



**United States  
Department of  
Agriculture**

**Food Safety  
and Inspection  
Service**

**FSIS Directive  
2200.2**

**Revision 1**

# **Cooperative Agreements**

# COOPERATIVE AGREEMENTS

## TABLE OF CONTENTS

### PART ONE—BASIC PROVISIONS

	<b>Title</b>	<b>Page No.</b>
I.	PURPOSE . . . . .	1
II.	CANCELLATION . . . . .	1
III.	REASON FOR REISSUANCE . . . . .	1
IV.	REFERENCES . . . . .	1
V.	ABBREVIATIONS AND FORMS. . . . .	2
VI.	DEFINITIONS . . . . .	2
	A. CA . . . . .	2
	B. CFDA. . . . .	2
	C. Contract. . . . .	3
	D. Cooperator . . . . .	3
	E. Discretionary Grant. . . . .	3
	F. Federal Financial Assistance . . . . .	3
	G. Grant . . . . .	3
	H. Mandated Grant. . . . .	3
	I. Memorandum of Understanding . . . . .	3
	J. Notice of Award. . . . .	3
	K. Program Managers . . . . .	3
	L. Program Officers . . . . .	3
	M. Project Description . . . . .	3
	N. Recipient . . . . .	4
	O. Substantial Involvement. . . . .	4
VII.	APPLICABILITY . . . . .	4
VIII.	REQUIREMENTS . . . . .	4
IX.	RESPONSIBILITIES . . . . .	5
	A. Program Manager . . . . .	5
	B. Project Officer . . . . .	5
	C. Director, ASD . . . . .	7
	D. CAS . . . . .	7
	E. Director, BD . . . . .	8
	F. Director, FMD . . . . .	9

### PART TWO—PROCEDURAL GUIDELINES

I.	SELECTING THE INSTRUMENT . . . . .	11
II.	CONTRACT . . . . .	11
III.	COOPERATIVE AGREEMENT . . . . .	11
IV.	SUBSTANTIAL INVOLVEMENT . . . . .	11
V.	COST-SHARING . . . . .	12
VI.	PUBLIC NOTICE AND COMPETITION . . . . .	12

**PART TWO—PROCEDURAL GUIDELINES**

VII.	APPROVALS AND SIGNATORY AUTHORITIES . . . . .	13
VIII.	CUTOFF DATES FOR PROGRAM OFFICES . . . . .	13
IX.	CUTOFF DATES FOR COOPERATORS . . . . .	14
	A. Reporting Requirements . . . . .	14
	B. No-Cost Extensions . . . . .	14

UNITED STATES DEPARTMENT OF AGRICULTURE  
FOOD SAFETY AND INSPECTION SERVICE  
WASHINGTON, DC

---

---

<b>FSIS DIRECTIVE</b>	2200.2 REVISION 1	4/9/09
-----------------------	----------------------	--------

---

---

**COOPERATIVE AGREEMENTS**

**PART ONE—BASIC PROVISIONS**

**I. PURPOSE**

This directive outlines FSIS policy and procedures for initiating and administering Cooperative Agreements (CAs).

**II. CANCELLATION**

This directive cancels FSIS Directive 2200.2, dated 11/3/94.

**III. REASON FOR REISSUANCE**

This directive updates procedures for initiating, awarding, and administering CAs.

**IV. REFERENCES**

Federal Grant and Cooperative Agreement Act  
Federal Meat Inspection Act  
Poultry Products Inspection Act

31 U.S.C. 6301-6308, Using Procurement Contracts and Grants, and Cooperative Agreements

2 CFR Part 215, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations

7 CFR Part 3015, Uniform Federal Assistance Regulations

7 CFR Part 3016, Uniform Administrative Requirements for Grants, and Cooperative Agreements to State and Local Governments

7 CFR Part 3017, Governmentwide Debarment and Suspension (nonprocurement) and Governmentwide Requirements for drug-free workplace (grants)

7 CFR Part 3018, New Restrictions on Lobbying

---

**DISTRIBUTION:**

All Offices

**OPI:**

ASD – Procurement Management Branch

7 CFR Part 3019, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations

FSIS Directive 5720.2, State Cooperative Inspection Programs

OMB Circulars:

- A-21, Cost Principles for Educational Institutions
- A-87, Cost Principles for State, Local, and Indian Tribal Governments
- A-89, Federal Domestic Assistance Program Information
- A-102, Grants, and Cooperative Agreements with State and Local Governments
- A-122, Cost Principles for Non-Profit Organizations

Web site: [www.Grants.gov](http://www.Grants.gov)

## V. **ABBREVIATIONS AND FORMS**

The following appear in their shortened form in this directive:

ASD	Administrative Services Division
BD	Budget Division
CA	Cooperative Agreement
CAS	Cooperative Agreements Specialist
CFDA	Catalog of Federal Domestic Assistance
CFR	Code of Federal Regulations
FMD	Financial Management Division
FY	Fiscal Year
NFC	National Finance Center
OM	Office of Management
OMB	Office of Management and Budget
U.S.C.	United States Code
AD-700	Procurement Request
SF-269	Financial Status Report

## VI. **DEFINITIONS**

A. **CA.** A written legal instrument, under Federal assistance, to document a transaction where FSIS is substantially involved in the project.

B. **CFDA.** The single, authoritative, Governmentwide, and comprehensive source document on Federal domestic assistance. OMB gathers and compiles the information from the Federal Assistance Information Database.

C. **Contract.** A legally binding award instrument used for the acquisition by purchase or lease of property, or services for the direct benefit or use of the Agency.

D. **Cooperator.** The recipient of FSIS financial assistance for a project under a CA.

E. **Discretionary Grant.** A grant or CA that permits the Government with specific authorizing legislation to exercise judgment (discretion) in selecting the applicant or recipient organization through a competitive grant process. Discretionary grants are sometimes referred to as "project grants."

F. **Federal Financial Assistance.** A relationship between a Federal agency and a non-Federal recipient where the purpose is the transfer of money, property, services, or anything of value to the recipient for public benefit.

G. **Grant.** A legal instrument under Federal assistance when the principal purpose of the award is to support or stimulate recipient activity and the Government is not substantially involved with the project.

H. **Mandated Grant.** A grant or CA that a Federal agency is required by statute to award if the recipient (usually a state) submits an acceptable application, and meets the eligibility and compliance requirements of the statutory and regulatory provisions of the grant program. Mandatory grants are sometimes referred to as "formula grants."

I. **Memorandum of Understanding (MOU).** Also referred to as a Memorandum of Agreement (MOA). An MOU/MOA is an unregulated written arrangement of mutual interest, without financial assistance or an exchange of funds. MOUs/MOAs are executed and maintained by the interested parties.

J. **Notice of Award.** A collection of documents that shows the terms and conditions of the award which is sent to the cooperator, and when signed, executes the CA. It notifies the cooperator of the award and documents the cooperator's concurrence with the terms and conditions which permits the obligation of Agency funds for that purpose.

K. **Program Manager.** An Agency employee charged with ensuring appropriate disposition of funds according to this directive.

L. **Program Officer.** The program staff member assigned responsibility for managing one or more CA projects.

M. **Project Description.** A document defining the purpose, need, and objective of the CA.

N. **Recipient.** An organization that receives Federal financial assistance directly from FSIS to carry out a project or program.

O. **Substantial Involvement.** FSIS' significant participation in the design and execution of activities performed under CAs.

## VII. **APPLICABILITY**

This directive:

A. Provides guidance to program areas on the use of CAs to support FSIS food safety and food security missions.

B. Applies only to FSIS CAs for domestic programs. Although FSIS may cooperate with foreign governments and international organizations, USDA and OMB administrative procedures do not automatically apply.

C. Does not apply to CAs with states for the administration of "equal to" meat and poultry inspection programs under the Federal Meat Inspection Act and the Poultry Products Inspection Act. These CAs are covered under FSIS Directive 5720.2, State Cooperative Inspection Programs.

## VIII. **REQUIREMENTS**

A. Prior to FSIS entering into CAs we must ensure:

1. Legal authority exists.

2. Funds are available for the intended purpose.

3. The appropriate legal instrument is used for the intended purpose.

Information for distinguishing contracts from grants and CAs can be found in 31 U.S.C. 6301-6308, Using Procurement Contracts and Grants, and Cooperative Agreements.

B. FSIS must comply with all applicable provisions of the USDA Chief Financial Officer Regulations, including the provisions of USDA Uniform Federal Assistance Regulations (7 CFR Part 3015); Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments (7 CFR Part 3016), Governmentwide Debarment and Suspension (nonprocurement) and Governmentwide Requirements for drug-free workplace (grants) (7 CFR Part 3017); New Restrictions on Lobbying (7 CFR Part 3018); and Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations (7 CFR Part 3019).

C. FSIS must reimburse cooperators for allowable costs in a timely fashion according to departmental regulations and OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, which apply to state, local, and tribal governments. OMB Circular A-21, Cost Principles for Educational Institutions, applies to institutions of higher education, and OMB Circular A-122, Cost Principles for Non-Profit Organizations, applies to all non-profit organizations.

## IX. RESPONSIBILITIES

CAs are both programmatic and financial instruments. Although the initiating program office has primary responsibility for the activity that is funded, OM has primary responsibility for ensuring adherence to administrative requirements applicable to the awarding and disbursing of Federal assistance funds. Responsibilities associated with CAs are accomplished cooperatively between the program office and the CAS. Affected program offices and OM must work together to ensure the Agency's success.

A. **Program Managers.** Program managers should be familiar with departmental regulations and other references listed in this directive. Program managers:

1. Develop program regulations, if necessary, as well as guidelines and application instructions.
2. Establish goals for new CA programs or activities. Proposed activities must support the FSIS mission and goals.
3. Ensure appropriate public notice of funding opportunities is provided and include the priorities and criteria that will be applied in the evaluation of applications, if not otherwise indicated in program rules.
4. Ensure program staff members assigned responsibility for managing CA projects have appropriate training.
5. Follow all rules, guidelines, or other instructional materials that apply to the award and administration of CAs.

B. **Project Officers.** Project officers work with OM on the development, execution, and management of individual CAs. Project officers:

1. Develop program announcements as early as possible in the FY to allow sufficient time for applicants to prepare applications. Program announcements should state if there are any cost-sharing or fund-matching requirements.
2. Develop and post synopses on <http://www.Grants.gov>.

3. Disseminate program announcements to stimulate interest and encourage competition for financial assistance.
4. Oversee the selection of qualified independent reviewers and provide them with the necessary information and material to evaluate applications.
5. Explain program requirements, regulations, and guidelines, including evaluation and funding criteria.
6. Provide technical information to all applicants on an equal basis.
7. Determine the adequacy of an applicant's plans to accomplish project objectives. Determine whether business aspects of applications reflect program needs as well as program and CA policies.
8. Make pre-award site visits, if necessary.
9. In consultation with the program manager, decide which applications are funded.
10. Provide documentation to ASD that includes the ranking scores and associated comments of all applicants, identify the selected applicants, and indicate the reason for selection. (**NOTE:** Contact the CAS on 301-504-4266 for instructions on how to send the documentation to ASD.)
11. Send a brief letter to applicants that are not selected, explaining the programmatic deficiencies in the application, as identified by the reviewer(s).
12. Provide technical or programmatic expertise to the CAS responsible for analyzing and negotiating the applicant's budget.
13. With assistance from the prospective cooperator, compile details of the project into a final project description.
14. Determine whether the project requires more than 1 year. If so, recommend the award for 2 or more years with contingency remarks as to the availability or desire to renew with any additional funds. This facilitates subsequent years' funding and minimizes the need for extensions. The project description should include timeframes, reporting requirements, projected cooperator contributions, and FSIS involvement.
15. Submit Form AD-700, Procurement Request, approved by BD, with a project description and any ancillary materials, such as attachments to the project description or background information that should be included with the CA to ASD. (**NOTE:** Contact the CAS on 301-504-4266 for instructions on how to send the documentation to ASD.)

16. Ensure that the cooperator does not begin work under the CA before it is fully executed.

17. Contact the cooperator upon receipt of the executed CA and note the execution date and anniversary date on which the CA expires.

18. Apprise the applicant of any technical instructions, references, or other materials or conditions applicable to the administration of the project.

19. Monitor the project and CA by conducting site visits, reviewing progress reports to evaluate capability, monitoring recipient performance, and assessing compliance with laws, regulations, and the CA terms and conditions.

20. Maintain communications with the cooperator and ensure submission of reports per the CA.

21. Initiate any necessary amendments to CAs through ASD.

22. Recommend approval or disapproval of continuation applications.

23. Ensure the cooperator provides ASD with timely submission of reports and other official requests concerning the CA (**example:** CA extension).

24. Post awards, final reports, or any ancillary documents of public interest on the Agency Web site as appropriate for public use.

C. **Director, ASD.** Ensures that Agency CA projects conform to the legal and procedural requirements of this directive, and are appropriately administered and documented. The director may designate a CAS to carry out these responsibilities.

D. **CAS.** Administers awards, maintains official records, advises, and assists program officials on CA policies and procedures. Additionally, the CAS:

1. Assists in developing program goals and reviewing notice of funding opportunities.

2. Provides guidance on the program review, selection, and notification of applicants.

3. Receives CA applications and conducts the initial screening for completeness and adherence to application instructions.

4. Performs budget and cost analyses to determine the necessity, reasonableness, and allocability of costs in applicant budgets.

5. Determines the applicant's ability to perform CA activities with the funds requested, estimates possible future costs, and determines needed changes in the cooperator's budget.
6. Surveys the prospective recipient's business management processes to ensure the recipient is following all OMB Circular requirements.
7. Advises the independent review panel as necessary.
8. Signs and issues notices of CA award upon receipt of project officer's award recommendation, an approved Form AD-700, and the agreed project description. Ensures that the notice of award documents the recipient's and FSIS' involvement in the project.
9. Evaluates and monitors the business management capability and performance of recipients through reviews of performance reports, financial status reports, and recipient correspondence to ensure the recipient is making timely progress towards meeting the project objectives.
10. Performs site visits to monitor the business management capability and performance of recipient organizations to verify that funds are being used properly and in accordance with the proposed budget.
11. Signs and issues the amendments of assistance awards, notices of suspension, and terminations.
12. Ensures CAs are closed out promptly after receipt of all required reports and resolution of outstanding issues (**example**: equipment disposition).
13. Assists in resolving audit findings involving CA programs. Reviews and comments on the Agency's position prior to notifying the recipient of any corrective action required or disallowances to be repaid.
14. Maintains FSIS official files on CAs.

**E. Director, BD.**

1. Validates accounting information.
2. Reviews funding data and warns of potential funding problems.
3. Certifies fund availability for each new CA to ensure program obligations do not exceed allocations.
4. Ensures announcements are entered into the CFDA.

**F. Director, FMD.**

1. Obligates funds using a miscellaneous order and retains a copy of the executed fiscal award documents.
2. Makes payments to the cooperator or establishes cooperator in the Payment Management System.
3. Provides closeout procedures through NFC once information is received from ASD.

## **PART TWO—PROCEDURAL GUIDELINES**

### **I. SELECTING THE INSTRUMENT**

The Federal Grant and Cooperative Agreement Act directs agencies to select the appropriate instrument type to make an award (**examples:** contracts CAs, or grants).

### **II. CONTRACT**

A contract provides the means to acquire property or services (by purchase or lease) for the Agency's direct benefit or use. If FSIS is receiving a deliverable, a contract is the proper instrument to use. Examples of contract use for FSIS deliverables include:

- A. Surveys, studies, and analyses which provide specific information that FSIS uses for carrying out its mission. The service, or product, is primarily for FSIS use and the performing organization has secondary or no use for the service or product.
- B. Acquisition of equipment or supplies for FSIS use.
- C. Acquisition of management information or materials for FSIS use.

### **III. COOPERATIVE AGREEMENT**

A CA serves a mutual interest to further agricultural research and teaching programs where both the Agency and recipient have substantial involvement. All parties contribute resources to carry out the objectives. A CA is used to transfer money, property, and services. Unless mandated by legislation or program regulations, there are no mandatory requirements for cost sharing or matched funding by the recipient under a CA. Examples of CA use for the transfer of money, property, and services include:

- A. Training farmers to prevent *E-coli* contamination of cattle to reduce the risk of contaminating meat at slaughter.
- B. Developing, identifying, and evaluating economically viable new technologies to foster food safety in small and very small plants.
- C. Developing training or outreach programs, for use by state and local regulators, that promote more effective hazard intervention for retail food stores and food service facilities handling meat and poultry.

### **IV. SUBSTANTIAL INVOLVEMENT**

Unlike grants, the Agency is substantially involved in the design and execution of activities performed under CAs. Examples of substantial involvement include:

- A. Review and approval of one stage of work before another is permitted to begin.
- B. Mutual collaboration or joint participation.
- C. FSIS requirements which limit recipient discretion.
- D. Review and approval by key Agency personnel.
- E. Substantial, direct FSIS operational involvement or participation during the assisted activity.

V. **COST-SHARING**

The Government encourages cost-sharing. However, unless mandated by legislation, there are no mandatory requirements for cost-sharing or matching funding by the recipient using a CA.

VI. **PUBLIC NOTICE AND COMPETITION**

Unless specified by Congress, financial assistance funds for FSIS CAs are discretionary. This means that they are open to all eligible applicants. FSIS must post a synopsis for each program on <http://www.Grants.gov>.

A. To ensure fairness to all potential applicants, FSIS informs as many potential applicants as possible of the available funding opportunities. This can be done in advance of the approved appropriation provided the announcement clearly states that awards are subject to the availability of funds. Early publication allows time for the submissions to be received, increases the likelihood that better applications will be received, allows more time to review applications, and provides more time to effectively draft CA projects. Announcements must provide a complete description of program objectives, funding priorities, any relevant reference material, and provide for a response time (not less than 60 days) that permits preparation and submission of complete and comprehensive applications. The following optional announcement methods may be used in addition to posting to <http://www.Grants.gov>:

1. Publishing a notice in the Federal Register. Affected program offices can jointly publish an announcement in the Federal Register to invite competing applications for stated program objectives to be awarded through CAs during the FY. Federal Register announcements should be published as early in the FY as possible.
2. Advertising an announcement in trade or professional journals.
3. Publishing an announcement in FSIS program handbooks, brochures, Web sites, and other publications.
4. Distributing an announcement to FSIS program mailing lists.

5. Distributing news releases.
6. Updating the CFDA listing.
7. Conducting meetings on cooperative program funding opportunities open to all interested members of the public.

B. In some cases, it is not feasible or reasonable to solicit competitive applications for a project (see 7 CFR 3015). If a program manager determines that it is not appropriate to compete for a project, the program manager should document the basis for that decision in a memorandum to the file and send a copy to the CAS for the record. Reasons for considering noncompetitive awards may include but are not limited to the following:

1. Non-monetary awards of property or services.
2. Awards of less than \$75,000.
3. Awards to fund continuing work already started under a previous award.
4. Awards that cannot be delayed due to an emergency or a substantial danger to health or safety.
5. When it is impracticable to secure competition.
6. Unique and innovative unsolicited applications.

#### VII. **APPROVALS AND SIGNATORY AUTHORITIES**

The Under Secretary for Food Safety delegates CA authority to the FSIS Administrator. The Administrator further delegates signatory authority for all CAs to the Director, ASD. All CA requests must be approved by the FSIS Administrator, or the Administrator's designated representative before announcing or soliciting for any type of CA.

#### VIII. **CUTOFF DATES FOR PROGRAM OFFICES**

Program offices should submit Form AD-700 with BD approval, the project description, the recommendation for award, and the applicant's package to ASD no later than August 1 to ensure that an award can be made within the FY. Requests received by ASD after August 1 must be cleared by the FSIS Administrator before submission to ASD.

IX. **CUTOFF DATES FOR COOPERATORS**

A. **Reporting Requirements.** Cooperators should submit an SF-269, Financial Status Report, and a progress report on the status of work completed under the CA on a quarterly basis. The reports should be submitted to the CAS within 30 days after the quarter ends. Send forms and reports to:

USDA FSIS  
ADMINISTRATIVE SERVICES DIVISION  
PROCUREMENT MANAGEMENT BRANCH  
MAILDROP 5230  
5601 SUNNYSIDE AVENUE  
BELTSVILLE MD 20705-5230

B. **No-Cost Extensions.**

1. A cooperator may request a no-cost extension of the budget or project period when a project cannot effectively be completed within the time allotted. Such requests must be submitted in writing to the project officer with a copy sent to ASD at least 45 days before the end of the budget or project period.

2. The request should:

a. State the reason(s) for extending the project.

b. Identify specific project activities that are not complete, and the anticipated completion date.

3. Approval of no-cost extensions are only granted when there is a legitimate need by the cooperator for additional time to complete the activities agreed to under the award, or to close out the CA. ASD will not approve any extension requests if the primary purpose is to permit the use of unobligated balance of funds.

4. Extensions cannot exceed 12 months either individually or collectively beyond the originally approved project period end date.

for   
Assistant Administrator  
Office of Management