocable as described in [2 CFR 200, Subpart E](#), as well as these Standards and NMBCA application instructions.

### **2: Period of Performance**

The period of performance will be designated in the Grant Agreement and will last two years, or as otherwise described in the Proposal as the length of time needed to complete the project, unless it is extended. The terms “project period”, “funding period” and “performance period” are considered synonyms for the period of performance.

Grant and match funds must be obligated during the period of performance, except any eligible pre-award or match costs (See Sections [D-4: Pre-Award Costs](#) and [D-5: Matching Funds](#)), which may be obligated prior to the funding period. A Recipient or subrecipient obligates funds (i.e., incurs costs) by placing an order, signing a contract, or receiving goods or services. All obligations must be paid in full within 120 days of the project period end date. For acquisitions of a real property interest, funds are considered obligated when costs are incurred at the time of closing/property settlement, and title is taken. All matching cash and eligible in-kind contributions must be obligated for the authorized purpose of the project by the end of the period of performance.

All obligations must be made, and work must be accomplished during the period of performance, although cash does not necessarily have to be disbursed by the end of that period. The Recipient must liquidate all obligations and ensure that the FWS Program Office receives a final report no later than 120 days after the end of the period of performance.

### **3: Accounting and Records**

A recipient organization must have a financial management system that complies with the U.S. Code of Federal Regulations ([2 CFR 200](#)) and provides the following:

- (a) Identification, in its accounts, of all Federal awards received and expended. Federal award identification must include the Assistance Listings title and number, Federal award identification number and year, and name of the pass-through entity, if any.
- (b) Accurate, current, and complete disclosure of the financial results of each Federal award.
- (c) Records that identify adequately the source and application of funds for grant and match-funded activities. These records must contain information pertaining to Federal awards, authorizations,

financial obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation.

- (d) Effective control over, and accountability for, all funds, property, and other assets. The non-Federal entity must adequately safeguard all assets and assure that they are used solely for authorized purposes.
- (e) Comparison of expenditures with budget amounts for each Federal award.
- (f) Written procedures for determining the allowability of costs.
- (g) The Recipient must have access to thorough records of all project grant and match expenditures included in the final report and supporting documentation for those expenditures. Accounting records for in-kind match must show how the match value was derived (e.g., hours of volunteer time contributed at what rate, hours of personnel time donated at what rate). If requested by FWS, the Recipient must make these records available for review.

#### **4: Pre-Award Costs**

Pre-award costs (2 CFR 200.458) are those incurred prior to the effective date of the Grant Agreement directly pursuant to the negotiation and in anticipation of the Grant Agreement where such costs are necessary for efficient and timely performance of the scope of work. Such costs are allowable only to the extent that they would have been allowable if incurred after the date of the Grant Agreement and only with the written approval of the FWS Program Office. If charged to the award, these costs must be charged to the first year of the award.

FWS authorizes pre-award costs only if such costs:

- (a) Do not exceed the amount of the grant funds as awarded in the Grant Agreement;
- (b) Are necessary to accomplish the objectives of the project by the end of the period of performance;
- (c) Have not been incurred before the date that FWS receives the Proposal from the Recipient (see Section [F-2](#) for costs incurred in purchase of real property); and
- (d) Are allowable to the extent that they would have been allowed if they had been incurred during the funding period.

For the purposes of NMBCA, pre-award costs are defined as costs that were incurred after a Proposal is received by the FWS Program Office, specifically the Division of Bird Habitat Conservation (DBHC), and before a Grant Agreement is issued, and therefore they are incurred at the applicant's risk. Upon completion of a signed Grant Agreement, this section constitutes prior written approval for any pre-award cost that qualifies under its provisions.



FWS will not reimburse the Recipient for the purchase of real property interests if the interest is acquired before FWS receives the Proposal. At their own risk, however, the Recipient may contractually commit to purchasing the real property interest before FWS receives the Proposal, purchase the property interest after the Proposal is submitted to FWS, and be reimbursed by grant funds after the Grant Agreement is signed.

## 5: Matching Funds

- (a) **Eligible Match:** NMBCA Federal funding shall not exceed 33.3 percent of the total cost of the Project. The Recipient shall not incur costs to be charged to the FWS nor shall the FWS be obligated to reimburse the Recipient more than the funding obligated under the Grant Agreement. Matching contribution providers may acquire real property, supplies, or services, or provide the services of its own personnel for a proposed project back to the beginning of the calendar year two years before the year in which FWS receives the Proposal. All Recipients and their partners may contribute matching cash or in-kind contributions. Unless clearly identified as “non-Federal” in Federal statute or other Federal legal authority, funding that originates from a Federal source is considered non-match, even if it has been awarded to, or passed-through, another entity. Match funds must be used to accomplish the purposes of the Project and cannot have been previously used as required match for another Federally funded Project or purpose. At the end of Project, the total amount of the Recipient’s and third parties’ non-Federal match must equal the amount committed in the Proposal and must meet the source requirements described above. All match costs must be associated with an eligible activity. Matching costs must be allowable, reasonable, and allocable as required by 2 CFR 200, (Subpart E). Unless otherwise specified in these Standards, both grant and matching contributions are considered part of the project and subject to the same requirements. Any grant or match activity that is not supported by adequate documentation may be disallowed by the FWS Program Office. At the end of the performance period, the matching contributions must be at least equal to the amount committed to by the Recipient in the Grant Agreement. If the matching contributions are less than the Grant Agreement commitment, the NMBCA Grant amount will be reduced proportionally and the Recipient must return excess NMBCA funds to FWS.
- (b) **Accounting and Records:** The Recipient must have access to thorough records of all project grant and match expenditures included in the final report, including supporting documentation for those expenditures. Accounting records for in-kind match must show how the match value was derived (i.e., hours of volunteer time contributed at what rate, hours of personnel time donated at what rate, etc.). If requested by FWS, the Recipient must make these records available for review.
- (c) **Excess Funds:** Any funds used to complete the project that were not eligible as match, should not be included in annual or final reports. However, recipients may report non-match funds on the SF-429 forms ([see Section F-10](#)) under the Non-Federal share, as long as the recipient reports match and non-match independently.

## 6: Indirect Costs

Indirect costs are allowable costs for both grant and matching funds. These costs must be calculated using an acceptable method including negotiated indirect cost rate, the 10% *de minimis* rate, or the direct allocation method (2 CFR 200.414). Requirements for development and submission of indirect

cost rate proposals are contained in Appendix IV (Nonprofit organizations) to 2 CFR Part 200.

## **7: Program Income**

Program income means gross income earned by the Recipient that is directly generated by a supported activity or earned because of the Federal award during the period of performance (2 CFR 200.307).

Either net or gross income should be calculated and reported. If the Recipient chooses, and if authorized by FWS, net program income may be determined by deducting the costs necessary for the generation of program income from the gross program income, provided these costs have not been charged to the award (2 CFR 200.307(b)). It is the Recipient's responsibility to identify these costs and to explain how they are calculated. Total or gross program income can be reported without additional calculations.

Program income may be used in three ways: deduction, addition, and cost sharing or matching (2 CFR 200.307(e)). Unless specified, the Recipient must use the additive method (adding the program income to the funds committed to the Grant Agreement). The Recipient may not use program income to satisfy their cost sharing or matching commitments.

Income generated by the Recipient outside of the funding period shall be retained by the Recipient. FWS encourages Recipients to use generated funds to support Neotropical migratory bird conservation purposes consistent with the NMBCA program.

## **8: Disbursement**

When Federal cash advances are made by electronic transfer of funds methods, the Recipient must draw down grant funds as close as possible to the time of making disbursements. The only exceptions are when the funds involved will be disbursed by the Recipient within seven calendar days or are less than \$10,000 and will be disbursed within 30 calendar days.

If a Recipient receives grant funds and is unable to disburse them as required, the Recipient must return those funds to FWS as soon as possible.

## **9: Interest**

The Recipient must deposit Federal cash advances in interest-bearing accounts unless one of the following apply:

- (a) The Recipient receives less than \$120,000 in Federal assistance awards per year;
- (b) The best reasonably available interest-bearing account would not be expected to earn interest in excess of \$500 per year;
- (c) The depository would require an average or minimum balance so high that it would not be

feasible with the expected Federal and non-Federal cash resources; and

(d) A foreign government or banking system prohibits or precludes interest-bearing accounts.

When depositing Federal cash advances in an interest-bearing account, separate depository accounts are not required, but Recipients must be able to account for the receipt, obligation, expenditure of and interest on the funds (2 CFR 200.305(b)(7)(i)).

Interest earned on Federal advance payments deposited in interest-bearing accounts must be remitted annually to the Department of Health and Human Services Payment Management System. Interest amounts up to \$500 per year may be retained by the non-Federal entity for administrative expense (2 CFR 200.305(b)(9)).

## **10: Returning Funds**

If funds are to be returned to FWS, contact your FWS Program Office for instructions. Unless otherwise established in a Treasury-State agreement, contract, repayment agreement, or by statute, FWS will charge a penalty, pursuant to 31 USC 3717(e)(2), not to exceed six percent a year on the amount due on a debt that is delinquent for more than 90 days. This charge will accrue from the date of delinquency, which will generally be 30 days from the date that the demand letter is emailed, mailed or hand delivered.

## **11: Record Retention**

Financial records, supporting documents, and all other entity records pertinent to the grant must be retained for a period of three years from the date of submission of the final financial report, and must adhere to the requirements of [2 CFR 200.334](#). Records for real property and equipment must be retained for three years after final disposition. The Federal awarding agency, Inspector General, the Comptroller General of the United States, and the pass-through entity, or any of their authorized representatives, must have the right of access to any documents, papers, or other records of the non-Federal entity that are pertinent to the Federal award, to make audits, examination excerpts, and transcripts. The right also includes timely and reasonable access to the non-Federal entity's personnel for the purpose of interview and discussion related to such documents.

Records pertaining to the acquisition of real property interests must be retained for the duration of the real property interest.

## **12: Pooling Funds**

Grant and match dollars may be combined, or "pooled," with non-match funds, provided that the actual uses of the funds are otherwise eligible. Grant or match funds in a pooled project must demonstrate a discrete project with a defined specific (identifiable) conservation result. Applicants are encouraged to direct all pooling questions to the FWS Program Office.

For reporting purposes, pooled funds must be clearly differentiated from any grant and/or match funds

expenditures. If any non-match funds are included in the pooling, this should be disclosed on the SF-429 independently of match funds.

### **13: Currency Exchange Rates**

With prior written approval from the FWS Program Office, cost savings to the grant resulting from fluctuations in exchange rates may be used to further conservation objectives of the funded project. Otherwise, these funds must be returned to the FWS. The cost savings may not be used on other Federal awards or phases.

Grant objectives should be achieved despite exchange rate fluctuations. If the ability to achieve objectives is compromised by extreme fluctuations in exchange rates, you must contact the FWS Program Office.

### **14: Payment Requests**

For non-Federal entities in the US, the Recipient must be able to request advance payment and reimbursement and receive Federal funds through the Automated Standard Application for Payments (ASAP) system, an electronic funds transfer process administered by US Department of the Treasury.

For Recipients based outside of the US, the process for requesting funds depends on the location of the bank where the electronically transferred funds will be directly deposited by the U.S. Treasury through the Department of Interior's Business Center (IBC).

- (a) If the bank receiving funds by electronic transfers is outside the United States, your payments will be transferred through the International Treasury System (ITS) of the U.S. Treasury. For each payment request, your organization must fill out two forms, at a minimum: SF-270, "Request for Advance or Reimbursement", and the Cover Page for each payment from IBC. These forms must be encrypted and emailed to the FWS Program Office with a short summary of expenditures by category as it relates to the payment request.
- (b) If the bank that receives funds by electronic transfer is located within the United States, all requests must include a form SF-270 and Cover Page. The form must be encrypted and emailed to the FWS Program Office with a short summary of expenditures by category as it relates to the payment request.

The following forms of funds must be spent before drawing down grant funds: rebates, contract settlements, audit recoveries and interest earned on such funds.

## **Section E: Equipment and Supplies**

### **1: Purchasing and Management**

A Recipient may purchase and manage equipment or supplies acquired under a Grant Agreement in accordance with the applicable cost principles.

If the equipment will have a useful life of more than one year, it is considered a capital asset and the intent to purchase such equipment should be disclosed within the Proposal. Title to all equipment acquired for the project will vest in the Recipient. Equipment must be used by the Recipient in the program or project for which it was acquired as long as needed, whether the project or program continues to be supported by the Federal award, and the Recipient must not encumber the property without prior approval. The equipment must also be made available for use on other projects or programs currently or previously supported by NMBCA if such other use will not interfere with the work on the project for which the equipment was originally acquired. Adequate maintenance procedures must be developed to keep property in good condition. See 2 CFR 200.313 regarding equipment management.

## **2: Inventory**

Property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including the FAIN), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.

A physical inventory of the property must be taken, and the results reconciled with the property records at least once every two years. A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated. Adequate maintenance procedures must be developed to keep the property in good condition. If the Recipient is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return.

## **3: Disposal**

When equipment or supplies acquired with grant funds are no longer needed for the original project or for other activities currently or previously supported by NMBCA, equipment and supplies disposition will be as follows:

- (a) Equipment or residual inventory of unused supplies with a current market value of less than \$5,000 may be retained, sold, or otherwise disposed of with no further obligation to the FWS.
- (b) Equipment or residual inventory of unused supplies with a current market value more than \$5,000 may be retained or sold. If sold, FWS is entitled to an amount calculated by multiplying the current market value or proceeds from sale by the FWS percentage of participation in the cost of the original purchase. Furthermore, if the equipment or residual inventory of unused supplies is sold, FWS may permit the Recipient to deduct and retain from the FWS share, \$500

or ten percent of the proceeds, whichever is less, for its selling and handling expenses.

- (c) In cases where a Recipient fails to take appropriate disposition actions, FWS may direct the Recipient regarding required actions. In such cases, FWS reserves the right to transfer title to a third party of its choosing, when such a third party is otherwise eligible under existing statutes.

## **Section F: Real Property Acquisition**

### **1: Prior Approvals**

On August 30, 2019, The Department of Interior (DOI) implemented the Financial Assistance Interior Regulation (FAIR) to meet the Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Grant funds may not be disbursed to acquire real property interests until the FWS Program Office has reviewed and approved the appraisal, or other approved property valuation method, the SF-429-B, and drafts of other real property documentation.

### **2: Incurring Costs of Acquiring Real Property**

Federal grant or matching funds may be used to pay for the following costs of acquiring real property:

- (a) The market value of the interest in real property;
- (b) Real property valuation. Land must be appraised by an independent real property appraiser licensed or certified in the relevant project area in accordance with relevant country appraisal standards or with the [International Valuation Standards](#), when such appraisals are available and financially feasible. Otherwise, the Recipient may use the most widely accepted business practice for property valuation in the project country and provide the FWS Program Office a detailed explanation of the methodology used to determine value for review and approval;
- (c) Title insurance (types and extent of coverage must be in accordance with sound business practice and the rates and premiums must be reasonable under the circumstances);
- (d) Recording fees, transfer taxes, documentary stamps, evidence of title, boundary surveys, legal descriptions of the real property, and similar expenses incidental to conveying the real property to the Recipient, however the Recipient may not use grant or match funds to pay costs solely required to perfect the owner's title on the real property;
- (e) Penalty costs and other charges for prepayment of any preexisting recorded mortgage entered in good faith encumbering the real property; and
- (f) The pro-rata portion of any prepaid real property taxes which are allowable to the period after the Recipient obtains title to the property or effective possession of it, whichever is earlier

(taxes for which exemptions are available are unallowable).

Costs are incurred at the time of transfer of title. The Recipient's contractual obligation to purchase real property does not constitute a cost incurred by the Federal government. A contractual obligation to purchase real property (purchase agreement, etc.) may be made at any time and, if the title is transferred after the Proposal is received by FWS, the costs associated with the purchase can be reimbursed with grant funds. However, if the title is transferred before FWS received the Proposal, costs associated with the purchase may only be used as match and cannot be reimbursed with grant funds. Any obligation to purchase property before Federal grant funds are obligated is made at the Recipient's risk. Regardless of when an obligation is signed, all purchases of real property must comply with all Federal regulations, including but not limited to requirements specified in Section F ([Section F](#)).

### **3: Conservation Easements**

The FWS Program Office must review the language of a conservation easement and provide written approval before grant funds may be used for its purchase or associated match funds may be applied to the project. Recipients must obtain additional approval from the FWS Program Office for any changes to previously approved language in an easement. Easements without approval from the FWS Program Office may be disallowed as grant or match activities.

### **4: Condemnation Proceedings**

All real property interests acquired, whether funded by grant funds or as match, must be from willing sellers. Condemnation proceedings may be used only when necessary to assist in determining the legal owner.

### **5: Appraisals**

Land must be appraised by an independent real property appraiser licensed or certified in the local project area in accordance with relevant country appraisal standards or with [International Valuation Standards](#) when such appraisals are available and financially feasible. Otherwise, the Recipient may use the most widely accepted business practice for property valuation in the country and provide the FWS Program Office a detailed explanation of the methodology used to determine value for review and approval

The appraisal must provide valuation of the specific interests to be included in the project. Should an appraisal include land or acreage not to be included in the project, the recipient may not calculate a subset of acres within the appraisal using the cost-per-acre valuation. Instead, any portion of the property to be excluded from the project should be identified and appraised separately, allowing for the acres to be readily excluded from the overall valuation of the property. The acres appraised must match the acres in the performance reports and on the SF-429 forms. Acres appraised must match the accomplishment acres being reported under NMBCA.

## **6: Market Value**

The Recipient may not use grant or matching funds to pay more than fair market value for any real property interest.

## **7: Mineral Rights**

FWS can approve the acquisition of a fee title, lease, or conservation easement on properties where a third party will hold the mineral rights if:

- (a) The likelihood of mineral extraction is extremely low; or
- (b) The risk of mineral extraction interfering with the purpose of the acquisition is negligible.

If FWS is unsure of the likelihood of mineral extraction or of the potential for extraction interfering with the purpose of the acquisition, FWS may require the Recipient or applicant to submit a supplemental Mineral Assessment Report as a condition of the award. The FWS Program Office must approve in writing a request to use grant funds to obtain a Mineral Assessment Report. An appraisal may include mineral interest if mining or other forms of extraction are not taking place on or near the property. Appraisers must obtain the services of specialized consultations if they cannot complete the assignment competently.

## **8: Water Rights**

The acquisition of water rights, either alone or in connection with the acquisition of land, may only be approved if there is a direct benefit to habitat. Official documentation of the water rights from the government agency that controls water appropriation, as well as an Application for Water Rights, Application to Appropriate Water, or an equivalent document will be required within the first annual performance report.

## **9: Value of Timber**

An appraisal may include timber value. Appraisers must obtain the services of specialized consultants if they cannot competently complete the assignment. A timber appraisal in addition to or separate from the real estate appraisal cannot be used.

The value of timber may only be accounted for if there is no intent to commercially harvest the timber. This does not include any timber harvested resulting from the management of the property according to a written management plan reviewed and approved by the FWS Program Office. Any timber harvested during the period of performance may qualify as program income ([D-7: Program Income](#)).

## **10: Recording Documents**

- (a) Required Documents: The Recipient must submit the following documents for each interest in real property purchased with grant or match funds, or provided as a matching in-kind



contribution:

- i. Appropriate evidence of valuation of real property. If an appraisal is used, include the appraiser's signed certification and appraisal summary. If an approved alternate valuation method is used, provide a detailed explanation of the methodology used to determine value.
- ii. SF-429-B Real Property Status Report, Attachment B (Request to Acquire, Improve or Furnish) and SF-429 Cover Page. These documents must be sent to and approved by your FWS Program Office prior to acquiring a property with grant funds.
- iii. A copy of the closing statement (also called the settlement or adjustment sheet) or other evidence of funds transferred.
- iv. A copy of any deed, contract, easement, or similar recorded property document; copies must demonstrate that the documents were signed and recorded within the appropriate government lands record office. These documents cannot be drafts or unrecorded copies.
- v. Real Property Status Report SF-429-A and with the SF-429 Cover page must be completed for all grant and match acquisitions (fee and easements) and submitted only with the final report. FWS only needs one SF-429-A per project. If a Recipient has multiple acquisitions, it is acceptable to add the tracts on a table and submit it with the final report. At a minimum, the table should include tract number, description, location, acreage, the duration of protection, type of Federal interest (fee title, conservation easement, lease, etc.), grant funds invested, match funds invested, non-match funds invested, total appraised value, and the entity that will hold title.

(b) Requirements of Recording Documents:

- i. It is imperative FWS Program Office receives recorded copies of property documents with values and acres that are clearly delineated or identified and align with what is being reported in the annual and final reports, as well as the SF-429 forms.
- ii. Acres appraised must match the accomplishment acres being claimed under NMBCA.
- iii. Acres and land descriptions need to match across all property records.
- iv. The final signed and dated version of reporting documents must be submitted to the FWS Program Office.

**Section G: Modifications**

## 1: Approvals

The Recipient must obtain the prior written approval by the FWS Program Office in any of the following situations:

- (a) Changes in the purpose and scope of the project;
- (b) Changes in key personnel;
- (c) Any extension of the period of performance. Extension requests require written notification to the FWS Program Office at least 10 days before the expiration date specified in the Grant Agreement with the supporting reasons and a revised expiration date no more than 12 months in the future;
- (d) Additions to, deletions from, or substitutions for the specific sites targeted for acquisition, habitat restoration, habitat enhancement, or habitat establishment, including initial identification of the specific sites which will be acquired, where such parcels or interests were not identified in the Proposal. Such additions or substitutions require documentation listed under [H-1](#) of this document;
- (e) Changes to the boundaries of the area within which sites will be selected for acquisition, restoration, enhancement, or establishment (project area);
- (f) Changes in the restoration, enhancement, or habitat establishment techniques or specifications (e.g., the species or the number of seedlings to be planted);
- (g) Changes in the proposed titleholder of any interest in real property purchased, donated, or otherwise acquired for the project;
- (h) Any change in the number of acres acquired, restored, enhanced or established as described in the NGA;
- (i) Any change in the number of years of benefit to acres acquired, restored, enhanced or established as described in the NGA;
- (j) Any change in the total amount of financial matching contributions committed to the project;
- (k) The inclusion of costs that require prior approval in accordance with the applicable Federal Cost Principles (Subpart E, 2 CFR 200);
- (l) The acquisition of equipment with a useful life of more than one year that has not yet been approved;
- (m) The transfer of funds from a direct cost category to indirect costs or the transfer of funds

from construction to non-construction, or vice versa;

- (n) Addition of match partners to the project; or
- (o) Budget and program plan revisions, even if planning to achieve above and beyond the proposed objectives. This includes shifting funds from one budget category to another and any anticipated overachievement of conservation objectives.

It is important to note when a modification includes an increase in acreage from what was proposed, the Recipient is expected to achieve the new acreage cited within the modified NGA.

## **2: Extensions**

Any Recipient may request an extension of the expiration date of the award of up to 12 months unless one of the following conditions apply:

- (a) There is a change in key personnel;
- (b) The terms and conditions of the NGA prohibit the extension;
- (c) The extension requires additional Federal funds;
- (d) The extension involves any change in the purpose or scope of the project; or
- (e) The Recipient is not in compliance with the NGA.

Extensions may not be exercised merely for using unobligated balances.

A Recipient may be given an additional extension of up to twelve (12) months to complete a project only if compelling reasons are provided. In general, rationale for any extension must include confirmation that the project will still succeed, that the to-date failure is no fault of the Recipient, and that the extension will result in a benefit to the Federal government. A grant may not be extended beyond five years unless there are extenuating circumstances beyond the Recipient's control, which will be reviewed and approved by the FWS Program Office on a case-by-case basis.

To obtain a project extension, the Recipient must submit the request through GrantSolutions, describing the reasons, at least ten (10) days before the expiration date specified in the Grant Agreement.

## **3: Documentation**

Modification requests must include a written justification, an updated summary of expected outcomes (acres, grant/match costs) for the project, and an updated work plan, if applicable.

## **Section H: Reports and Other Documentation**

### **1: Pre-Award Documentation**

Once the FWS has selected projects to be funded, any revisions to the proposal must be reviewed and approved by the FWS Program Office before the Grant Agreement can be executed.

### **2: Annual Reports**

Annual performance and financial reports must be submitted to the FWS Program Office 90 calendar days after the interim report end date through GrantSolutions.

Annual financial status must be reported on Standard Form (SF-425), which must be completed in GrantSolutions; these are called Federal Financial Reports (FFR) in GrantSolutions. The first annual financial report must include all project-related financial activity from the date the Proposal was received by the FWS Program Office to the end of the annual performance period (see table) and should include any approved and eligible match and pre-award costs.

Annual performance reports, called Project Performance Reports (PPR) in GrantSolutions, must include the following information:

- (a) Comparison of actual (grant and match) accomplishments with proposed objectives for the project from inception to the end of the reporting period in question (i.e., not only for the previous year);
- (b) A budget table comparing proposed and cumulative actual grant and match expenditures by partner (including Recipient, third-party and NMBCA funds);
- (c) A tract-by-tract summary of accomplishments and grant and match expenditures for all categories of activities under the grant (acquisition, enhancement, management, stewardship).
- (d) A comparison of the acres achieved compared to the acres described by category, and an explanation of any differences; and
- (e) A written narrative that clearly describes the status of the work completed, underway, or yet to be initiated under the Agreement. This narrative should provide enough detail that it is easily understood what activities are being completed under the Federal award.

<b>Award Performance Start Date</b>	<b>Annual Interim Reporting Period End Date</b>	<b>Annual Interim Report Due Date (90 days after report end date)</b>
Jan 1	Dec 31	Mar 31
Apr 1	Mar 31	Jun 29

Jul 1	Jun 30	Sep 28
Oct 1	Sep 30	Dec 29

### 3: Quarterly Reports

If the Recipient is considered to be an elevated risk, quarterly financial and or performance reports may be required during the entire project period. Quarterly financial reports may be required if the option to request advances is requested, even if the option is not exercised. In addition, if quarterly reports are required, a quarterly financial report must be submitted each quarter regardless of whether any grant funds were expended during that quarter. Quarterly financial reports must be submitted no later than 30 calendar days after the last day of each reporting quarter period. Federal cash transactions must be reported quarterly on the SF-425 (sections 1-9, 10 a-c, and 13) and e-mailed to the FWS Program Office. If any grant funds have been drawn down but not expended, an explanation of how long the funds have been retained and why must be entered in Section 12.

### 4: Final Reports

A final financial report (also called SF-425 and FFR) and performance report (PPR) must be completed in full, as applicable, and received through GrantSolutions within 120 days of the end of the period of performance. Final performance reports must include all information required within an annual performance report through the entire project period and a written narrative that clearly describes all the work completed under the Federal award.

In addition, the final performance report must include a tract table with proposed and actual acreage accomplishments, and an explanation of any approved substitutions or modifications. At a minimum, the table should include the longevity of protection, type of Federal interest (fee, conservation easement, lease, etc.), tract name, location, number of acres, appraised value, entity that will hold title, and grant and match funds utilized. The location information must include latitude and longitude (lat/long) information for properties involved in the project. The coordinates should be taken at the centroid of the property using NAD 83 datum and reported in decimal degree format.

The Recipient must submit the following with the final performance report:

- (a) Complete shapefiles in geospatial vector data format for geographic information systems software (GIS), or in KML format, that describe all interests in real property that the Recipient or match provider purchased, restored, enhanced, or established with grant or matching funds or accepted as in-kind matching contributions as part of the project (Recipients should use WGS 1984 projection data if possible);
- (b) Real property acquisition documentation not already provided with the Proposal or annual reports;
- (c) SF 429-A (with SF 429 Cover page) for all grant and match acquisitions (fee, easements, and

leases). The 429-A should have all applicable fields completed. Projects with multiple acquisitions can be reported using one 429-A by attaching a table with all the following information on each tract: period and type of Federal interest, tract name, location, and number of acres.

- (d) An inventory of all equipment acquired by the Recipient with Federal funds; and
- (e) An inventory of unused supplies, if the total aggregate value upon completion of the project exceeds \$5,000.

Failure to submit timely reports constitutes noncompliance with the Grant Agreement and can result, after notification by FWS, in consequences described in [Section J: Noncompliance](#).

## **5: Property Documentation Submission**

Real property documentation must be submitted with Annual or Final Reports for any transactions completed during the reporting period. Note that appraisals and the SF-429-B (for acquisitions purchased with grant funds) must be submitted to and approved by the FWS Program Office prior to purchase of a property.

## **6: Federal Funding and Accountability Transparency Act (FFATA)**

The FFATA Subaward Reporting System (FSRS.gov) is the system that allows grant award and contract award recipients to electronically report their subaward activity. Recipients must report using their UEI number, and the UEI number(s) of the subrecipient(s), the names and total compensation of the five most highly compensated officers of the entity if the entity in the preceding fiscal year received 80 percent or more of its annual gross revenues in Federal awards; and \$25,000,000 or more in annual gross revenues from Federal awards; and the public does not have access to this information about the compensation of the senior executives of the entity through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 USC 78m (a), 78o (d)) or section 6104 of the Internal Revenue Code of 1986. See FFATA 2(b) (1).

In addition, Recipients must report the following information related to each subaward if the Federal award amount is equal to or over \$25,000 at any time during the project period:

- (a) Name of the entity receiving the award;
- (b) Amount of the award;
- (c) Information on the award including transaction type, funding agency, Catalog of Federal Domestic Assistance number, program source, and award title descriptive of the purpose of each funding action;
- (d) Location of the entity receiving the award and primary location of performance under the award, including city, state, congressional district, and country; and
- (e) Unique identifier of the entity receiving the award and the parent entity of the Recipient,

should the entity be owned by another entity.

Recipients must report executive compensation and subaward information by the end of the month after the subaward was made. For example, if a subaward was made on December 18, the information must be entered by January 31. For more information about FFATA reporting please see <https://www.fsrs.gov>.

## **7: Extending Report Deadlines**

Annual and final report deadlines may be extended for up to 30 days if a request is made by the Recipient in GrantSolutions before the deadline and approved by the FWS Program Office.

To obtain an extension, the Recipient must notify the FWS Program Office in GrantSolutions with the supporting reasons and revised expiration date at least ten (10) days before the expiration date specified in the Grant Agreement.

## **8: Record Retention**

See [Section D-11: Record Retention](#).

## **Section I: Property Management**

### **1: Continuing Obligations**

- (a) **Management:** A Recipient or other authorized titleholder of real property acquired through a Grant Agreement must manage any interests in real property consistent with the project's purpose for the period specified in the Grant Agreement.
  - i. Land protection projects: Protection projects are those that acquire properties or land rights, or implement other legal mechanisms, to protect property for the conservation of migratory bird habitat, such as concessions, contracts, leases, easements, or conservation agreements. These mechanisms are long-term only if they cover a period of at least ten (10) years. Protection of properties must include the monitoring and management of the habitat for the duration of time committed to the protection, even beyond the grant period.
  - ii. Restoration or Enhancement Projects: The Recipient or authorized titleholder must manage restored or enhanced real property consistent with the purpose of the Agreement. It is preferred that funds (grant or match) be used for restoration or enhancement only if there is underlying, long-term, legal protection for every acre to be restored or enhanced. The Recipient may propose that the interest in real property is no longer needed for the purposes of the project, however, the Recipient or other authorized titleholder is prohibited from managing the property in a manner

inconsistent with the purposes of the project unless it obtains written permission from the FWS Program Office.

(b) **Monitoring and Reporting:** This requirement applies to all acquisitions in which the U.S. Federal government retains an interest, i.e., tracts acquired under a NMBCA grant, including acquisitions funded completely with matching funds. For real property with a federal interest lasting less than fifteen (15) years, the Recipient must submit a real property status report (SF-429-A and Cover Page) on January 15 every year for the life of the federal interest. For real property with a federal interest extending fifteen (15) years or longer, the Recipient must submit a real property status report (SF-429 –A and Cover page) according to the schedule below.

i. Real Property Reporting Schedule:

<b>Grant Closure Date</b>	<b>SF429 Due Dates (Acquisitions less than 15 years)</b>	<b>SF429 Due Dates (Acquisitions greater than 15 years)</b>
January 15, 2020 – January 14, 2025	January 15 <sup>th</sup> of every year for the life of the property.	January 15, 2025, then every five years therefore for the life of the property.
January 15, 2025- January 14, 2030	January 15 <sup>th</sup> of every year for the life of the property.	January 15, 2030, then every five years thereafter for the life of the property.

- ii. Organizations with multiple acquisitions can report using one SF-429-A. If reporting multiple grants, at a minimum, a table should be attached with the following information: Federal grant number, tract name, location, number of acres, description, the duration of protection, type of Federal interest (fee title, conservation easement, etc.), grant funds invested, match funds invested, non-match funds invested, total appraised value, and entity that will hold title.
- iii. It is the responsibility of the Recipient to ensure that all acquisitions are reported. Reports are to be emailed to [dbhc@fws.gov](mailto:dbhc@fws.gov).
- iv. Financial records, supporting documents, and all other non-Federal entity records pertinent to real property and equipment must be retained for 3 years after final disposition.

**2: Disposals**

Except as specified in the NGA, the Recipient or other authorized titleholder of interests in real property acquired with Federal grant or matching funds may not encumber, sell, or otherwise transfer the interest in real property, or any part of the same, without the approval of the FWS Program Office. Should the



sale of the property be approved, an attributable share may be owed to the FWS Program Office. However, if the interest in the real property is an easement or a lease with a term that is less than perpetual, the obligation to seek FWS Program Office permission will end with the expiration of the term of the easement or lease.

An SF-429-C Real Property Status Report Attachment C (Disposition or Encumbrance Request) and SF-429 Cover Page must be submitted to the FWS Program Office before selling, conveying, or further encumbering and real property acquired as part of a NMBCA project.

## **Section J: Noncompliance**

Any instance of a failure to comply with one or more of the terms and conditions of the Grant Agreement, including any approved modification of the Grant Agreement, constitutes noncompliance.

### **1: Evaluation**

Before determining consequences of noncompliance, the FWS Program Office will evaluate and consider the following:

- (a) Whether the noncompliance is deemed to be intentional or repeated;
- (b) The impact on natural resources;
- (c) The impact on the project and associated Federally-assisted projects;
- (d) The impact on project partners;
- (e) The impact on the buyers and sellers of real property interests that are part of, or affected by, the project;
- (f) The need for immediate action to protect the public's interest;
- (g) The harm or benefit to the Federal government; and
- (h) Whether there are mitigation factors.

### **2: Consequences**

After completing the evaluation, the FWS Program Office may apply one or more of the following remedies because of noncompliance with the NGA:

- (a) Temporarily withhold cash payments pending correction of the deficiency by the Recipient or more severe enforcement action;

- (b) Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance;
- (c) Wholly or partly suspend or terminate the Federal award;
- (d) Initiate suspension or debarment proceedings as authorized under 2 CFR part 180 and Federal awarding agency regulations;
- (e) Withhold further Federal awards for the project or program; and
- (f) Take other remedies that may be legally available.

Additionally, non-compliance may result in being placed on a list of recipients who are unable to comply with the terms and conditions of the NGA, resulting in the implementation of Special Conditions or even disallowance of future awards.

### **3: Grounds for Special Conditions**

Special conditions may be imposed during the period of performance if the FWS Program Office encounters any of the following concerns with a Recipient:

- (a) Demonstrated unsatisfactory performance;
- (b) Is not financially stable;
- (c) Has a management system that does not meet the standards prescribed in 2 CFR 200.302;
- (d) Has failed to comply with the terms and conditions of a previous NGA;
- (e) Is in noncompliance with the terms of the current Grant Agreement; or
- (f) Is not otherwise responsible.

### **4: Special Conditions**

If appropriate grounds exist to impose special conditions during the funding period, the FWS Program Office may apply any of the following:

- (a) Allow only reimbursement of funds (advances will not be considered);
- (b) Withhold permission to proceed to the next phase of the project until Recipient provides evidence of acceptable performance within a given funding period;
- (c) Require additional or more detailed financial and performance reporting;
- (d) Require additional project monitoring;

- (e) Require the Recipient to obtain technical or management assistance; and/or
- (f) Require that prior approval be obtained from the FWS Program Office before implementing one or more aspects of the project or Grant Agreement.

## **5: Debarment and Suspension**

Debarment or suspension may be imposed, through appropriate regulatory methods, because of any of the following circumstances:

- (a) Indictment for or conviction of, civil judgement, or other official findings for:
  - i. Commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public or private agreement or transaction;
  - ii. Violation of Federal or state antitrust statutes, including those prescribing price fixing between competitors, allocation of customers between competitors, and bid rigging;
  - iii. Commission of embezzlement, theft, forgery, bribery, falsification, or destruction of records, making false statement, receiving stolen property, making false claims, or obstruction of justice; or
  - iv. Commission of any other offense indicating a lack of business integrity or business honesty that seriously and directly affects the present responsibility of a person.
  
- (b) Violation of the terms of a public agreement or transaction so serious as to affect the integrity of an agency program, such as:
  - i. A willful failure to perform in accordance with the terms of one or more public agreements or transactions;
  - ii. A history of failure to perform or of unsatisfactory performance of one or more public agreements or transactions;
  - iii. A willful violation of a statutory or regulatory provision or requirement applicable to a public agreement or transaction.
  
- (c) Any of the following causes:
  - i. A non-procurement debarment by any Federal agency taken before October 1, 1988, or a procurement debarment by any Federal agency taken pursuant to 48 CFR subpart 9.4, before August 25, 1995;
  - ii. Knowingly doing business with a debarred, suspended, ineligible, or voluntarily excluded person, in connections with a covered transaction, except as permitted in 2 CFR 200.213.
  - iii. Failure to pay a single substantial debt, or a number of outstanding debts (including disallowed costs and overpayments, but not including sums owed to the Federal government, under the Internal Revenue Code) owed to any Federal agency or

- instrumentality, provided the debt is uncontested by the debtor, or if contested, provided that the debtor's legal and administrative remedies have been exhausted;
- iv. Violation or a material provision of a voluntary exclusion agreement entered into under 43 CFR 12.315, 2 CFR 200.113, or any settlement of a debarment or suspension action; or
  - v. Violation of any requirements of the drug-free workplace requirements for grants, relating to providing a drug-free workplace, as set forth in 2CFR182 (Formerly 43 CFR 12.615).

(d) Any other cause of so serious or compelling a nature that it affects the present responsibility of a person.

## **Section K: Audits and Monitoring**

### **1: Right to Access**

The FWS, Inspector General, Comptroller General of the United States, and the pass-through entity, or any of their authorized representatives, must have the right of access to any documents, papers, or other records of the non-Federal entity, including subrecipient(s), which are pertinent to the Federal award, to make audits, examinations, excerpts, and transcripts. The right also includes timely and reasonable access to the non-Federal entity's personnel for the purpose of interview and discussion related to such documents.

FWS must also have access to complete records substantiating compliance with any applicable Federal or program level financial, administrative, and property requirements. These records must be made available for review if requested by FWS.

The right of access to real property acquired or conserved by the project is not limited to the required retention period ([D-11](#)) but lasts as long as the records are retained.

### **2: Right to Monitor and Audit**

The FWS Program Office and other FWS personnel may inspect and monitor real property, equipment, or supplies acquired with grant or match funds (including in-kind matching contributions) as part of the Grant Agreement, or habitat restored, enhanced, or established under the Grant Agreement. The purpose of such inspections will be to ensure that the real property, equipment, supplies, or habitat is being used or managed for the purpose, and consistent with the terms, of the Grant Agreement. The right of access to real property, equipment, or supplies acquired as part of the Grant Agreement will terminate:

- (a) Once the real property, equipment, or supplies have been legally disposed of;
- (b) When FWS has approved a request that such real property, equipment, or supplies will no

longer be used for the purpose of the Grant Agreement; or

- (c) When the management term as defined in the Grant Agreement expires, regarding leases, easements, restoration, enhancement, and habitat establishment actions.

## **Section L: GrantSolutions**

GrantSolutions (<https://www.grantsolutions.gov/>) is a Federally shared service for grant and management programs to support Federal agencies throughout the entire grant lifecycle. All applicants/recipients must be registered in and use GrantSolutions to implement the Federal award.

### **1: Roles**

Applicants must properly set up a GrantSolutions account and obtain the correct user roles within the system. NMBCA requires grant recipients to have the following roles:

#### **(a) Principal Investigator / Program Director (PI/PD)**

- i. Views, initiated edits, and submits applications and amendments.
- ii. Enters FFR data and submits FFR. Submits PPR.
- iii. Adds and views application and grant correspondence notes and uploads related files.
- iv. Has access to grants assigned to as a PI or PD.
- v. A grant can have more than one PI/PD assigned to it, however the person listed on the application is considered key personnel.

#### **(b) Administrative Official (ADO/GAO)**

- i. Listed as the Authorizing Official on the NGA. Can accept awards on behalf of organization.
- ii. Enters and submits FFR. Submits PPR.
- iii. Views, initiates, edits, and submits applications and amendments.
- iv. Signs the SF-424 and authorizes the organization's commitment to the Federal award.
- v. Adds and views application and grant correspondence notes and uploads related files.
- vi. Has access to grants for the organization.
- vii. This person must have their organization's authority to have this role.

### **2: Closings**

Closing of grants can only be performed if annual and/or final reports (PPR/FFR) have been uploaded in GrantSolutions.

## APPENDIX I: NMBCA Eligibility Criteria

### ELIGIBLE GRANT AND MATCH COSTS

All eligible costs must be directly linked to eligible activities under the NMBCA that are completed during the project period, which broadly are the following:

- (A) protection and management of neotropical migratory bird populations.
- (B) maintenance, management, protection, and restoration of neotropical migratory bird habitat.
- (C) research and monitoring.
- (D) law enforcement; and
- (E) community outreach and education.

Furthermore, all expenses must be:

- (a) Allowable: permissible expenses per the overarching act, and financial regulations and policies that govern the grant program.
- (b) Allocable: Verifiable from the grant recipient's record, chargeable or assignable to a particular Federal award or cost objective in accordance with relative benefits received,
- (c) Reasonable: Must be an expense necessary for the accomplishment of the Federal award that 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 cost.

In addition to being allowable, allocable, and reasonable, all costs must be necessary to carry out the work funded by the Agreement. If a cost cannot be allocated to a particular project within a grant, or a grant itself, it would be an ineligible expense. All costs must be adequately documented. All costs should be verifiable, with supporting documentation, as to the costs' allocability and reasonability.

#### What are direct and indirect costs?

Direct costs can be identified with a specific service or activity.

Indirect costs are all other costs that have been incurred for common or joint objectives that cannot be readily identified with a particular service or activity and are calculated using a negotiated indirect cost rate or using the 10% *de minimis* method described below. Indirect costs are eligible only if an organization:

- (a) has a current Negotiated Indirect Cost Rate Agreement (NICRA) with an agency of the Federal government; or
- (b) will obtain a rate after the grant agreement is awarded by the U.S. Fish and Wildlife Service (Service); or
- (c) does not have a NICRA and will follow the 10% *de minimis* rule.

As described in §200.403 Factors affecting allowability of costs, costs must be consistently charged as either indirect or direct costs but may not be double charged or inconsistently charged as both. If chosen, this methodology once elected must be used consistently for all Federal awards until such time as a non-Federal entity chooses to negotiate

for a rate, which the non-Federal entity may apply to do at any time.

The use of *de minimis* rates does not require the review and approval of the cognizant agency for indirect costs.

Therefore, Indirect Cost Services does not provide approval of *de minimis* rates. For more information, visit:

<https://www.doi.gov/ibc/services/finance/indirect-cost-contract-audit>.

Indirect costs may only be charged at the rate specified and during the period specified in the NICRA submitted to the FWS Program Office. Grantees must submit renegotiated rates during the project period if the NICRA submitted with the proposal expires during the project period.

Direct and indirect costs for goods, services, salaries, and labor associated with long-term migratory bird and wetlands conservation work are eligible grant costs when conducted in the periods:

- (a) between when the Service receives the proposal and the Federal award is issued if pre-award costs are approved (if the proposal is not approved for funding, the Federal government is under no obligation to pay for any costs incurred); or
- (b) after the Federal award is signed by the Service (during the project period).

In all cases, you may not obligate more grant funds than you are awarded.

## **INELIGIBLE GRANT AND MATCH COSTS**

**The following costs/activities are ineligible to be paid with NMBCA grant funds or to be used as match:**

- (a) Salaries or travel expenses for permanent, full-time U.S. Federal employees.
- (b) Any activity that would circumvent the laws or regulations of either the U.S. or the country in which the activity would occur.
- (c) Any activities that do not comply with the applicable NMBCA Grant Administration Standards and 2CFR200.
- (d) Contingency costs.
- (e) Principal contributed to endowment funds.
- (f) Financing.
- (g) Costs for activities that were not preapproved by the U.S. Fish and Wildlife Service/Division of Bird Habitat Conservation or that are not in the application.
- (h) Proposed (or preapproved) costs that remain unexpended at the end of the project.
- (i) Procurement, repair or service of Designated Unmanned Aircraft Systems. See: <https://www.ecfr.gov/current/title-2/section-200.216>.
- (j) The purchase of firearms or ammunition.
- (k) Gathering information by persons who conceal their true identity.
- (l) Buying or purchasing of intelligence, evidence or information or paying informants.
- (m) Law enforcement operations that, to arrest suspects, prompt them to carry out illegal activities (entrapment).
- (n) Any activity that would circumvent sanctions, laws or regulations of either the U.S.A. or the country of proposed activity.
- (o) Programs designed to advocate policy views or positions of foreign governments or views of a particular political faction.
- (p) Entertainment and/or alcoholic beverages.

- (q) Direct support or the appearance of direct support for individual or single-party electoral campaigns.
- (r) Duplication of services immediately available through municipal, provincial, or national government.
- (s) The value of existing residences, structures, and buildings unnecessary for habitat conservation purposes and the cost to construct, remove or repair; in the case of allowable development envelopes, the acres and costs associated with the envelopes should not be included as part of the proposal.
- (t) Acquisition of tractors and other equipment if it would be more cost effective to rent, lease or use equipment on hand.
- (u) An easement that is subordinate to a mortgage or lien.

**NOTE: unless a grant or match cost is explicitly allowed, the cost should be assumed to be ineligible unless otherwise informed in writing by the FWS Program Office. Contact FWS Program Office staff to discuss allowability of grant and/or match funds, policy requirements, and Code of Federal Regulations (CFR) explanations.**