



**United States
Department of
Agriculture**

**Food Safety
and Inspection
Service**

**FSIS Directive
1210.2**

Revision 2

Reimbursable Agreements

REIMBURSABLE AGREEMENTS

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

FSIS DIRECTIVE

1210.2
Revision 2

6/16/10

REIMBURSABLE AGREEMENTS

PART ONE—BASIC PROVISIONS

I. PURPOSE

A. This directive sets forth policies, procedures, and responsibilities for the administrative and financial requirements for processing FSIS reimbursable agreements. This directive applies to all agreements for reimbursable activities performed by FSIS organizations.

B. This directive **does not** include the following types of agreements:

1. Interagency agreements where FSIS procures services from another Federal agency.
2. Cooperative agreements, memorandums of understanding, memorandums of agreement, or Intergovernmental Personnel Act assignments.

II. CANCELLATION

This directive cancels FSIS Directive 1210.2, Revision 1, Reimbursable Agreements, dated 6/25/08.

III. REASON FOR REISSUANCE

This directive is completely revised to update policies, responsibilities, and procedures to effectively and efficiently use reimbursable agreements.

IV. REFERENCES

31 U.S.C. 1535, Economy Act of 1932
Antideficiency Act
Treasury Financial Manual Bulletin No. 2007-03, Intergovernmental Business Rules

DISTRIBUTION:
Electronic

OPI:
OCFO – Financial Management Division

OPAC Bulletin 04-1, Intergovernmental Payment and Collection (IPAC) System
Procurement and Billing Procedure USDA OCFO Bulletin No. 06-02, Procedures for
Recording Reimbursable Activity Without Advances into the Foundation Financial
Information System

FSIS Directive 1210.3, Interagency Agreements (IA)
FSIS Directive 4300.5, Detail of Personnel
FSIS Directive 4735.9, Ethics and Conflicts of Interest
Required Checklist for Elements of a Reimbursable Agreement

V. **ABBREVIATIONS AND FORMS**

The following appear in their shortened form in this directive:

ALC	Agency Location Code
BD	Budget Division
CAN	Common Agreement Number
CFO	Chief Financial Officer
DUNS	Dun & Bradstreet Universal Numbering System
FFIS	Foundation Financial Information System
FMD	Financial Management Division
FMMI	Financial Management Modernization Initiative
FY	Fiscal Year
IA	Interagency Agreement
IPAC	Intergovernmental Payment and Collection
OM	Office of Management
OMB	Office of Management and Budget
RA	Reimbursable Agreement
SOW	Statement of Work
TAS	Treasury Account Symbol

AD-672, Reimbursement or Advance of Funds Agreement
FSIS Form 1210-7, Request for Clearance
FSIS Form 1210-14, Reimbursable Funds Transfer Action
FSIS Form 1210-15, Checklist for Elements of a Reimbursable Agreement

VI. **POLICY**

A. It is FSIS policy to accept work through RAs, provided there is statutory authority such as the Economy Act.

B. FSIS must obtain anticipated reimbursable budget authority from OMB before entering into an RA. BD annually requests apportionment authority for the upcoming FY based on an estimated amount of RAs expected to be in place for that FY.

C. No commitments or obligations can be established nor work performed until a written RA is approved and signed by the CFO and other authorized representatives of both FSIS and the customer agency.

D. Work performed before the acceptance of a written RA will be funded by the program's current year allocation.

E. Internal controls must be established and enforced to prevent obligations from exceeding the reimbursement amount specified in the RA. All levels of management involved in the execution of the RA share this responsibility. In addition, controls must be put in place to ensure that amounts collected from reimbursable customers are credited to the FSIS appropriation and program year that was used to pay for the work.

F. All RAs must recover the actual cost of goods and services provided. Before work is accepted, the full costs of the reimbursable work must be calculated and documented by the program offices and then reviewed and approved by the CFO.

G. Reimbursement work is not accepted by FSIS when it is evident that a requesting agency is using the RA to obligate funds solely to:

1. Keep them from being reported as unobligated.
2. Keep them from lapsing at the end of the FY.

H. RAs accepted after June may not allow enough time for FSIS to obligate or expend funds within the period of availability.

I. Reimbursable work must not continue beyond the period of performance or the funding amount provided in the RA.

J. All RAs must be authorized by evidence of signature on FSIS Form 1210-7, Request for Clearance, (see Attachment 1-1) within 5 business days of receipt.

K. RAs showing no activity in FFIS for more than 180 days will be closed unless the program offices provided BD and FMD with evidence of continuing or unbilled work.

VII. DEFINITIONS

A. **Administrative Fee.** A charge initiated by FSIS to cover the administrative costs of processing an RA. This charge may include accounting, information systems, and Agency overhead.

B. **Direct Fund.** A monetary resource that receives annual appropriated funding via the congressional budget process.

C. **Full Costs.** Fees that represent the direct and indirect resources used to provide the work specified in the RA.

D. **IA.** A written agreement or ordering document between Federal agencies where one agency transfers appropriated funds to another agency to obtain services or supplies. The IA must be signed and in place before any activity begins.

E. **Period of Performance.** The specified start date and completion date within the FY of an appropriation.

F. **Program Code.** A seven-digit code used to track FSIS financial activity in FFIS. An FSIS program code captures organization, activity and budget FY. A program code is linked to lines of accounting (funds, divisions, organizations, reporting category, program, and state) using an FFIS default value table. A unique program code is assigned to each RA.

G. **Program Official or Office.** The entity responsible for authorizing the technical, scientific, or other programmatic aspects of the work conducted under an RA.

H. **RA.** A written document whereby one agency agrees to provide goods or services to another agency in return for reimbursement of costs incurred. The agreement must be signed and in place before any work is performed.

I. **Reimbursable Budget Authority.** The decision to enter into agreements with other organizational entities to accept financial reimbursement for the cost of services rendered or goods provided.

J. **Requesting Agency or Ordering Agency.** The agency receiving the services or supplies.

K. **Servicing Agency or Performing Agency.** The agency that performs the services or provides the supplies. For the purposes of this directive, the servicing or performing agency is FSIS.

L. **SharePoint.** A Windows-based application that provides a central repository for agreement information on the Internet. SharePoint provides a mechanism for document sharing and collaboration between team members.

M. **Statutory Authority.** The law that makes an RA legal. All RAs must cite the authority to which FSIS may enter into an RA.

VIII. **MODIFICATIONS**

A. Modifications to an RA must be made in writing. Changes may be made to the period of performance, SOW, or obligated amount.

B. Complete FSIS Form 1210-14, Reimbursable Funds Transfer Actions as needed (see Attachment 1-2), when increasing or decreasing an RA.

IX. RA CATEGORIES

(NOTE: These categories are not all inclusive of the types of agreements that FSIS enters into.)

A. Travel-Only Agreements.

1. Under travel-only agreements, agencies agree to reimburse FSIS for travel expenses incurred by FSIS employees. These agreements are used when FSIS employees make presentations or other appearances that are approved in accordance with FSIS Directive 4735.9, Ethics and Conflicts of Interest, paragraph VIII, Outside Employment and Activities.

2. Travel-only agreements permit reimbursement for travel expenses incurred by employees, including but not limited to, transportation, accommodations, registration fees, automobile rental, meals, and other directly related travel expenses.

3. Travel-only agreements cannot include payment for the cost of the time that employees spend traveling, or while away from their home duty station, or for any services that the employees provide. Employees are not allowed any supplementation of salary in travel-only agreements.

B. Reimbursable Personnel Detail Agreements.

FSIS Directive 4300.5, Detail of Personnel, permits FSIS to enter into an RA governing the assignment of personnel to another Federal or USDA agency or office. Reimbursement is limited to the detailed employee's regular salary, fringe benefits, and any additional, authorized expenses. Such a detail requires a written agreement, to this effect, signed in advance by FSIS and the requesting agency. The Economy Act must be cited when FSIS employees are detailed on temporary assignments to other USDA or Federal agencies.

C. Advisory Committee Agreements.

FSIS may charge an administrative fee to cover the costs associated with processing these agreements. Advisory committees are established by the Secretary of Agriculture to carry out responsibilities imposed by food safety regulations. The committees are composed of other agencies with similar food safety responsibilities. FSIS' two current advisory committees are:

1. National Advisory Committee on Microbiological Criteria for Foods.
2. National Advisory Committee on Meat and Poultry Inspection.

D. Program Services Agreements.

Program services agreements represent RAs, that FSIS enters into with other Federal agencies, that have mutual interests in food safety and security programs, and public health and food science. These agreements are mission related such as RAs with Animal and Plant Health Inspection Service for blood sampling; Agriculture Marketing Service for fruit and vegetable inspections; and the Food and Drug Administration for the Food Emergency Response Network.

X. RESPONSIBILITIES

Each Agency organization and division has specific responsibilities. The Assistant Administrators must approve RAs with Federal agencies for activities within their assigned area of responsibility. They may delegate authority to lower levels of their organization, but no lower than the director level.

A. Program Offices.

1. Ensure all aspects of RAs within their area of jurisdiction are properly authorized and executed prior to performing work. The RAs should contain the following:

- a. Proper legal citation.
- b. Required justifications.
- c. Billing provisions.
- d. Agency fund citation including the ALC.
- e. CAN.
- f. TAS.
- g. DUNS number.
- h. Information needed to process collections via IPAC transactions.
- i. Obligating document number from the requesting agency or FMMI purchase order number.
- j. Program code(s) for conversion into reimbursable program code(s).

2. Provide all contact information and arrange necessary approvals for RAs and monitor the clearance process.

3. Provide the scientific knowledge, experience, and technical direction of the work to be performed.
4. Serve as primary points of contact for issues regarding RAs.
5. Ensure that appropriations are used for their designated purpose and within the period of performance.
6. Coordinate with the CFO and BD to accurately estimate RA costs.
7. Implement internal controls necessary to prevent over-obligation of reimbursable funds.
8. Ensure that obligations and costs related to RAs are clearly charged to the proper reimbursable fund and correct program code.
9. Approve and document any changes requiring modification and amendment by completing FSIS Form 1210-14.
10. Ensure the official RA file contains all relevant documents.
11. Monitor RA activity and age and provide justification for agreements with no activity over 180 days.
12. Ensure that the RAs are properly closed out and that files are retained in accordance with FSIS record retention policies.
13. Sign the AD-672, Reimbursement or Advance of Funds Agreement (see Attachments 1-3); SOW; FSIS Form 1210-7, approving the funding allocation; FSIS Form 1210-15, Checklist for Elements of a Reimbursable Agreement (see Attachment 1-4); and FSIS Form 1210-14, Reimbursable Funds Transfer Actions, (as needed).
14. Forward all required documentation for the RA to the FMD Director or designee.

B. FMD Director or Designee.

1. Processes and assigns program code requests for all RAs.
2. Provides billing information to the program offices.
3. Develops, issues, and implements standards and procedures for financial requirements for RAs.

4. Coordinates with BD on calculating and issuing annual standard indirect cost rates by using the prior FY's actual costs.
5. Monitors activity and age of RAs.
6. Reconciles FMD accounts receivables and revenues with the requesting agency's accounts payable and expenses.
7. Accrues revenue consistent with the accepted accounting principles quarterly.
8. Ensures that the FFIS captures all the detailed transactions associated with all RAs for the life of the RAs.
9. Reviews and determines standard RA rates (indirect costs) to apply to RAs by using the prior FY's actual costs.
10. Assigns RA numbers and maintains a central file or database of the numbers assigned to each RA by budget FY.
11. Bills for services in accordance with the RA terms.
12. Processes the necessary transactions to close out anticipated reimbursable authority at FY end.
13. Signs RAs and FSIS Form 1210-7s, confirming the appropriate accounting information.
14. Forwards RAs (AD-672); SOW; FSIS Form 1210-7s, approving the funding allocation; FSIS Form 1210-15, Checklist for Elements of a Reimbursable Agreement; and FSIS Form 1210-14, Reimbursable Funds Transfer Actions, (as needed) to the CFO or designee.
15. Updates SharePoint with relevant transaction information and provides complete copies of RAs to the requesting agencies.
16. Provides notification to BD to allocate and sub-allocate resources in FFIS.

C. CFO or Designee.

1. Maintains financial control over all RAs and generates all financial reports.
2. Implements internal controls necessary to prevent over-obligation of reimbursable funds.

3. Develops, issues, and interprets financial management policies for RAs.
4. Establishes and oversees the implementation of standard RA rates (overhead rates) to apply to RAs by using the prior FY's actual costs.
5. Signs AD-672, and FSIS Form 1210-7 to approve the funding allocation.
6. Forwards RAs (AD-672); SOW; FSIS Form 1210-7s, approving the funding allocation; FSIS Form 1210-15, Checklist for Elements of a Reimbursable Agreement; and FSIS Form 1210-14, Reimbursable Funds Transfer Actions (as needed) to FMD or the designee.

D. BD Director or Designee.

1. Assists program offices in estimating full-time equivalent costs, general and administrative expenses, and indirect RA costs.
2. Coordinates with FMD on calculating and issuing annual standard indirect cost rates.
3. Maintains constant awareness of the agreements-in-process.
4. Allocates and sub-allocates resources in FFIS by fund and program code.
5. Develops and maintains accurate and timely financial information on the status of reimbursable projects, obligations, and expenditures incurred for all RAs.

XI. CONTACTS

Contact the following offices for assistance with all budget-related issues, accounting policy, and procedural activities:

USDA FSIS OM
FINANCIAL MANAGEMENT DIVISION
MAILDROP 5265 GWCC
BELTSVILLE MD
PHONE 301-344-0750

USDA FSIS OM
BUDGET DIVISION
MAILDROP 2158 SOUTH BUILDING
WASHINGTON DC
PHONE 202-720-3614

SAMPLE FSIS FORM 1210-7, REQUEST FOR CLEARANCE

REQUEST FOR CLEARANCE		DOCUMENT NO.	
IDENTIFICATION OF DOCUMENT: <i>(Title or Subject)</i>		COOPERATING AGENCIES	
REMARKS			
COMMENTS			
NAME OF PERSON PREPARING DOCUMENT		TEL. EXT.	TITLE AND ORGANIZATION UNIT
CLEARANCES <i>(Review, initial, and forward as indicated)</i>			
ROUTING	SIGNATURE	DATE FORWARDED	
OTHER CLEARANCES REQUIRED <i>(For Administrative Services Division's use only)</i>			
TITLE AND DIVISION	DATE RECEIVED	SIGNATURE	DATE SIGNED

**SAMPLE FSIS FORM 1210-14, REIMBURSABLE FUNDS TRANSFER
ACTIONS**

<small>U.S. DEPARTMENT OF AGRICULTURE FOOD SAFETY AND INSPECTION SERVICE</small>	
REIMBURSABLE FUNDS TRANSFER ACTIONS	
<p>A reimbursable agreement is the reimbursement of funds from one government agency (the servicing/performing agency) to another government agency (the requesting/ordering agency) to provide goods or services via reimbursable orders.</p>	
<p>Answer the questions below for all modifications</p>	
<p>1. PLEASE SPECIFY THE INTERAGENCY ORDER NUMBER:</p>	
<p>2. WHAT IS THE PURPOSE OF THIS MODIFICATION? <i>(Check and fill in the blanks for all of the items listed below that apply)</i></p>	
<input type="checkbox"/>	Change in value. The new value is:
<input type="checkbox"/>	Change in period of performance. The new period of performance is:
<input type="checkbox"/>	Add new work <i>(attach a revised Statement of Work, if applicable)</i> .
<input type="checkbox"/>	Continuation of a current effort.
<input type="checkbox"/>	Administrative (e.g. change COTR). The administrative change needed is:
<input type="checkbox"/>	Other <i>(Please specify)</i> :
<p>SAMPLE</p>	
<p>Please sign and date below:</p>	
TECHNICAL CONTACT	DATE
<p>FSIS FORM 1210-14 (06/15/2009)</p>	

**SAMPLE AD-672, REIMBURSEMENT OR ADVANCE OF FUNDS
 AGREEMENT**

1 AGREEMENT NUMBER (25)		2 FISCAL YEAR (4)		3 ESTIMATED AMOUNT (11)		4 AGY. BILL IND. (1)		5 TRANS. CODE (1)		6 ACTION CODE (1)			
7 AGENCY REQUESTING SERVICE NAME (32)						8 AGENCY PERFORMING SERVICE NAME (32)							
1ST LINE ADDRESS (32)						1ST LINE ADDRESS (32)							
2ND LINE ADDRESS (32)						2ND LINE ADDRESS (32)							
CITY (21)			STATE (2)	ZIP CODE (10)		CITY (21)			STATE (2)	ZIP CODE (10)			
9 SERVICES TO BE PERFORMED (Give brief explanation and basis for determining cost of services. Attach additional sheet if needed.)													
10 LIST REFERENCES TO CORRESPONDENCE RELATIVE TO THIS WORK (Requesting agency only.) (50)													
11 DURATION OF AGREEMENT EFFECTIVE DATE (From) CONTINUING THROUGH						12 METHOD OF PAYMENT REIMBURSEMENT <input type="checkbox"/> ADVANCE OF FUNDS <input type="checkbox"/> BILLING FREQUENCY <input type="checkbox"/> TYPE OF ACCOUNT <input type="checkbox"/>							
13 FINANCING (REQUESTING AGENCY --- WHEN NOT SERVICED BY NFC) APPROPRIATION SYMBOL AND TITLE						PROJECT, ALLOTMENT, OR WORK PLAN NO. (As applicable)							
14 FINANCING (REQUESTING AGENCY --- WHEN SERVICED BY NFC)													
AGENCY CODE	FUND CODE	ACCT. STATION	ACCOUNTING CLASSIFICATION									OBJECT CLASS	AMOUNT
2	2	4	A 5	B 10	C 5	D 3	E 4	F 4	G 1	H 2	4	9 2	
15 FINANCING (PERFORMING AGENCY)													
AGENCY CODE	FUND CODE	ACCT. STATION	ACCOUNTING CLASSIFICATION									OBJECT CLASS	AMOUNT
2	2	4	A 5	B 10	C 5	D 3	E 4	F 1	G 4	H 1	I 2	4 9 2	
16 LEAVE FACTOR (3)		17 FICA FACTOR (3)		18 OVERHEAD FACTOR (3)									
19 REQUESTING AGENCY APPROVAL						20 PERFORMING AGENCY APPROVAL							
SIGNATURE				DATE		SIGNATURE				DATE			
TITLE						TITLE							
PERSON TO CONTACT			PHONE (Area Code and No.)		FTS	COMM	PERSON TO CONTACT			PHONE (Area Code and No.)		FTS	COMM

1. AGREEMENT NUMBER - Enter the Performing Agency's Agreement Number - Enter up to 25 Positions Alpha/Numeric. First 6 Positions must be:

- 1 - 2 - Agency Code
- 3 - 4 - Fund Code
- 5 - 6 - Fiscal Year

2. FISCAL YEAR - Enter 4 Positions, e.g. 1984.

3. ESTIMATED AMOUNT - Enter up to \$999,999,999.99; omit commas and decimal point.

4. AGENCY BILLING INDICATOR - Enter 1, 2, 3, or 4.

- 1 - Requesting Agency is an agency serviced by NFC's MISC system
- 2 - Requesting Agency is a Government Agency. Bill SF 1081
- 3 - Requesting Agency is a Government Agency. Bill SF 1080
- 4 - Requesting Agency is other than Federal Government Bill AD-631

5. TRANSACTION CODE - Enter 0, 1, 2, A, B, C

- 0 - Revenue - Government
- 1 - Refund - Government
- 2 - Reimbursement - Government
- A - Revenue - Public
- B - Refund - Public
- C - Reimbursement - Public

6. ACTION CODE - Enter 1, 2, 3, or 4

- 1 - Add New Agreement
- 2 - Change Existing Agreement
- 3 - Delete Existing Agreement
- 4 - Issue Bill for Method of Payment upon demand or upon completion of work

NAME AND ADDRESS OF REQUESTING AGENCY

Name (32 positions)
1st Line Address (32 positions)
2nd Line Address (32 positions)
City (21 positions)
State (2 positions)
Zip Code (9 positions)

8. NAME AND ADDRESS OF PERFORMING AGENCY - Same as item number seven.

9. SERVICES TO BE PERFORMED - Enter brief narrative.

10. LIST REFERENCES FOR CORRESPONDENCE - Enter reference data that the Requesting Agency requires for Correspondence of Billing (e.g., Requesting Agency Agreement Number) or Authority for Agreement (e.g., Public Law 97-212).

11. DURATION OF AGREEMENT EFFECTIVE DATE - Enter month, day, year.

CONTINUING THROUGH - Enter month, day, year.

12. METHOD OF PAYMENT

BILLING FREQUENCY - Enter 0, 1, 2, 3, 4, or 5

- 0 - Immediately
- 1 - Monthly
- 2 - Quarterly
- 3 - Semi-annually
- 4 - Upon completion of work
- 5 - Upon demand

TYPE OF ACCOUNT

- 0 - Transfer of Appropriation Account
- 1 - Consolidated Working Fund

13. FINANCING (Requesting Agency - When NOT serviced by NFC) - Complete this block only when the requesting agency does not participate in the Central Accounting System processed by the USDA's National Finance Center.

14. FINANCING (Requesting Agency - When serviced by NFC) - Complete this block only when the requesting agency does participate in the Central Accounting System processed by the USDA's National Finance Center.

Agency Code - Enter 2 digit NFC assigned agency code.

Fund Code - Enter 2 digit NFC assigned fund code.

Accounting Station - Enter assigned accounting station code.

Accounting Classification Code - Enter accounting classification code of requesting agency.

Object Class - Self explanatory.

Amount - Enter the estimated agreement amount allowable to each accounting classification code.

15. FINANCING (Performing Agency) - Enter agency code, fund code, accounting station, accounting classification code, object class, and amount as stated in 14 above. Accounting codes used in this agreement cannot be duplicated in any other agreement number.

16. LEAVE FACTOR. If leave is to be considered in billing the Requesting Agency for services, enter the leave factor. Enter 10.6% as 010/60 or 10/6.

17. FICA FACTOR. If FICA taxes paid are to be considered in billing for the Requesting Agency for services, enter the FICA factor. Enter 6.85% as 006/85 or 6/85.

18. OVERHEAD FACTOR. If overhead is to be considered in billing the Requesting Agency for services, enter the overhead factor. Enter 18% as 018/18.0.

19. APPROVAL FOR REQUESTING AGENCY - Self explanatory.

20. APPROVAL FOR PERFORMING AGENCY - Self explanatory.

SAMPLE FSIS FORM 1210-15, CHECKLIST FOR ELEMENTS OF A REIMBURSABLE AGREEMENT

U.S. DEPARTMENT OF AGRICULTURE
 FOOD SAFETY AND INSPECTION SERVICE

CHECKLIST FOR REIMBURSABLE AGREEMENTS (RA)

DISTRIBUTION: Each office is required to complete their portion of the checklist and forward it to the next office along with all required documents. This checklist was created to identify the accounting distribution data required for all reimbursable agreements. The following information should be identified on all reimbursable agreements prior to forwarding to the Financial Management Division (FMD). When ALL information is included in the reimbursable agreement, initial and date.

Program Office (POC) prepares:

- FSIS 1210-7 (Request for Clearance)
- AD-672 Reimbursement or Advance of Funds Agreement
- FSIS 1210-14 Reimbursable Funds Transfer Actions - (OPTIONAL)
- FSIS 1210-15 Checklist
- Statement of Work (SOW)
- ALC# or Vendor Code of Agency Performing Service. Enter ALC# _____
- Obligating Document (MO) number from Requesting Agency. Enter MO #: _____
- CAN number from Requesting Agency. Enter CAN #: _____
- TAS (Treasury Account Symbol) from Requesting Agency. Enter TAS #: _____
- Verify Name, Telephone #, FAX #, Title and Organization Unit of the Person Preparing the Document
 Enter information: _____
- Verify Telephone #, FAX # of Performing Agency. Enter information: _____
- Forward all documentation (FSIS Form 1210-7, AD-672, 1210-14, and SOW) to FMD

INITIALS AND DATE: _____

Office of the Chief Financial Officer:

- Signs Form AD-672 Reimbursement or Advance of Funds Agreement
- Signs Form FSIS 1210-7 (Request for Clearance)
- Returns signed documentation to FMD

INITIALS AND DATE: _____

Financial Management Division-FMD (POC) should:

- Review AD-672, FSIS 1210-7, FSIS 1210-14, (optional), FSIS1210-15 and SOW
- Request program code conversion
- Assign FSIS number to Agreement
- Verify Proper Signatures on Clearance Sheet from Program Office
- Review Program Code, Object Class, and the Amount of the Agreement
- Notify Budget Division to set up funding in the SALC table for the agreement
- Update information from the Agreement and the status into SharePoint
- Submit scanned copy of completed document to the Requesting Agency

INITIALS AND DATE: _____

PART TWO—RA PROCESS

I. REFERENCES

31 U.S.C. 1535, Economy Act of 1932
Antideficiency Act

Treasury Financial Manual Bulletin No. 2007-03, Intergovernmental Business Rules
OPAC Bulletin 04-1, Intergovernmental Payment and Collection (IPAC) System
Procurement and Billing Procedure USDA OCFO Bulletin No. 06-02, Procedures for
Recording Reimbursable Activity Without Advances into the Foundation Financial
Information System

FSIS Directive 1210.3, Interagency Agreements (IA)
FSIS Directive 4300.5, Detail of Personnel
FSIS Directive 4735.9, Ethics and Conflicts of Interest
Required Checklist for Elements of a Reimbursable Agreement

II. KEY SOURCES OF AUTHORITY

A. **Economy Act (31 U.S.C. 1535).** Authorizes Federal agencies to perform work or provide goods to each other on a reimbursable basis. The servicing agency may incur obligations or expenditures for another agency after an RA is executed and before payment is received.

B. **Intergovernmental Cooperation Act (31 U.S.C. 6505).** Authorizes Federal agencies to provide specialized or technical services to state and local governments. Under Federal regulations, a Federal agency must receive a valid RA and advance payment before incurring obligations and expenditures.

C. **Joint Project Agreement (31 U.S.C. Sec.1525).** Authorizes Federal agencies to engage equitably in a joint project on matters of mutual interest to all parties to the project with any non-profit, research or any public organization, including other Federal organizations.

D. **OMB Circular No. A-11, Budget Execution.** Section 20 provides guidance on reimbursements for providing goods and services between Federal agencies, reimbursements between Federal agencies and non-Federal entities, and advance payments from public (non-Federal) entities.

III. REQUIRED INFORMATION FOR ALL RAs

When entering into new RAs with other Federal agencies, the program offices should consider the time of year. RAs accepted after June may not allow enough time for FSIS to perform the work and expend the funding within the period of availability. The agencies requesting the work determine the format of the written contractual RAs. To assure that the RAs are in the best interest of FSIS, all parties that have a role in the RA process are responsible for verifying that the RA packages contain the following:

A. Narrative Agreement or SOW.

1. **Purpose and Scope of Agreement.** A comprehensive description of the work to be performed and any personnel required to perform the work. The overall purpose or objective of the RA must be stated clearly and concisely. The basic functions to be performed by each party to the RA should be summarized.
2. **Legal and Statutory Requirements.** Indicate the statute authorizing the work to be performed and the type of RA (**example:** Economy Act agreement) must be specified in order to ensure the legality of the RA and to clearly identify any requirements specific to that authority. Moreover, the statute under which the RA is authorized may stipulate specific requirements that must be addressed by the RA.
3. **Responsibilities of Each Party to the RA.** Both agencies must define the roles and responsibilities of each party. The RA must provide a detailed description of the work to be conducted under the agreement to ensure a clear understanding of each agency's respective responsibilities. As appropriate, the responsibilities of each party should include goals, performance measures, or milestones. The SOW or narrative agreement can serve as the appropriate documentation.
4. **Identity of All Agency Contacts.** All parties to the RA must be identified clearly, including the name, postal and billing addresses of each agency, as well as a program contact person for each agency. The RA should have the payment office contact, phone number, fax number, and e-mail address.
5. **Estimated Costs.** All agreements should be developed on a full costs basis. Before work is accepted, the full costs of the reimbursable work must be calculated and documented. All levels involved in the RA process, including but not limited to, the program office, the CFO, BD, and FMD share the responsibility of accurately calculating the costs of the reimbursable services.
6. **Availability of Funding.** An agency's accounting citation is made up of the agency code, FY, and TAS. Funding availability is subject to the specific FY cited in the same time period as the accounting citation.

B. **AD-672.** A fully completed and signed AD-672 will serve as the reimbursable document, and must accompany the narrative agreement or SOW. The AD-672 provides an SOW, the requesting agency contact and billing information, critical accounting information, and approvals. An agreement cannot be processed without a properly completed AD-672.

C. **Approval and Request for Clearance.** Form 1210-7 must be attached and routed with each RA for approval. Form 1210-7 is for internal use only and is not required to be signed by the requesting agency.

D. **Agreement Number and Unique FFIS Program Code.** Each RA must be assigned an RA number. BD will establish an RA number that is used to monitor RA activity in FFIS. The agreement number does not need to be stated on Form AD-672 prior to signing, but must be created prior to recording the RA in FFIS.

E. **Reimbursable Agreement Checklist.** All parties that have a role in the reimbursable agreement process must complete their respective area on the checklist. A completed checklist will serve as verification that the agreement package contains the proper review and approval.

F. **Modifications to Funding.** Any modifications to the RA must be submitted on FSIS Form 1210-14, Reimbursable Funds Transfer Actions (as needed).

IV. **ACCOUNTING FOR REIMBURSABLE AGREEMENTS**

A. **Recording Agreements.** Reimbursements must be recorded in the appropriation and fund that the costs were recorded. Reimbursable activity is recorded using the agreement specific assigned fund 3736 program code. Collections are immediately available without further congressional or Treasury action. Failure to bill and collect prior to the end of the FY jeopardizes the solvency of appropriated funds and poses an Antideficiency Act violation risk.

B. **Revenue Recognition.** Earned revenue for the amount of expenditures incurred on each agreement is recorded when either a billing document or revenue accrual is recorded. Earned revenue must be recorded and billed promptly in the accounting period earned.

C. **Quarterly Reviews of Agreements.** All parties involved in the RA process must perform quarterly reviews of their respective RAs. The reviews consist of comparing the actual RA documents with the reimbursable agreement amount recorded in FFIS, amount billed, and amounts collected. An RA that shows no activity in FFIS for more than 180 days will be closed unless evidence of continuing or unbilled work is provided. Any actions or adjustments to the RA should be provided to BD and FMD.

D. **Yearend.** At the end of each FY, all activity related to the FY must be recorded. Revenue earned as of September 30, but not billed, must be recorded as an accrual and communicated to the receiving agency. In addition, any funds remaining on agreements at yearend should be deobligated.

V. **CLOSEOUT OF RAs**

FSIS determines, before closeout of agreements, that all applicable administrative actions and all required work have been completed by FSIS. The program official must notify FMD upon completion of work.

A. **Reporting Requirements.** Program officials must ensure that all required performance reports and other deliverables are completed and sent to the requesting agency.

B. **Funding Adjustments for RAs.** On completion of the projects, any excess funds allocated to the RAs must be reallocated to the direct fund. Once identified, the funds to be deobligated must be documented by written modification to the RAs.



Assistant Administrator
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