



United States
Department of
Agriculture

Food Safety
and Inspection
Service

FSIS Directive
3300.1

Revision 2

Fiscal Guidelines for Cooperative Inspection Programs

FISCAL GUIDELINES FOR COOPERATIVE INSPECTION PROGRAMS

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

<h1 style="margin:0">FSIS DIRECTIVE</h1>	3300.1 REVISION 2	3/5/04
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**FISCAL GUIDELINES FOR COOPERATIVE INSPECTION
PROGRAMS**

PART ONE—BASIC PROVISIONS

I. PURPOSE

This directive:

A. Applies to the State cooperative inspection programs that are required to report expenditures to FSIS on Form SF-269A, Financial Status Report, and obtain funding through Letter of Credit drawdowns. The directive:

1. Describes the requirements for State cooperative MPI programs to meet the financial requirements of Federal and State laws.
2. Describes the financial responsibilities of FSIS organizational components and State agencies in cooperative MPI programs.
3. Describes the financial procedures to assist States in meeting the administrative requirements of the cooperative agreements in budgeting, accounting, and other services.

B. Does not apply to the State cooperative inspection programs that bill FSIS at 100 percent for MPI and EPI program costs for services rendered in Federally inspected plants. However, the directive:

1. Provides references to other guidelines and instructions regarding the 100 percent reimbursable inspection programs under which State agencies and the FSIS have entered into formal cooperative agreements.
2. Describes administrative responsibilities of FSIS offices and State agencies in administering the reimbursable inspection programs.

DISTRIBUTION:

Washington Offices; OFO District Offices;
Financial Processing Center; Technical Service
Center

OPI:

FMD – Financial Reviews and Analysis
Branch

II. CANCELLATION

This directive cancels FSIS Directive 3300.1, dated 1/24/95, and the *Financial and Administrative Responsibilities Applicable to the Cooperative State Inspection Programs*, dated May 2000.

III. REASON FOR REISSUANCE

This directive has been completely revised to update the requirements and procedures for the financial administration and operation of the cooperative MPI programs and to provide references applicable to other FSIS inspection programs and activities. The principal changes are:

- A. The reassignment of various administrative and approval responsibilities.
- B. The clarification of budgetary requirements for accountability of program expenditures applicable to documenting and reporting personal services.
- C. The explanation of program expenditure requirements regarding terminal leave costs.
- D. The expansion of instructions on budgeting, accounting, reporting, and LOC procedures of the State cooperative MPI program and the T/A program.
- E. The explanation of reporting and payment requirements applicable to Food Safety Initiatives.
- F. References to billing and reporting procedures for CU, CE, and EPI programs.

IV. REFERENCES

FSIS Directive 4735.3, Employee Responsibilities and Conduct
FSIS Directive 5720.2, Cooperative Inspection Programs
FSIS Directive 5930.1, Custom Exempt Establishment Review Procedures
FRAB's *A Guide for the Preparation of the Cooperative State Meat and Poultry Inspection Program Budget Submissions*
FRAB's *A Guide for Financial Management of the Meat and Poultry Inspection Cross-Utilization Activities for State Agencies*
FRAB's *A Guide for Financial Management of the Egg Products Inspection Program for State Agencies*
FRAB's *A Guide for Preparing Indirect Cost Proposals*
Agricultural Marketing Act
Egg Products Inspection Act
Federal Meat Inspection Act
Poultry Products Inspection Act

DHHS, DPM, Payment Management System, SMARTLINK II User's Manual

Title 7 CFR 735, Employee Responsibilities and Conduct
Title 7 CFR 3015, Uniform Federal Assistance Regulations
Title 7 CFR 3016, Uniform Administrative Requirements for Grants and Cooperative
Agreements to State and Local Governments
Title 9 CFR 590, Regulations Governing the Inspection of Eggs and Egg Products

OMB Circular A-50, Audit Follow-up
OMB Circular A-87, Cost Principles for State and Local Governments
OMB Circular A-102, Uniform Administrative Requirements for Grants and Cooperative
Agreements to State and Local Governments
OMB Circular A-125, Prompt Payment Act
OMB Circular A-133, Audits of States, Local Governments, and Non-Profit
Organizations

Public Law 101-453, Cash Management Improvement Act of 1990
Public Law 106-107, Federal Financial Assistance Management Improvement Act of
1999
Treasury Department Circular No. 1075, Regulations Governing Withdrawal of Cash
from the Treasury for Advances Under Federal Grant and Other Programs

V. **ABBREVIATIONS AND FORMS**

The following will be used in their shortened form in this directive:

ASD	Administrative Services Division
BD	Budget Division
CE	Custom Exempt
CFR	Code of Federal Regulations
CU	Cross-Utilization
DHHS	Department of Health and Human Services
DO	District Office
DPM	Department of Payment Management, DHHS
EPIP	Egg Products Inspection Program
FAIM	Field Automated Information Management
FAOB	Financial and Accounting Operations Branch
FASMB	Financial and Accounting Systems Management Branch
FFIS	Foundation Financial Information System (FSIS Accounting System)
FMD	Financial Management Division
FMIA	Federal Meat Inspection Act
FPC	Financial Processing Center
FRAB	Financial Reviews and Analysis Branch
FRB/ACH	Federal Reserve Bank/Automated Clearing House, Department of the Treasury
FSCIP	Federal-State Cooperative Inspection Program (also known as T/A)

FSIS	Food Safety and Inspection Service, USDA
FSTRS	Federal-State Relations Staff
FTE	Full-Time Equivalent
FY	Fiscal Year
HRD	Human Resources Division
LOC	Letter of Credit
MPI	Meat and Poultry Inspection
OFO	Office of Field Operations
OIG	Office of Inspector General
OM	Office of Management
OMB	Office of Management and Budget
PIN	Payee Identification Number
PMS	Payment Management System
PPIA	Poultry Products Inspection Act
SA	State Agency
SFCIP	State-Federal Cooperative Inspection Program
T/A	Talmadge/Aiken (also known as FSCIP)
TSC	Technical Service Center

FSIS Form 5110-1, Services Rendered
 FSIS Form 5720-4, State Establishment Profile
 FSIS Form 5720-5, State Assignment and Employment Report
[SF-269A](#), Financial Status Report
[SF-424](#), Application for Federal Assistance
[SF-424A](#), Budget Information-Non-Construction Programs
[SF-424B](#), Assurances-Non-Construction Programs
[SF-1199A](#), Direct Deposit Sign-up Form

VI. DEFINITIONS

A. **Accounting Records.** Updated records readily identifying the source and application of funds containing information about grant awards, authorizations, obligations, unobligated balances, assets, outlays, and income.

B. **Accrued Expenditures.** The charges incurred by the grantee during a given period requiring provision of funds for personal services, goods, services, contracts, and all other payees, which are allowable according to the terms of the grant agreement.

C. **Allowable Costs.** Costs classified as allowable in accordance with the cost principles prescribed by the provisions of the grant agreement and other applicable Federal regulations.

D. **Call Letter.** The annual communication to an organization requesting specific information on budget needs for the impending Federal FY.

E. **Contract.** An agreement between parties where one party agrees to furnish materials or perform services at a specified price that the other party agrees to pay.

F. **Cross-Utilization Program.** A reimbursable program administered by an SA that has entered into an agreement with FSIS for conducting less than 10 staff years of Federal inspection activities in Federally inspected plants in accordance with the FMIA and the PPIA. (See Paragraph VIII. References to Reimbursable Inspection Programs.)

G. **Custom Exempt Program.** A reimbursable program administered by an SA in a designated state under the terms of a cooperative agreement whereby the parties formalize procedures for State review of custom exempt operations. (See Paragraph VIII. References to Reimbursable Inspection Programs.)

H. **Disallowed Costs.** The expenditures charged to an award of Federal financial assistance that FSIS determines to be unallowable in accordance with the applicable Federal cost principles or other terms and conditions of the applicable agreement.

I. **Egg Products Inspection Program (EPIP).** A reimbursable program administered by an SA that has entered into a formal agreement with FSIS for conducting inspection activities in Federally inspected plants in accordance with the Egg Products Inspection Act. (See Paragraph VIII. References to Reimbursable Inspection Programs.)

J. **Equipment.** An article of non-expendable, tangible personal property having a useful life of more than one year and an acquisition cost which equals the lesser of the capitalization level established by the State governmental unit for financial statement purposes, or \$5,000.

K. **Federal-State Cooperative Inspection Program (FSCIP) (T/A).** A program carried out by FSIS and a State under the terms of a cooperative agreement in accordance with the FMIA and PPIA and the T/A Act whereby 10 or more state inspector staff years are used to perform services in Federally inspected plants. In this directive, FSCIP excludes the CU Program. CU Program financial guidelines are issued under separate cover. (See Paragraph VII. Applicability.)

L. **Financial Reporting.** Complete, accurate, and current disclosure of the financial results of each program.

M. **Fringe Benefits.** Allowances and services provided by employers to their employees as compensation in addition to regular salaries and wages. Fringe benefits include, but are not limited to, the costs of leave, employee insurance, pensions, and unemployment benefit plans.

N. **Grantee.** The SA to which a grant of Federal financial assistance is awarded and which is accountable for the use of the funds provided. The grantee is the entire legal entity even if only a particular component of the entity is designated in the grant award document.

O. **Head of State Agency.** The Commissioner, Director, Secretary, Chairperson, or delegate in charge of the SA having jurisdiction over the SA's MPI program.

P. **Obligations.** The expenditure amounts of approved allocations, orders placed, contracts and agreements awarded, goods and services received, and similar transactions during a given period that will require payment.

Q. **Outlays.** Charges made to the program reported on a cash or accrual basis.

R. **Source Documentation.** Vouchers, cancelled checks, paid bills, payrolls, contracts, and other documentation that supports accounting records.

S. **State-Federal Cooperative Inspection Program (SFCIP).** A program administered by a State under the terms of a cooperative agreement between FSIS and an SA in accordance with the FMIA and PPIA whereby FSIS agrees to fund up to 50 percent of the total program costs of a State meat and/or poultry inspection program determined to be at least equal to the corresponding Federal program. All applicable expenditures are reported to FSIS on Form SF-269A. (See Paragraph VII. Applicability.)

T. **Supplies.** All tangible personal property other than equipment as defined in this directive.

U. **Unobligated Balance.** The portion of the funds authorized by the Federal agency that have not been obligated by the SA.

V. **Reimbursable Costs.** Costs incurred by an SA while conducting services for FSIS under the terms of a formal agreement between FSIS and an SA where FSIS agrees to reimburse costs. (See Paragraph VIII. References to Reimbursable Inspection Programs.)

W. **Terminal Leave.** Payment for unused annual or sick leave to employees who are retiring or separating from State service. (See Part Two, Paragraph XII., Classification of Expenditures by Category.)

X. **Travel.** Travel costs incurred to perform assigned duties whether paid directly by the State or by reimbursement to the employee.

VII. **APPLICABILITY**

A. This directive provides fiscal guidelines applicable to the SFCIP (cooperative MPI program funded by FSIS up to 50 percent of costs) and the FSCIP (T/A program funded at up to 50 percent for base time and 100 percent for reimbursable overtime). CU Program financial guidelines are issued under separate cover.

B. If an SA bills FSIS for services rendered under a cooperative inspection program agreement, such as CU and CE programs (not the FSCIP), it is considered a reimbursable inspection program and this directive does not provide the applicable financial guidance. Financial guidelines for reimbursable inspection programs are issued under separate cover.

1. **SFCIP.** (See Subparagraph VI.S. for definition.) In this directive, the SFCIP is called a “cooperative MPI program” or “cooperative inspection program” that reports expenditures to FSIS on Form SF-269A and obtains funding through LOC drawdowns or direct payments, as appropriate. Costs applicable to the cooperative MPI program flow through the State’s accounting system and the SA obtains the Federal share of costs through LOC drawdowns. Terms of the agreement include:

a. Provisions for SAs to use State personnel to perform inspection activities in State inspected plants.

b. Provisions for FSIS to fund up to 50 percent of direct costs and applicable indirect costs.

c. Terms under which the FSIS Administrator is authorized to provide advice and assistance to the State to carry out a State cooperative MPI program that is at least equal to the Federal MPI Program. **NOTE:** When FSIS agrees to perform services or make purchases for an SFCIP, FSIS bills the SA for 100 percent of costs. The total costs of the applicable billings should also flow through the SA’s accounting system and are paid with funds that include up to 50 percent FSIS funding.

2. **FSCIP.** (See Subparagraph VI.K. for definition.) In this directive the FSCIP is called a “cooperative inspection program”, the “T/A program”, or the “T/A 50 percent base time and 100 percent overtime reimbursable program” that reports expenditures to FSIS on Form SF-269A and obtains funding through LOC drawdowns or direct payments. In connection with the SFCIP, both the FSCIP and the SFCIP are referred to as “cooperative MPI programs”. **NOTE:** CU financial guidelines are issued under separate cover. Costs applicable to the T/A program flow through the State’s accounting system and the SA obtains the Federal share of costs through LOC drawdowns. Terms of the agreement include:

a. Provisions for an SA to furnish State inspectors for the purpose of performing inspection activities in a Federally inspected plant.

b. Provisions for FSIS to fund up to 50 percent of direct costs and applicable indirect costs for those activities that are not included under the 100 percent reimbursable overtime requirement.

c. Provisions for FSIS to fund 100 percent of direct costs and applicable indirect costs for 100 percent reimbursable T/A overtime.

d. Terms under which the FSIS and an SA cooperate to carry out Federal-State functions under the FMIA and PPIA in accordance with the T/A Act. **NOTE:** Part Two, Section Four provides financial requirements applicable to the T/A program.

VIII. REFERENCES TO REIMBURSABLE INSPECTION PROGRAMS

This directive provides references to reimbursable State cooperative inspection programs under agreement with FSIS where State personnel conduct inspection services and bill FSIS for 100 percent of costs. Included are the CU, CE, and EPI programs. Financial guidelines for the reimbursable programs are issued under separate cover. **NOTE:** References and information about reimbursable inspection programs in this directive do not apply to inspection activities performed by Federal employees.

A. **CU Program.** See FSIS Directive 5720.2 for program requirements. Terms of the agreement include:

1. Provisions for an SA to furnish State inspectors for the purpose of performing inspection activities in a Federally inspected plant.

2. Provisions for FSIS to reimburse the SA for 100 percent of costs. **NOTE:** State personnel are paid through the State's payroll system and the State bills FSIS for 100 percent of costs. CU hourly rates, which include administrative allowances, must be approved by FSIS. *A Guide for Financial Management of Meat and Poultry Inspection Cross-Utilization Activities for State Agencies* provides applicable financial guidance.

3. Terms under which FSIS and an SA cooperate to carry out inspection activities under the FMIA and PPIA.

B. **CE Program.** CE cooperative agreements are in effect with several SAs that do not have a cooperative MPI program. The agreement:

1. Sets forth the terms under which FSIS and an SA cooperate to carry out inspection activities.

2. Provides for FSIS to reimburse the SA 100 percent of costs. **NOTE:** State personnel are paid through the State's payroll system and the State bills FSIS for 100 percent of costs. For SAs that have entered into a SFCIP agreement with FSIS, the CE activities are included in the cooperative MPI program activities and the expenditures should be claimed for up to 50 percent of costs.

3. Provides for inspection services as contained in FSIS Directive 5930.1.

C. **EPIP.** See Title 9 CFR 590. Terms of the agreement include:

1. Provisions for an SA to furnish State inspectors for the purpose of performing inspection activities in a Federally inspected plant.

2. Provisions for FSIS to reimburse the SA 100 percent of costs.

NOTE: State personnel are paid through the State's payroll system and the State bills FSIS for 100 percent of costs. EPIP hourly rates, which include administrative allowances, must be approved by FSIS. *A Guide for Financial Management of the Egg Products Inspection Program for State Agencies*, provides EPIP financial guidance.

3. Terms under which FSIS and an SA cooperate to carry out inspection activities under the Egg Products Inspection Act.

IX. **FSIS RESPONSIBILITIES**

The financial responsibilities are as follows:

A. **Assistant Administrator, OFO** oversees and administers guidance and operational assistance to the State cooperative MPI programs and provides coordinating activities to promote uniformity in applying Federal and State requirements. Oversees and administers guidance and operational assistance to the reimbursable MPI programs and EPIP activities in which State inspectors work in Federally inspected plants and provides related coordinating activities to promote uniformity in applying Federal and State requirements.

B. **District Offices** are the contact points from which SAs obtain guidance and assistance to carry out the cooperative MPI, T/A, CU, and EPIP programs. The DOs are also contact points for several SAs that do not have a cooperative MPI program, but have a formal CE agreement with FSIS. The DO responsibilities include administrative and operating assistance to SAs as follows:

1. Obtain quarterly T/A overtime reports from participating MPI program SAs. Reconcile the 100 percent reimbursable T/A overtime hours claimed with the hours reported to the DO by inspectors for the same period.

2. Ensure that the CU accounting and billing information is maintained and accessible for review. Ensure that an approved CU rate is applied to the hours reported, computations are accurate, and CU hours reported are reconciled to hours reported directly to the DO by the inspectors.

3. Review, approve, and maintain accounting records from certain designated states that perform Federal reviews of CE plants under cooperative agreements with FSIS.

4. Ensure that the EPIP accounting information is maintained and accessible for review. Ensure that an approved EPIP rate is applied to the hours reported, computations are accurate, and EPIP hours reported are reconciled to hours reported directly to the DO by the inspectors.

C. **TSC** provides technical guidance to the DO and SAs regarding the Cooperative MPI Programs and the EPIP procedures.

D. **Director, FSRs** is the contact point for providing SAs with guidance and for administrating operating assistance to carry out the State Cooperative MPI program as follows:

1. Cooperate with SAs to administer and enforce the cooperative State MPI programs under State law that are "at least equal to" the Federal programs.

2. Make provisions to furnish technical and laboratory assistance to SAs.

3. Provide and arrange training, in conjunction with the HRD, for SAs' key personnel and for State inspection personnel, upon request. Assist or arrange for assistance to SAs to establish State training programs.

4. Coordinate FSIS review activities involving State inspection programs.

5. Consult with responsible FSIS personnel as necessary to review and recommend the following to the Assistant Administrator, OFO:

a. Classification of State inspection program.

b. Approval or disapproval of State Performance Plan.

c. Type of oversight activities required.

d. Composition of the review team for oversight activities related to the State inspection programs.

6. Issue an annual notification to SAs on the adequacy of the State programs in meeting the "at least equal to" requirements of the FMIA and PPIA.

7. Verify that the proposed use of FSIS funds is reasonable considering the program workload in the SA for plant production, staffing and supervision needs, and other program costs as reflected in the budget submission.

8. Represent FSIS at the annual meetings of the national and regional State Association of State Departments of Agriculture.

E. **Assistant Administrator, OM** oversees and administers financial activities, and:

1. Ensures that Federal financial requirements are communicated to the SAs.
2. Provides guidance on current Federal regulations and maintains appropriate agreements.
3. Works with SAs to resolve problems related to fiscal review and audit findings.
4. Provides financial guidance and rate approvals for reimbursable inspection programs.
5. Develops procedures and activities for carrying out special computer-related initiatives and programs.
6. Administers Federal financial assistance activities, as required.

F. **Director, FMD:**

1. Administers fund allocation for the State Cooperative MPI programs.
2. Determines indirect cost rates.
3. Performs fiscal reviews and conducts audit follow-up and resolutions.
4. Performs payment and collection activities for the cooperative MPI programs.
5. Provides financial guidance and rate approvals for reimbursable inspection programs including CU, CE and EPIP.

G. **Chief, FRAB:**

1. Directs and administers budget activities applicable to the cooperative MPI programs.
 - a. Reviews, approves, and distributes to other FSIS offices required forms submitted by the States.
 - b. Develops, recommends, and implements funding allocations and revisions for the SAs based on anticipated or actual fund availability.

- c. Monitors the execution of SA allocations and projects end-of-year obligations.
 - d. Informs FAOB and SAs of allocations and adjustments.
 2. Ensures that SF-269A reports are prepared and submitted according to Federal requirements and this directive.
 - a. Reviews and approves SF-269A reports and submits approved originals to FSRS for concurrence.
 - b. Obtains revised SF-269A reports for current indirect cost rate within 90 days after a new rate has been approved for the SA.
 - c. Obtains final SF-269A reports within 90 days after the end of the Federal FY.
 3. Performs fiscal reviews and tests of SA records and systems to ensure conformance to FSIS requirements.
 - a. Conducts onsite fiscal reviews, communicates required corrective action to SA, and follows up to ensure corrective measures are implemented.
 - b. Prepares fiscal review reports for the FSIS and SA management.
 - c. Obtains revised SF-269A reports from SAs after each onsite fiscal review, as appropriate, to ensure that the revisions are accurate. Forwards the reports to FSRS for concurrence and applicable forms and documentation to FAOB for processing.
 - d. Prepares reports for the Director, FSRS on SA compliance with Federal regulations and on the utilization of Federal resources, as requested.
 4. Reviews indirect cost proposals and negotiates indirect cost rates with the heads of SAs, and ensures revisions to applicable SF-269A reports.
 - a. Maintains file of all applicable approved indirect cost rate agreements.
 - b. Reviews SF-269A reports for correct application of indirect cost rates.
 5. Conducts audit resolution activities as required and follows up with the SAs to ensure that corrective actions are taken.
 6. Administers LOC system and maintains records and reports of SAs expenditures and drawdowns.

a. Appropriates payments due to SAs based on reported expenditures and forwards to FAOB for processing.

b. Provides guidance and instructions to SAs regarding collection of funds due to FSIS.

7. Provides CU, CE and EPIP financial guidance to SAs.

a. Approves chargeable rates, and conducts fiscal reviews of the CU, CE and EPIP programs.

b. Distributes approved CU, CE and EPIP rates to SAs, FPC, the DO and the BD.

8. Administers Federal financial assistance activities regarding the OMB and other Federal requirements.

H. **Chief, FAOB** administers cash management activities, which include:

1. Entering expenditures in the accounting system.

2. Authorizing LOC drawdown amounts.

3. Providing accounting data on the cooperative inspection programs to the FRAB and other organizational units, as required.

I. **Chief, FPC:**

1. Receives SA billings for CU, CE and EPIP and processes them to the FFIS for payment.

2. Ensures billing data versus approved rates.

3. Maintains records on CU, CE and EPIP.

4. Checks billing data versus accounting reports to resolve discrepancies.

J. **Director, BD:**

1. Ensures that annual budget estimates for CU, EPIP and CE are included in the DO allocations.

2. Ensures accuracy of budget and accounting data applicable to the CU, EPIP, and CE 100 percent reimbursable programs.

K. **Director, FAIM** develops procedures and activities for carrying out special computer-related initiatives and programs, as required.

L. **Director, ASD** ensures completion of the following procedures:

1. Prepares annual renewals, obtains proper clearances, and obtains signatures from Federal and SA authorities for all cooperative inspection agreements with cooperating SAs.

2. Issues publications and relevant certifications to participating SAs and obtains the appropriate annual renewals.

M. **Other FSIS Officials** cooperate with OFO to provide uniform application of program standards between Federal and State inspection programs. The cooperating officials include the Administrator, Associate Administrator, and officials of the Office of Food Security and Emergency Preparedness, Office of Program Evaluation, Enforcement and Review, Office of Public Affairs, Education, and Outreach, Office of Internal Affairs, Office of Public Health and Science, Office of Management, and Office of Policy and Program Development.

X. **STATE AGENCY RESPONSIBILITIES**

The SAs conduct financial activities for the State cooperative MPI programs, reimbursable inspection programs and the EPIP according to State and Federal laws, appropriate cooperative agreements, and applicable FSIS directives. The head of each SA:

A. Administers and enforces State cooperative MPI programs.

B. Prepares an annual budget covering the cooperative MPI programs and submits it to FRAB according to this directive.

C. Maintains complete accounting records according to State and Federal regulations.

D. Prepares and submits an annual report to the Director, FSRS, detailing program activities regarding the State Program Plan, and disclosing that the program is or is not "at least equal to" the Federal program.

E. Maintains supporting documentation to ensure that costs are allocated appropriately to benefiting activities and programs.

F. Conducts T/A activities according to FSIS Directive 5720.2 and includes all T/A program expenditures on SF-269A reports (including the 100 percent reimbursable T/A overtime actual costs to the program).

G. Maintains written procedures for the preparation and review of SF-269A reports.

H. Ensures that SF-269A reports are prepared and submitted to FRAB in accordance with this directive and the applicable Federal regulations. Ensures that all expenditures are approved and accurately claimed, including indirect costs.

I. Submits revised SF-269A reports to FRAB containing the current indirect cost rates within 90 days after a new rate has been approved.

J. Maintains written cash management procedures for minimizing the time between the transfer of funds from the U.S. Treasury and disbursement.

K. Recruits, selects, employs, trains, and compensates State personnel according to State laws. (See FSIS Directive 5720.2.)

L. Assigns and supervises the State-employed personnel needed to conduct inspection and other necessary services.

M. Ensures nondiscrimination in all aspects of the programs regardless of their race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, protected genetic information, political beliefs, reprisal, or source of income.

N. Ensures that an audit of the SA is conducted according to OMB Circular A-133 and submits a copy of each completed A-133 audit to the Single Audit Clearinghouse.

O. Provides assistance and documentation to Federal and State auditors and reviewers, as required.

P. Conducts CU activities according to the CU agreement and FSIS Directive 5720.2 and conducts financial activities according to *A Guide for Financial Management of the Meat and Poultry Inspection Cross-Utilization Activities for State Agencies*. Requirements include:

1. Maintenance of separate CU records and audit trails to support CU expenditures and reimbursements.

2. Assurance that CU expenditures are not on the SF-269A expenditure reports but are billed to FSIS according to instructions contained in the CU guide.

3. Submission of annual CU hourly rate proposals to FRAB.

4. Maintenance of quarterly CU activity reports.

5. Submission of annual CU reports to the DO.

Q. Conducts EPIP activities according to the EPIP agreement and Title 9, CFR 590, and conducts financial activities according to *A Guide for Financial Management of the Egg Products Inspection Program for State Agencies*. Requirements include:

1. Maintenance of separate EPIP records and audit trails to support EPIP expenditures and reimbursements.
2. Assurance that EPIP expenditures are billed to FSIS according to instructions contained in the EPIP guide.
3. Submission of annual EPIP hourly rate proposals to FRAB.
4. Maintenance of quarterly EPIP activity reports.
5. Submission of annual EPIP reports to the DO.

R. Conducts CE activities according to FSIS Directive 5930.1. Conducts CE financial activities according to FRAB instructions. Requirements include:

1. Maintenance of separate CE records and audit trails to support CE expenditures and reimbursements.
2. Assurance that CE expenditures are billed to FSIS according to FRAB instructions.
3. Submission of annual CE cost proposals to FRAB.
4. Maintenance of quarterly CE activity reports.
5. Submission of annual CE reports to the District Office.

XI. **CONTACT INFORMATION**

Direct questions or concerns on the fiscal and procedural guidelines to FSIS offices, as follows:

A. **DO.** Administrative and operating assistance regarding T/A, CU, CE, and Egg Products Inspection. District office contacts are listed in the USDA, FSIS, Directory and Field Office Listing publication. Obtain copies from:

USDA FSIS
MAILDROP 5241
5601 SUNNYSIDE AVENUE
BELTSVILLE MD 20705-5241

B. **FSRS.** Administrative and operating guidance and assistance to carry out State MPI programs.

USDA FSIS OFO FSRS
WEST END COURT ROOM 329
WASHINGTON DC 20250
Telephone Number: (202) 418-8900

C. **FRAB.** Financial/accounting activities. Onsite fiscal reviews, indirect cost rates and audit follow-up and resolution activities, all budget related issues, SF-269A approvals, the cooperative MPI program, T/A, CU, CE, and EPIP financial policy and procedural activities, and cash management activities including LOC drawdowns, payments and collections.

USDA FSIS FMD FRAB
MAILDROP 5264
5601 SUNNYSIDE AVENUE
BELTSVILLE MD 20705-5264
Telephone Number: (301) 504-5887

PART TWO—BUDGET AND ACCOUNTING REQUIREMENTS

Section One—Budgetary Guidelines

I. BACKGROUND

State agencies participating in the cooperative MPI programs (SFCIP and FSCIP) must furnish specified budget information to FSIS prior to receiving Federal funds. The FRAB issues an annual budget call letter, and in response, SAs submit budget requests to FRAB. All MPI program expenditures covering direct and indirect costs are reported to FSIS on the SF-269A and SAs receive funds for cooperative MPI program expenditures, as needed, using an LOC. FSIS further requires the submission of a tracking report (Attachment 3-2), concurrent with each LOC draw to assure that payments are credited to the appropriate funding sources. (See Part Three.)

II. BUDGET ALLOCATION REQUEST GUIDANCE

Budget requests for the MPI Program are submitted to the FRAB annually. SAs participating in the cooperative MPI programs prepare required forms and supplementary cost information to project Federal FY costs for October 1 through September 30 of the following year.

A. **Annual Call Letter.** The FRAB provides an annual call letter (including the budget submission due date) to each program recipient containing requirements and instructions applicable to the SA budget request.

B. **Budget Submission Guide.** FRAB's *A Guide for the Preparation of the Cooperative Meat and Poultry Inspection Program Budget Submissions* provides detailed requirements for budget submissions.

C. **Supporting Documentation for Budget Changes.** SAs must justify the reasons for changes in the annual budget request. A narrative statement should be included to explain expenditure changes of 10 percent more or less than the previous budget request or other expenditure projection. (See Attachment 2-1 for additional requirements).

III. APPROVAL OF BUDGET ALLOCATION

A. **Approval.** The Assistant Administrator, OM, with concurrence from the Assistant Administrator, OFO, approves the SA budget allocation.

1. Approval of the budget allocation constitutes approval of all items in the budget **unless** exceptions are indicated.

2. FSIS may contribute up to 50 percent of the shared cost portion of the program, and 100 percent of the reimbursable T/A overtime for which FSIS bills the plants, unless the States are otherwise notified.

3. FSIS provides SAs with approved allocations.

B. Revisions. FSIS uses information submitted by SAs on quarterly SF-269A reports and SA expenditure projections, as a basis for determining adjustments to the allocations and redistribution of Federal funds.

1. The Chief, FRAB, determines when the approved allocations should be revised and requests the SAs to provide revisions.

2. The SAs should submit revised expenditure projections, as necessary to the FRAB. The revised budget request should follow the instructions in *A Guide for the Preparation of the Cooperative Meat and Poultry Inspection Program Budget Submissions*.

IV. **CERTIFICATION REQUIREMENTS**

A. Annual certifications. SAs are requested to provide signed certifications to FSIS annually. The annual certifications include the following:

1. Cooperative Agreement Renewal (FSIS Form 2630-9).

2. Certification Regarding Drug-Free Workplace Requirements (Form AD-1049).

3. Certification Regarding Debarment, Suspension, and Other Responsibility Matters-Primary Covered Transactions (Form AD-1047).

4. Certification Regarding Lobbying.

5. Certification Regarding Civil Rights Compliance of State Inspection Programs (FSIS Form 1520-1).

B. Semi-annual certifications are required to certify that specific employees work on a Single Federal Award. The certifications should be maintained and made available for Federal and State reviewers and auditors. The SA prepares a statement or declaration regarding the employee(s) single Federal award position and:

1. The employee dedicated to a single Federal award or the supervisory official with personal knowledge of the employee's work signs the certification.

2. The SA prepares written procedures for semi-annual certifications.

3. The SAs should keep semi-annual certifications on file for at least three years.

V. **OTHER SPECIAL REQUIREMENTS**

A. **T/A Plants.** States providing T/A inspection must attach the following information to the SF-424A (Attachment 2-3):

1. The number of T/A personnel performing inspection at Federally inspected plants.
2. Total salary amount for T/A inspection personnel.
3. Staff years. (**NOTE:** A staff year is an individual's full-time workload for a full year.)
4. Estimated overtime costs.
5. A listing of T/A plants, including name and plant number.

B. **State Training Program.** Training requirements for State program employees must be flexible to allow for the varying needs of individual States while the States should plan training and development programs that are "at least equal to" those provided for employees in the Federal MPI program. (See FSIS Directive 5720.2.)

C. **Ethics and Conduct.** States must meet requirements equal to the Federal inspection program as covered in FSIS Directive 4735.3.

D. **CE Status.** The qualification for CE status is defined in FSIS Directive 5930.1, which requires that the Federal review of operations be performed based on risk.

E. **Contract Veterinarians.**

1. Contract veterinarians employed in supervisory or inplant Veterinary Medical Officer positions must receive training **equivalent** to Federal veterinarians in similar positions.
2. Contract veterinarians should not be hired to make veterinary dispositions where a conflict of interest may arise. Conflict of interest is covered explicitly in Federal employment rules. State inspection programs are considered "at least equal to" the Federal program when similar conflict of interest prohibitions are enforced.

VI. **(RESERVED)**

Section Two—Accounting Guidelines

VII. GENERAL REQUIREMENTS

A. General accounting policy guidelines and basic requirements are recommended to:

1. Assist SAs in maintaining proper control of Federal funds.
2. Expedite reviews of State accounts conducted by FSIS and other Federal, State, and independent auditors.

B. These guidelines provide the minimum requirements for accounting and related fiscal operations applicable to FSIS funds for use with the State accounting systems.

C. The SA provides a copy of this directive to the Comptroller or Fiscal Officer of the State department or office. MPI program State officials should request guidance from the State Comptroller or Fiscal Officer to develop and maintain adequate and complete records of program costs reconcilable to related control accounts.

VIII. ACCOUNTABILITY FOR PROGRAM EXPENDITURES

A. The SA must maintain records in sufficient detail to demonstrate that State funds are expended according to the Federal guidelines referenced in this directive and according to the terms of the cooperative agreements.

1. Accounting records applicable to the cooperative MPI program must be maintained separately from other SA costs. **NOTE:** Costs applicable to CU activities are excludable from the State cooperative MPI program costs. See *A Guide for Financial Management of the Meat and Poultry Inspection Cross-Utilization Activities for State Agencies* for more information.

2. Expenditures for both State and Federal funds must follow the provisions of the applicable Federal and State regulations and cooperative inspection agreements.

3. Salaries and travel allowances paid to cooperative MPI inspection program employees must be consistent with those paid to other State employees, within the same State, working on other State programs.

B. An SA making payments to a city or local governmental unit for inspection activities should require, as a minimum, a yearly budget submission and quarterly cost reports. The local government agencies may use the same Federal forms to report to SAs.

IX. ACCOUNTING BASIS

FSIS prefers that SAs report program outlays and program income on an accrual or modified accrual basis. FSIS will not require the SA to convert to the accrual system if the State's accounting system and normal recordkeeping systems are maintained on other than an accrual basis. The SA may develop accrual information through analysis of available documentation. The SA must document all modifications from other than accrual to the accrual method of accounting for program expenditures and receipts. In addition, the SA is responsible for providing an audit trail of all cost adjustments for review and audit purposes.

X. CONTROL ACCOUNTS FOR FEDERAL AND STATE FUNDS

A. The SA should establish proper fund control accounts within the State's accounting system.

1. The SA is not required to establish a separate bank account for the deposit of program funds.

2. The SA should maintain only the **minimum** FSIS funds needed for immediate disbursements.

B. The State may appropriate funds specifically for the cooperative MPI inspection program or it may include the State's share of program funding in the total funds appropriated to the State Department of Agriculture or other SA responsible for the inspection program.

XI. STATE AGENCY SUBSIDIARY ACCOUNTS AND RECORDS

A. The State's financial requirements should be followed and, as necessary, financial management procedures should be established to ensure that internal controls are proper, efficient, and effective. At a minimum, accounting information should be detailed to include:

1. Classification of goods and services by category. (**EXAMPLES:** Contractual, travel, equipment, laboratory services.)

2. Date of purchase, document references, cost, and payee.

3. Authorization, obligations, unobligated balances, assets, outlays and income.

B. Documentation should be maintained to support all MPI program transactions including canceled checks, paid bills, payrolls, contracts, sub-grant awards, and liabilities. The SA should assure that:

1. Proper accounting codes are on source documents.
2. Entries regarding transactions are made to the control account at least monthly.

C. Equipment management procedures should be in place and physical inventories should be conducted to verify the existence, current use, and continued need for the equipment. The SA should assure that the following equipment information is maintained:

1. Description.
2. Manufacturers' serial numbers.
3. The Federal cost share.
4. Acquisition date and unit cost.
5. Location, use, and condition including information on the transfer, replacement, or disposal of the equipment.

D. The SA should establish procedures to ensure information is accurately accumulated and reported. (See Part Two, Paragraph XIV.)

E. Records identifying all program expenditures should be on file for a 3-year period after the submission of final SF-269A reports for the applicable FY, with the following qualifications:

1. If any litigation, claim, or audit is started before the expiration of the 3-year period, retain the records until all litigation, claims, or audit findings involving the records are resolved.
2. Retain records for non-expendable property acquired with Federal funds for 3 years after final disposition.
3. If a FRAB onsite fiscal review has not been conducted within the 3-year period, retain the financial records until the review has been completed.

XII. **CLASSIFICATION OF EXPEDITURES BY CATEGORY**

Expenditures fall into the categories direct costs or indirect costs, as follows:

A. **Direct costs** include costs specifically incurred in the performance of the program.

1. The SA ensures that indirect costs in the State Department's Indirect Cost Proposal are not entered in the accounting records as direct costs or reported as such.

2. The SA assures that procedures are in place for any special Federal requirements regarding the handling and classification of direct and indirect costs. The following requirements should be noted:

a. Terminal leave costs are disallowed as direct program costs. The costs are allowable as indirect costs. **NOTE:** If terminal leave costs are part of the State's Central Services (Statewide Cost Allocation Plan), the terminal leave costs must be classified as unallowable at the departmental level. See OMB Circular A-87, Attachment B, 11.d(3).

b. Allowable travel expenses include, but are not limited to, mileage costs, per diem and actual subsistence allowances. **NOTE:** When a mileage rate is used in lieu of actual vehicle expenses, the rate should be applied consistently to the MPI program and the other SA programs. The mileage rate used for the MPI program is limited to the current Federal mileage rate.

B. Indirect costs are the SAs administrative expenses incurred for a common or joint purpose. Indirect costs may benefit more than one cost objective and may not be assignable to a particular cost objective (State or Federal program). The cooperative inspection program uses established indirect cost rates to charge a portion of the SAs indirect costs to the cooperative MPI program. (See OMB Circular A-87 and *A Guide for Preparing Indirect Cost Proposals*.) SAs desiring to claim indirect cost expenses should:

1. Develop and submit a Statewide Cost Allocation Plan to the DHHS to include the SAs central service costs in the indirect cost rate computation. **NOTE:** Central service costs allocated to a particular State department or agency can only be included in the indirect cost proposal if the costs were included in the plan approved by the DHHS.

2. Prepare an "Indirect Cost Proposal" to establish an indirect cost rate(s). The SA should:

a. Submit an indirect cost proposal within six months after the close of each FY for rate negotiation and approval. When unable to submit the indirect cost proposal by the due date, an SA should make a written request for an extension to the cognizant Federal agency.

(1) Specific instructions for submitting the Statewide Cost Allocation Plan are in the DHHS guide *ASMB C-10, A Guide for State, Local and Indian Tribal Governments*.

(2) Specific instructions for submitting indirect cost proposals are in FRAB's *A Guide for Preparing Indirect Cost Proposals*.

(3) Inquiries regarding indirect cost proposals or indirect cost rates should be addressed to the cognizant Federal agency.

b. Report indirect costs on the SF-269A report. (See Attachment 2-7, Line Item 11). Indirect costs are calculated by multiplying the approved indirect cost rate by the appropriate base.

c. Exclude indirect costs from the SF-269A expenditures when the SAs indirect cost rate has not been approved or an extension has not been granted for the State department, according to OMB Circular A-87. **NOTE:** Additionally, if the SA has no approved indirect cost rate, it should not include indirect costs on the budget submission for the cooperative MPI program.

XIII. **(RESERVED)**

Section Three—Reporting Expenditures on the Financial Status Report (Form SF-269A)

XIV. **GENERAL REQUIREMENTS**

State agencies:

A. Use the SF-269A (Attachment 2-7) to report program expenditures and supplementary financial information to FSIS on a quarterly basis.

B. Follow instructions in this directive and Attachment 2-7, and ensure that reports are accurate and consistent.

XV. **EXPENDITURES REPORTED ON SF-269A REPORTS**

A. SAs are required to submit quarterly SF-269A reports to FRAB each quarter. Expenditures for the following programs should be reported on a single SF-269A report.

1. Cooperative MPI program expenditures for which FSIS funds up to 50 percent of costs.

2. Base T/A program expenditures for which FSIS funds up to 50 percent of costs.

3. One hundred percent reimbursable T/A overtime expenditures for which FSIS funds 100 percent of costs.

B. Separate SF-269A reports must be submitted to FRAB for each FSIS Food Safety Initiative (**Example:** FAIM, Laboratory upgrades and HACCP training) receiving funding from FSIS.

1. FRAB issues specific instructions and guidelines applicable to Food Safety Initiatives' reporting and payment requirements.

2. After each Food Safety Initiative drawdown, SAs must submit a tracking report to FRAB to ensure that LOC payments are allocated to the appropriate initiative. (See Part Three and Attachment 3-2.)

XVI. PREPARING SF-269A REPORTS

A. Assure cooperative MPI program expenditures that are listed in the accounting records are checked against the actual expenditure vouchers to ensure accuracy of recorded amounts.

B. Develop SF-269A worksheets containing total program costs. (See Attachment 2-7.)

C. Reconcile program expenditures contained on the SA's official accounting records with the SF-269A worksheet and the SF-269A.

1. If the SF-269A report is prepared on a cash basis, the total amount of unpaid obligations for the program is shown, including unpaid obligations to sub-grantees.

2. If the report is prepared on an accrued expenditure basis, show only the amount of undelivered orders and similar outstanding obligations. Do not include an amount from Section 10, Lines a, b, and c, of the SF-269A report as an unpaid obligation.

XVII. SUBMITTING SF-269A REPORTS

The SA:

A. Submits the original SF-269A to FRAB. The FRAB approving official obtains additional Federal officials' signatures, processes the document, and maintains expenditure records and files.

B. Submits the SF-269A within 30 days after the end of each quarter:

QUARTER ENDS	YEAREND	DUE
December 31		January 31
March 31		April 30
June 30		July 31
September 30		October 31
	Final	December 31

C. Submits written requests for an extension to FRAB when unable to submit the SF-269A by the due date. The request should include the:

1. Date the report will be submitted.
2. Reason for late submission.

D. Retains a copy of the SF-269A.

E. Revises SF-269A reports to reflect changes to indirect cost rates and submits the reports to FRAB within 90 days of the date contained on the indirect cost negotiation agreement. **NOTE:** When the new indirect cost rate affects prior year reporting periods, revise only the "final" report for each FY.

XVIII. **(RESERVED)**

Section Four—Cooperative Inspection Program Services

XIX. **SERVICES RENDERED UNDER THE FMIA AND PPIA IN STATE PLANTS**

A. **SFCIP-Cooperative MPI Program (50/50) Shared Costs.**

1. FSIS provides funding for the State cooperative MPI Program up to 50 percent of allowable direct costs and applicable indirect costs.

2. Inspection services are performed by State employees, applicable costs are paid through the SAs accounting system, and the SA reports the program expenditures to FRAB on the SF-269A.

3. The SA obtains up to 50 percent of allowable program costs from FSIS through the LOC payment method. (See Part Three.) **NOTE:** When FSIS agrees to perform services or make purchases for an SA, FSIS bills the SA for 100 percent of costs. The SA should assure that the total costs applicable to the FSIS purchases/billings flow through the SAs accounting system.

B. **Excludable Inspection Services.** If the SA bills plants for overtime and holiday services, the overtime or holiday costs are excludable (including the value of compensatory time). The SA will not include the costs on the SF-269A report. **NOTE:** An SA should not bill plants for inspection services performed during State employees' regularly scheduled basic tour of duty.

C. **Allowable Program Overtime and Holiday Services.** If a State does not bill plants for overtime and holiday services (including the value of compensatory time in lieu of overtime pay), the SA should include the costs on the SF-269A report as program expenditures for cost-sharing purposes.

**XX. SERVICES RENDERED UNDER THE FMIA AND PPIA IN
 FEDERALLY INSPECTED PLANTS**

A. FSCIP-T/A Overtime 100 Percent Reimbursable Program. FSIS Directive 5720.2 provides policies, procedures, and the eligibility criteria for the T/A activities. Under a T/A agreement, an SA may claim hours of service performed in a Federally inspected plant at 100 percent of costs when:

1. The hours are documented on FSIS Form 5110-1 (Attachment 2-8) and qualify as hours that FSIS will bill the plant.
2. A State employee performs overtime (works in excess of the regularly scheduled basic tour of duty), works on a Federal holiday; or works in a plant that is operating in overtime status.
3. Travel costs relate directly to provisions of T/A overtime or Federal holiday services. An inspector who travels in the normal course of duty to a second T/A plant and then stays on duty to cover billable establishment overtime may not include any travel costs as 100 percent reimbursement.

B. Allowable T/A Overtime Expenditures. Allowable T/A overtime costs are reimbursable at 100 percent for direct actual costs and applicable indirect costs. This includes direct salaries, base hours or overtime hours, related fringe benefits, and any other expenses directly attributable to the services provided. **EXAMPLES:**

1. When a Federal holiday falls on an employee's non-workday, Federal policy provides an "in lieu of" or alternative day for observing the holiday. FSIS issues annual instructions designating alternative Federal holidays. Costs for T/A inspection services provided on a Federal holiday or the designated alternative holiday may be claimed at 100 percent reimbursement.
2. Federal holidays for the purpose of billing plants for inspection services are:

FEDERAL HOLIDAY	DAY
New Year's Day	January 1
Martin Luther King's Birthday	The third Monday in January
Washington's Birthday	The third Monday in February
Memorial Day	The last Monday in May
Independence Day	July 4
Labor Day	The first Monday in September
Columbus Day	The second Monday in October
Veterans' Day	November 11
Thanksgiving Day	The fourth Thursday in November
Christmas Day	December 25

3. The hours a State employee works during a State holiday (but not a Federal holiday) are **not** reimbursed at 100 percent and FSIS will not bill the user. FSIS Form 5110-1 should not be used.

4. The plant must operate during hours outside the plant's approved operating schedule or on a designated Federal holiday or alternate holiday and the inspector performing the service should be in overtime status according to the SAs pay plan. An inspector may, however, receive base pay under the State's payroll system, while performing 100 percent T/A overtime when:

a. Services are performed on a Federal holiday but the holiday is not recognized as a State holiday.

b. The inspector has not met the overtime requirements based on the SAs payroll system.

c. The employee is operating within the scheduled tour of duty and the Federally inspected plant is operating in overtime status, requiring the completion of Form 5110-1. **NOTE:** Form 5110-1 should always be completed when 100 reimbursable T/A overtime services are performed.

C. Documentation and Reporting Requirements for T/A Overtime.

1. SAs should maintain a separate file containing quarterly and fiscal 100 percent reimbursable T/A overtime expenditures.

2. The SA maintains and forwards quarterly T/A overtime reports to the appropriate DO. The T/A overtime hours on the reports should reconcile with the T/A overtime hours that inspectors report to the DOs on Form 5110-1.

3. SAs report 100 percent reimbursable T/A overtime costs on the SF-269A and obtain payment through LOC drawdowns.

4. The Federal share of outlays on the SF-269A (Item 10.c) should include the 100 percent reimbursable T/A overtime costs. **NOTE:** SAs should forward a tracking report (Attachment 3-2) to FRAB via e-mail concurrent with each draw upon the LOC. Separate instructions are issued to provide current e-mail addresses. Additional tracking report distribution requirements may be issued under separate cover.

5. The "Remarks" section of the SF-269A (Item 12) should include the current and cumulative amount of 100 percent reimbursable T/A overtime (direct and indirect costs).

D. Compensatory Time Applicable to T/A Overtime. An SA may grant compensatory time to its employees in lieu of 100 percent reimbursable T/A overtime. The SA should:

1. Document when the time was granted.
2. Identify the FSIS Form 5110-1 where shown.
3. Document the costs when the compensatory time is actually used.
4. Record the compensatory time expenditure on the SF-269A after it is used and paid.

XXI. **(RESERVED)**

Section Five—Fiscal Reviews and Audits

XXII. ONSITE FISCAL REVIEWS

FRAB conducts periodic onsite fiscal reviews of each State's cooperative MPI program (presently once every three years). The reviews determine the sufficiency of the financial systems, records, reports and procedures used to account for the cooperative inspection program's expenditures.

A. The SA provides office space, documentation and assistance, as required, to FRAB personnel. FRAB provides a list of required items prior to each onsite visit. The SA provides:

1. Accounting records and all required supporting documentation to verify that costs are charged to the program following Federal and State regulations.
2. Information regarding Federally required audit reports, actions taken as a result of audits, and action plans to resolve audit findings.
3. Copies of regulations, procedures and other documentation to ensure the SAs compliance with Federal and State internal control guidelines.

B. FRAB's review assures that costs claimed by the SA are allowable and properly accounted and that appropriate internal control mechanisms comply with the guidelines. The review includes:

1. Reconciliation of the State's official accounting records to SF-269A reports and review of source documents.
2. Audit follow-up activity. (FRAB assures the resolution of OMB Circular A-133 audit findings.)
3. Limited internal control reviews.

XXIII. **AUDIT REQUIREMENTS**

A. The SA:

1. Ensures that an independent audit is conducted according to the Single Audit requirement of OMB Circular A-133 for all programs having Federal program funding of \$500,000 or more.

2. Submits a copy of each A-133 audit report to the Single Audit Clearinghouse.

B. The Office of the Chief Financial Officer, USDA issues OMB Circular A-133 audit reports to the USDA Headquarters OIG or ICS. The reports are further assigned to FRAB to:

1. Review the recommendations in the A-133 audit reports and determine if additional actions are needed to resolve the issues.

2. Follow up with the SA on findings and recommendations and to provide assurances that all corrective actions are completed.

C. OMB Circular A-133 audit follow-up resolution responsibilities may be assigned to another Federal agency if that agency provides the preponderance of funds to the SA.

BUDGET SUBMISSION GUIDELINES

I. GENERAL INSTRUCTIONS

The SA:

- A. Includes costs applicable only to the appropriate FY.
- B. Rounds figures to the nearest whole dollar.
- C. Excludes costs for the following services:
 - 1. Costs incurred during CU services for which the State bills FSIS at 100 percent.
 - 2. Costs for which the State is reimbursed 100 percent by industry in performing voluntary or overtime inspection service.
- D. Uses only the established fixed/provisional rate from the most recently approved Indirect Cost Rate Negotiation Agreement. Applies the indirect cost rates to the base costs specified in the latest negotiated agreement. Only current rates in effect are accepted.
- E. Refers to the budget requirements and definitions contained in this directive and *A Guide for the Preparation of the Cooperative State Meat and Poultry Inspection Program Budget Submission* (the Budget Submission Guide) when reporting costs on SF-424A, Section B.
- F. Forwards the Budget Submission and adjustments to FRAB upon request or as needed. See Part One, Subparagraph XI. C.

II. BUDGET SUBMISSION FORMS

Guidelines for completing:

- A. **FSIS Forms 5720-4 (Attachment 2-5) and 5720-5 (Attachment 2-6).** Complete and submit two of each set. Label the first set "Current Year Estimate" and enter annual cost data for the current year. Label the second set "Budget Year Request" and enter annual budget data projected for the Budget Year. **NOTE:** Show positions other than full-time permanent as "FTE" on FSIS Form 5720-5. **EXAMPLE:** A part-time employee working 30 hours per week for the year equals 0.75 FTE. See FSIS Directive 5720.2 for additional guidance.
- B. **SF-424 (Attachment 2-2), SF-424A (Attachment 2-3), and SF-424B (Attachment 2-4).** Complete after FSIS Forms 5720-4 and 5720-5 are completed. The amounts on the SF-424A should relate to the data contained on the FSIS Form 5720-5.

1. Specific instructions to complete the SF-424, SF-424A, and SF-424B are attached to the applicable forms. Furnish specific "Grant Program Function or Activity" information in Sections A and B of Form SF-424A for inplant, compliance, laboratory, and other activities.

2. Use the Budget Guide for assistance when reporting costs on SF-424A, Section B and for detailed budget preparation instructions.

C. Supporting Documentation for Budget Request. State agencies must justify the reasons for changes in the annual budget request. Attach justifications to the SF-424A, for funding increases and decreases. Include a narrative statement explaining expenditure changes of 10 percent more or less than the budget request and estimated expenditures. See the Budget Submission Guide for additional requirements.

1. The justification should compare and contrast current year costs, staffing, and workload with the request. Include changes in staffing and workload with the request. Include changes in staffing and workload on FSIS Forms 5720-4 and 5720-5.

2. The narrative justification statement should explain any differences in planned spending by object class. Include an explanation of pay increases, lists of one-time expenses, inflation, changes to staffing, and additional employee training required to maintain "equal to" status. When inflation factors cause an increase in an object class, provide the rate used as well as the source of the published inflation index for that object class.

EXAMPLE OF APPLICATION FOR FEDERAL ASSISTANCE, SF-424

OMB Approval No. 0348-0043

**APPLICATION FOR
 FEDERAL ASSISTANCE**

1. TYPE OF SUBMISSION: Application <input type="checkbox"/> Construction <input checked="" type="checkbox"/> Non-Construction Preapplication <input type="checkbox"/> Construction <input type="checkbox"/> Non-Construction		2. DATE SUBMITTED September 7, 2001	Applicant Identifier
		3. DATE RECEIVED BY STATE August 15, 2001	State Application Identifier
		4. DATE RECEIVED BY FEDERAL AGENCY	Federal Identifier
5. APPLICANT INFORMATION			
Legal Name: State of New Columbia		Organizational Unit: Department of Agriculture	
Address (give city, county, state, and zip code):		Name and telephone number of the person to be contacted on matters involving this application (give area code) John Doe Department of Agriculture (202) 222-2222	
6. EMPLOYER IDENTIFICATION NUMBER (EIN): 99 - 00010000		7. TYPE OF APPLICANT: (enter appropriate letter in box) <input type="checkbox"/> <ul style="list-style-type: none"> A. State B. County C. Municipal D. Township E. Interstate F. Intermunicipal G. Special District H. Independent School Dist. I. State Controlled Institution of Higher Learning J. Private University K. Indian Tribe L. Individual M. Profit Organization N. Other (Specify): _____ 	
8. TYPE OF APPLICATION: <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision If Revision, enter appropriate letter(s) in box(es): <input type="checkbox"/> <input type="checkbox"/> A. Increase Award B. Decrease Award C. Increase Duration D. Decrease Duration Other (specify): _____		9. NAME OF FEDERAL AGENCY:	
10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER: 10 - 111 TITLE: Assistance to the State for Meat and Poultry Inspection		11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT:	
12. AREAS AFFECTED BY PROJECT (cities, counties, states, etc.): State of New Columbia			
13. PROPOSED PROJECT: Start Date: 10/01/01 Ending Date: 09/30/02		14. CONGRESSIONAL DISTRICTS OF: a. Applicant: State of New Columbia b. Project:	
15. ESTIMATED FUNDING:		16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?	
a. Federal	\$ 500,000.00	a. YES. THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON: DATE _____	
b. Applicant	\$.00	b. NO. <input type="checkbox"/> PROGRAM IS NOT COVERED BY E.O. 12372 <input type="checkbox"/> OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW	
c. State	\$ 500,000.00		
d. Local	\$.00		
e. Other	\$.00		
f. Program Income	\$.00	17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT? <input type="checkbox"/> Yes If "Yes," attach an explanation. <input checked="" type="checkbox"/> No	
g. TOTAL	\$ 1,000,000.00		
18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT, THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED			
a. Typed Name of Authorized Representative		b. Title	c. Telephone number
d. Signature of Authorized Representative		e. Date Signed	

Previous Editions Not Usable

Standard Form 424 (REV 3-88)
 Prescribed by OMB Circular A-102

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EXAMPLE OF BUDGET INFORMATION—NON-CONSTRUCTION PROGRAMS, SF-424A

BUDGET INFORMATION — Non-Construction Programs						
SECTION A — BUDGET SUMMARY						
Grant Program Function or Activity (a)	Catalog of Federal Domestic Assistance Number (b)	Estimated Unobligated Funds		New or Revised Budget		
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)
1. Inplant		\$	\$	\$ 200,000	\$ 200,000	\$ 400,000
2. Compliance				125,000	125,000	250,000
3. Laboratory				125,000	125,000	250,000
4. Other				50,000	50,000	100,000
5. TOTALS		\$	\$	\$ 500,000	\$ 500,000	\$ 1,000,000
SECTION B — BUDGET CATEGORIES						
Object Class Categories	GRANT PROGRAM, FUNCTION OR ACTIVITY					
	(1) Inplant	(2) Compliance	(3) Laboratory	(4) Other	Total (5)	
a. Personnel	\$ 200,000	\$ 100,000	\$ 50,000	\$ 50,000	\$ 400,000	
b. Fringe Benefits	50,000	25,000	12,500	12,500	100,000	
c. Travel	50,000	35,000		15,000	100,000	
d. Equipment				50,000	50,000	
e. Supplies				50,000	50,000	
f. Contractual			50,000	50,000	100,000	
g. Construction						
h. Other	50,000	25,000	25,000	100,000	200,000	
i. Total Direct Charges (sum of 6a - 6h)					1,000,000	
j. Indirect Charges					100,000	
k. TOTALS (sum of 6i and 6j)	\$ 350,000	\$ 185,000	\$ 137,500	\$ 327,500	\$ 1,100,000	
7. Program Income	\$	\$	\$	\$	\$	

Standard Form 424A (4-88)
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ASSURANCES - NON-CONSTRUCTION PROGRAMS

Note: Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the awarding agency. Further, certain Federal awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant I certify that the applicant:

1. Has the legal authority to apply for Federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project costs) to ensure proper planning, management and completion of the project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States, and if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
4. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
5. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§ 4728-4763) relating to prescribed standards for merit systems for programs funded under one of the nineteen statutes or regulations specked in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
6. Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§ 1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. § 794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§ 6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P. L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§ 523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. 290 dd-3 and 290 ee 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. § 3601 et seq.), as amended, relating to non discrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.
7. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or federally assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
8. Will comply with the provisions of the Hatch Act (5 U.S.C. §§ 1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.
9. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§ 276a to 276a 7), the Copeland Act (40 U.S.C. § 276c and 18 U.S.C. §§ 874), and the Contract Work Hours and and Safety Standards Act (40 U.S.C. §§ 327-333), regarding labor standards for federally assisted for federally assisted construction subagreements.

10. Will comply, if applicable, with flood insurance purchase requirements of Section 102(x) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
11. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§ 1451 et seq.); (f) conformity of Federal actions to State (Clear Air) Implementation Plans under Section 176(c) of the Clear Air Act of 1955, as amended (42 U.S.C. § 7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended, (P.L. 93-523); and (h) protection of endangered species under the Endangered Species Act of 1973, as amended, (P.L. of 1968 (16 U.S.C. §§ 1271 et seq.) related to 93-205).
12. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§ 1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
13. Will assist, the awarding agency in assuring compliance with Section. 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. 469a-1 et seq.).
14. Will comply with P.L. 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.
15. Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 89-544, as amended, 7 U.S.C. 2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.
16. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§ 4801 et seq.) which prohibits the use of lead based paint in construction or rehabilitation of residence structures.
17. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act of 1984.
18. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations and policies governing this program.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL	TITLE
APPLICANT ORGANIZATION	DATE SUBMITTED

EXAMPLE OF STATE EMPLOYMENT REPORT, FSIS FORM 5720-5

STATE ASSIGNMENT AND EMPLOYMENT REPORT					
STATE: New Columbia			AS OF: (Month, Day, Year) 10/01/01		
	DESCRIPTION	AUTHORIZED	NUMBER EMPLOYED		
			FULL - TIME (FT)	OTHER THAN FT	TOTAL
HEAD- QUARTERS	Veterinary Medical Officers (VMO's)				
	Food Inspectors				
	Compliance Personnel	2	2		2
	Laboratory Personnel				
	Administrative / Clerical	2	2		2
	Other				
	SUB-TOTAL	4	4		4
	REGIONAL / AREA / DISTRICT / CIRCUIT OFFICES	VMO's			
Food Inspectors					
Compliance Personnel					
Laboratory Personnel					
Administrative / Clerical					
Other					
SUB-TOTAL		0	0	0	0
FIELD INPLANT STATE / FEDERAL <i>(Include cross-utilization FTE Staff Years.)</i>	VMO's	2		1.25	1.25
	Food Inspectors	8	7	.50	7.50
	Administrative / Clerical				
	Other	1	1		1
	SUB-TOTAL	11	8	1.75	^{1/}9.75
INPLANT FEDERAL / STATE	VMO's				
	Food Inspectors	1	1		1
	Administrative / Clerical				
	Other				
SUB-TOTAL	1	1		1	
TOTAL (Headquarters & Field)		16	13	1.75	14.75

^{1/} If this number includes FTE Staff Years for State employees working in a Federal plant on a cross-utilization basis, report the total FTE's involved in such plants, below :

SIGNATURE OF STATE DIRECTOR	DATE
-----------------------------	------

FSIS FORM 5720-5 (10/91) REPLACES FSIS FORM 5720-5 (12/86), WHICH IS OBSOLETE. USDA - FSIS

FINANCIAL STATUS REPORT, SF-269A

INSTRUCTIONS FOR COMPLETING SF-269A REPORTS

Follow all instructions contained on the back of the SF-269A except for Items 11 and 12.

A. **Item 11., Indirect Expenses.**

1. **Item 11a, Type of Rate.** Revise this data when there is a change in the indirect cost rate (regardless of type) within 90 days of the indirect cost negotiation agreement date. Revise only the “final” report when the new rate affects a prior year reporting period.

2. **Item 11b, Indirect Cost Rate.** Enter the current indirect cost rate. If the fourth quarter indirect cost rate is different from the first three quarters, enter two rates on this line item. The fourth quarter rate should be in the bottom position.

3. **Item 11c, Indirect Cost Base.** Enter the cumulative base amount. If the fourth quarter indirect cost rate is different from that of the first three quarters, the applicable base should reflect the indirect cost rate.

4. **Item 11d, Total Amount (Allowable Indirect Costs).** Enter cumulative computed indirect costs based on the applicable rate(s).

5. **Item 11e, Federal Share.** Enter the cumulative Federal share of indirect costs based on the applicable rate(s).

B. **Item 12., Remarks.** Enter current and cumulative information for indirect costs computations, T/A computations including indirect costs, equipment expenditures, and any costs that are not 50/50 shared. Provide required details in the remarks area. Use a supplementary schedule along with the SF-269A report when:

1. Revised and connecting quarterly and cumulative information cannot be **clearly** shown in the “Remarks” section.

2. Additional space is needed to provide clarification or narrative explanations.

FINANCIAL STATUS REPORT

(Short Form)

(Follow instructions on the back)

1. Federal Agency and Organizational Element to Which Report is Submitted USDA FSIS		2. Federal Grant or Other Identifying Number Assigned By Federal Agency		OMB Approval No. 0348-0038	Page of pages
3. Recipient Organization (Name and complete address, including ZIP code)					
4. Employer Identification Number	5. Recipient Account Number or Identifying Number	6. Final Report <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		7. Basis <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual	
8. Funding/Grant Period (See instructions) From: (Month, Day, Year) 10-01-00		9. Period Covered by this Report From: (Month, Day, Year) 10-01-00		To: (Month, Day, Year) 12-31-00	
10. Transactions:		I Previously Reported	II This Period	III Cumulative	
a. Total outlays		-0-	329,160.00	329,160.00	
b. Recipient share of outlays		-0-	153,580.00	153,580.00	
c. Federal share of outlays		-0-	175,580.00	175,580.00	
d. Total unliquidated obligations					
e. Recipient share of unliquidated obligations					
f. Federal share of unliquidated obligations					
g. Total Federal share(Sum of lines c and f)				175,580.00	
h. Total Federal funds authorized for this funding period				885,000.00	
i. Unobligated balance of Federal funds(Line h minus line g)				709,420.00	
11. Indirect Expense	a. Type of Rate(Place "X" in appropriate box) <input type="checkbox"/> Provisional <input type="checkbox"/> Predetermined <input type="checkbox"/> Final <input checked="" type="checkbox"/> Fixed				
	b. Rate 10.00%	c. Base 298,600.00	d. Total Amount 29,860.00	e. Federal Share 15,930.00	
12. Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation. 100% T/A Current Cumulative Equip. Current Cumulative BASE \$20,000.00 same 700.00 same RATE .10 INDIRECT 2,000.00 TOTAL 22,000.00					
13. Certification: I certify to the best of my knowledge and belief that this report is correct and complete and that all outlays and unliquidated obligations are for the purposes set forth in the award documents.					
Typed or Printed Name and Title			Telephone (Area code, number and extension)		
Signature of Authorized Certifying Official			Date Report Submitted		

NSN 7540-01-218-4387

269-202

Standard Form 289A (Rev. 7-97)
Prescribed by OMB Circulars A-102 and A-111

FINANCIAL STATUS REPORT

(Short Form)

(Follow instructions on the back)

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3. Recipient Organization (Name and complete address, including ZIP code)					
4. Employer Identification Number	5. Recipient Account Number or Identifying Number	6. Final Report <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		7. Basis <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual	
8. Funding/Grant Period (See instructions) From: (Month, Day, Year) 10-01-00		9. Period Covered by this Report From: (Month, Day, Year) 01-01-01		To: (Month, Day, Year) 03-31-01	
10. Transactions:		I Previously Reported	II This Period	III Cumulative	
a. Total outlays		329,160.00	439,630.00	768,790.00	
b. Recipient share of outlays		153,580.00	206,065.00	359,645.00	
c. Federal share of outlays		175,580.00	233,565.00	409,145.00	
d. Total unliquidated obligations					
e. Recipient share of unliquidated obligations					
f. Federal share of unliquidated obligations					
g. Total Federal share(Sum of lines c and f)				409,145.00	
h. Total Federal funds authorized for this funding period				885,000.00	
i. Unobligated balance of Federal funds(Line h minus line g)				475,855.00	
11. Indirect Expense	a. Type of Rate(Place "X" in appropriate box) <input type="checkbox"/> Provisional <input type="checkbox"/> Predetermined <input type="checkbox"/> Final <input checked="" type="checkbox"/> Fixed				
	b. Rate 10.00%	c. Base 696,900.00	d. Total Amount 69,690.00	e. Federal Share 37,095.00	
12. Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation. 100% TA: Current Cumulative Equip.: Current Cumulative BASE \$25,000.00 \$45,000.00 \$1,500.00 RATE .10 .10 INDIRECT 2,500.00 4,500.00 TOTAL \$27,500.00 \$49,500.00					
13. Certification: I certify to the best of my knowledge and belief that this report is correct and complete and that all outlays and unliquidated obligations are for the purposes set forth in the award documents.					
Typed or Printed Name and Title			Telephone (Area code, number and extension)		
Signature of Authorized Certifying Official			Date Report Submitted		

NSN 7540-01-218-4387

269-202

Standard Form 289A (Rev. 7-97)
Prescribed by OMB Circulars A-102 and A-111

FINANCIAL STATUS REPORT
(Short Form)

(Follow instructions on the back)

1. Federal Agency and Organizational Element to Which Report is Submitted USDA FSIS		2. Federal Grant or Other Identifying Number Assigned By Federal Agency		OMB Approval No. 0348-0038	Page of pages																														
3. Recipient Organization (Name and complete address, including ZIP code)																																			
4. Employer Identification Number		5. Recipient Account Number or Identifying Number		6. Final Report <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	7. Basis <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual																														
8. Funding/Grant Period (See instructions) From: (Month, Day, Year) 10-01-00		9. Period Covered by this Report From: (Month, Day, Year) 04-01-01		To: (Month, Day, Year) 06-30-01																															
10. Transactions:		I Previously Reported	II This Period	III Cumulative																															
a. Total outlays		768,790.00	439,725.00	1,208,515.00																															
b. Recipient share of outlays		359,645.00	205,562.50	565,207.50																															
c. Federal share of outlays		409,145.00	234,162.50	643,307.50																															
d. Total unliquidated obligations																																			
e. Recipient share of unliquidated obligations																																			
f. Federal share of unliquidated obligations																																			
g. Total Federal share(Sum of lines c and f)				643,307.50																															
h. Total Federal funds authorized for this funding period				885,000.00																															
i. Unobligated balance of Federal funds(Line h minus line g)				241,692.50																															
11. Indirect Expense																																			
a. Type of Rate(Place "X" in appropriate box) <input type="checkbox"/> Provisional <input type="checkbox"/> Predetermined <input type="checkbox"/> Final <input checked="" type="checkbox"/> Fixed																																			
b. Rate <input type="checkbox"/> Provisional <input type="checkbox"/> Predetermined <input type="checkbox"/> Final <input checked="" type="checkbox"/> Fixed																																			
b. Rate 10.00%		c. Base 1,096,150.00		e. Federal Share 58,357.50																															
d. Total Amount 109,615.00																																			
12. Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation.																																			
<table border="1"> <tr> <td>100% T/A</td> <td>Current</td> <td>Cumulative</td> <td>Equip.</td> <td>Current</td> <td>Cumulative</td> </tr> <tr> <td>BASE</td> <td>\$26,000.00</td> <td>\$71,000.00</td> <td></td> <td>\$550.00</td> <td>\$2,750.00</td> </tr> <tr> <td>RATE</td> <td>.10</td> <td>.10</td> <td></td> <td></td> <td></td> </tr> <tr> <td>INDIRECT</td> <td>2,600.00</td> <td>7,100.00</td> <td></td> <td></td> <td></td> </tr> <tr> <td>TOTAL</td> <td>\$28,600.00</td> <td>\$78,100.00</td> <td></td> <td></td> <td></td> </tr> </table>						100% T/A	Current	Cumulative	Equip.	Current	Cumulative	BASE	\$26,000.00	\$71,000.00		\$550.00	\$2,750.00	RATE	.10	.10				INDIRECT	2,600.00	7,100.00				TOTAL	\$28,600.00	\$78,100.00			
100% T/A	Current	Cumulative	Equip.	Current	Cumulative																														
BASE	\$26,000.00	\$71,000.00		\$550.00	\$2,750.00																														
RATE	.10	.10																																	
INDIRECT	2,600.00	7,100.00																																	
TOTAL	\$28,600.00	\$78,100.00																																	
13. Certification: I certify to the best of my knowledge and belief that this report is correct and complete and that all outlays and unliquidated obligations are for the purposes set forth in the award documents.																																			
Typed or Printed Name and Title				Telephone (Area code, number and extension)																															
Signature of Authorized Certifying Official				Date Report Submitted																															

NSN 7540-01-218-4387

269-202

Standard Form 269A (Rev. 7-97)
Prescribed by OMB Circulars A-102 and A-111

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FINANCIAL STATUS REPORT
(Short Form)

(Follow instructions on the back)

1. Federal Agency and Organizational Element to Which Report is Submitted USDA FSIS		2. Federal Grant or Other Identifying Number Assigned By Federal Agency		OMB Approval No. 0348-0038	Page of pages																																			
3. Recipient Organization (Name and complete address, including ZIP code)																																								
4. Employer Identification Number		5. Recipient Account Number or Identifying Number		6. Final Report <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	7. Basis <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual																																			
8. Funding/Grant Period (See instructions) From: (Month, Day, Year) 10-01-00		9. Period Covered by this Report From: (Month, Day, Year) 07-01-01		To: (Month, Day, Year) 09-30-01																																				
10. Transactions:		I Previously Reported	II This Period	III Cumulative																																				
a. Total outlays		1,208,515.00	452,408.00	1,660,923.00																																				
b. Recipient share of outlays		565,207.50	211,084.00	776,291.50																																				
c. Federal share of outlays		643,307.50	241,324.00	884,631.50																																				
d. Total unliquidated obligations																																								
e. Recipient share of unliquidated obligations																																								
f. Federal share of unliquidated obligations																																								
g. Total Federal share(Sum of lines c and f)				884,631.50																																				
h. Total Federal funds authorized for this funding period				885,000.00																																				
i. Unobligated balance of Federal funds(Line h minus line g)				368.50																																				
11. Indirect Expense																																								
a. Type of Rate(Place "X" in appropriate box) <input type="checkbox"/> Provisional <input type="checkbox"/> Predetermined <input type="checkbox"/> Final <input checked="" type="checkbox"/> Fixed																																								
b. Rate <input type="checkbox"/> Provisional <input type="checkbox"/> Predetermined <input type="checkbox"/> Final <input checked="" type="checkbox"/> Fixed																																								
b. Rate See Below		c. Base See Below		e. Federal Share See Below																																				
d. Total Amount See Below																																								
12. Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation.																																								
<table border="1"> <tr> <td>100% T/A</td> <td>1st-3rd Qtr.</td> <td>4th Qtr.</td> <td>Cumulative</td> <td>EQ.-</td> <td>1st-3rd Qtr.</td> <td>\$2,750</td> </tr> <tr> <td>BASE</td> <td>\$71,000.00</td> <td>\$27,000.00</td> <td>\$98,000.00</td> <td></td> <td>4th Qtr.</td> <td>600</td> </tr> <tr> <td>RATE</td> <td>.10</td> <td>.12</td> <td></td> <td></td> <td>Total</td> <td>\$3,350</td> </tr> <tr> <td>INDIRECT</td> <td>7,100.00</td> <td>3,240.00</td> <td>10,340.00</td> <td></td> <td></td> <td></td> </tr> <tr> <td>TOTAL</td> <td>\$78,100.00</td> <td>\$30,240.00</td> <td>\$108,340.00</td> <td></td> <td></td> <td></td> </tr> </table>						100% T/A	1st-3rd Qtr.	4th Qtr.	Cumulative	EQ.-	1st-3rd Qtr.	\$2,750	BASE	\$71,000.00	\$27,000.00	\$98,000.00		4th Qtr.	600	RATE	.10	.12			Total	\$3,350	INDIRECT	7,100.00	3,240.00	10,340.00				TOTAL	\$78,100.00	\$30,240.00	\$108,340.00			
100% T/A	1st-3rd Qtr.	4th Qtr.	Cumulative	EQ.-	1st-3rd Qtr.	\$2,750																																		
BASE	\$71,000.00	\$27,000.00	\$98,000.00		4th Qtr.	600																																		
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INDIRECT	7,100.00	3,240.00	10,340.00																																					
TOTAL	\$78,100.00	\$30,240.00	\$108,340.00																																					
13. Certification: I certify to the best of my knowledge and belief that this report is correct and complete and that all outlays and unliquidated obligations are for the purposes set forth in the award documents.																																								
Typed or Printed Name and Title				Telephone (Area code, number and extension)																																				
Signature of Authorized Certifying Official				Date Report Submitted																																				

11. b. 10.00% c. 1,096,150.00 d. 109,615.00 e. 58,357.50
12.00% 403,400.00 48,408.00 25,824.00

NSN 7540-01-218-4387

269-202

Standard Form 269A (Rev. 7-97)
Prescribed by OMB Circulars A-102 and A-111

SAMPLE WORKSHEET

State agencies may follow the basic format of the worksheet to compute program costs. Reconcile the worksheet to official State records, other applicable documentation, and the SF-269A reports.

STATE AGENCY _____							
SF-296A WORKSHEET (DIRECT COST BASE)							
FY _____ (OCT. 1, _____ THRU SEPT. 30, _____)							
A. Computation of Direct Program Costs	1ST QTR	2ND QTR	CUMULATIVE 1ST - 2ND QTR	3RD QTR	CUMULATIVE 1ST - 3RD QTR	4TH QTR	TOTALS
1 Expenditures per Accounting Reports	\$302,300.00	\$397,800.00	\$700,100.00	\$398,800.00	\$1,098,900.00	\$402,000.00	\$1,500,900.00
2 Additions: (Not Included in Reports) a/	2,000.00	2,000.00	4,000.00	2,000.00	6,000.00	2,000.00	8,000.00
3 Reductions: (Unallowable Program Costs) b/	5,000.00	0.00	5,000.00	1,000.00	6,000.00	0.00	6,000.00
4 Total Direct Program Costs	299,300.00	399,800.00	699,100.00	399,800.00	1,098,900.00	404,000.00	1,502,900.00
a. Less: Equipment Purchases c/	700.00	1,500.00	2,200.00	550.00	2,750.00	600.00	3,350.00
b. Direct Cost Base (A.4. - A.4.a.)	298,600.00	398,300.00	696,900.00	399,250.00	1,096,150.00	403,400.00	1,499,550.00
B. Indirect Cost Computations							
1 Direct Cost Base (A.4.b)	298,600.00	398,300.00	696,900.00	399,250.00	1,096,150.00	403,400.00	1,499,550.00
2 Indirect Cost Rate	10.00%	10.00%	10.00%	10.00%	10.00%	12.00%	
3 Allowable Indirect Costs (B.2. X B.1)	29,860.00	39,830.00	69,690.00	39,925.00	109,615.00	48,408.00	158,023.00
C. Total Program Costs (A.4. + B.3) d/	329,160.00	439,630.00	768,790.00	439,725.00	1,208,515.00	452,408.00	1,660,923.00
D. Computation of Allowable T/A Overtime:							
1 T/A Overtime Indirect Cost Base	20,000.00	25,000.00	45,000.00	26,000.00	71,000.00	27,000.00	98,000.00
2 T/A Overtime Indirect Cost Rate	10.00%	10.00%	10.00%	10.00%	10.00%	12.00%	
3 Allowable T/A Overtime Indirect Costs	2,000.00	2,500.00	4,500.00	2,600.00	7,100.00	3,240.00	10,340.00
4 Total 100% Reimb. T/A Overtime	22,000.00	27,500.00	49,500.00	28,600.00	78,100.00	30,240.00	108,340.00
E. Total Costs Eligible for 50/50 Sharing (C - D.4) e/	307,160.00	412,130.00	719,290.00	411,125.00	1,130,415.00	422,168.00	1,552,583.00
F. State's Share (50% of Line E)	153,580.00	206,065.00	359,645.00	205,562.50	565,207.50	211,084.00	776,291.50
G. Federal Share (Line D.4 + 50% of Line E) f/	175,580.00	233,565.00	409,145.00	234,162.50	643,307.50	241,324.00	884,631.50
H. Computation of Indirect Costs (Federal Share)							
1 Total Allowable Indirect Costs (B.3)	29,860.00	39,830.00	69,690.00	39,925.00	109,615.00	48,408.00	158,023.00
2 Less: T/A Overtime Indirect Costs (D.3)	2,000.00	2,500.00	4,500.00	2,600.00	7,100.00	3,240.00	10,340.00
3 Total Indirect Costs (50/50 Shared)	27,860.00	37,330.00	65,190.00	37,325.00	102,515.00	45,168.00	147,683.00
4 State Share Indirect Costs (50% of H.3)	13,930.00	18,665.00	32,595.00	18,662.50	51,257.50	22,584.00	73,841.50
5 Federal Share Indirect Costs (H.2. + H.4)	\$ 15,930.00	\$ 21,165.00	\$37,095.00	\$ 21,262.50	\$58,357.50	\$ 25,824.00	\$84,181.50

- a/ Program costs not included on the official financial reports may include items paid from the State agency's general funds.
- b/ Reductions from the amount contained on the official financial reports may include expenditure items not approved under the applicable agreement.
- c/ Indirect costs cannot be applied to equipment expenditures. Those charges are reduced here and added later as direct costs.
- d/ All allowable program costs are included on Line C (including applicable indirect costs, equipment, and T/A overtime).
- e/ Include only 50/50 shared program expenditures. Deduct all 100 percent reimbursable T/A costs (including applicable indirect costs).
- f/ Include all direct 100 percent reimbursable T/A costs and applicable indirect costs with the Federal share.

EXAMPLE OF FSIS FORM 5110-1, SERVICES RENDERED

U.S. DEPARTMENT OF AGRICULTURE FOOD SAFETY AND INSPECTION SERVICE		Executive Order 9397 authorizes the collection of the social security number for management purposes. The social security number will be used as the primary reference number in reconciling data on this form with that contained on Time and Attendance reports to ensure the correctness of billings to the industry. Employee social security numbers will not appear on the FSIS FORM 5110-1 copy provided to industry. Furnishing the social security number on this form is voluntary but failure to do so will limit the Agency's ability to ensure the correctness of billing documents.								
SERVICES RENDERED										
1. NAME OF INSPECTOR (Print) John Doe										
3. NAME OF RECIPIENT Adam's Packing Co.					4. PLANT NO. XXXX					
5. DATE		6. MEAT & POULTRY INSPECTION/IMPORT OVERTIME AND HOLIDAY	7. OTHER GOVERNMENT SERVICES				8. VOLUNTARY INSPECTION PROGRAM			
From	To		BASE		OVERTIME/HOLIDAY		BASE		OVERTIME/HOLIDAY	
FIRST WEEK	SUNDAY	7								
	MONDAY	8								
	TUESDAY	9								
	WEDNESDAY	10								
	THURSDAY	11								
	FRIDAY	12								
	SATURDAY	13								
SECOND WEEK	SUNDAY	14								
	MONDAY	15								
	TUESDAY	16								
	WEDNESDAY	17								
	THURSDAY	18								
	FRIDAY	19								
	SATURDAY	20	11	1						
A.	RATES		B		C		B		C	
	UNITS		1 1 1							
B. SERVICE IDENTIFICATION										
B1.		B2. DOCUMENT NO. 1111407075			B4. PLANT NO. XXXX		B5. DATE MO 09 DAY 20 YR 03		B8. COD AMOUNT	
C. FIXED AMOUNTS				D. ACCOUNTING CLASSIFICATION						
C1. TOTAL REIMBURSABLE		C2. TOTAL VOLUNTARY		D1. MANAGEMENT/PROGRAM CODE (Reimbursable)			D2. MANAGEMENT/PROGRAM CODE (Voluntary)			
E. MISCELLANEOUS										
E2. STATE CODE		E3. ESTABLISHMENT PHONE (Area Code) (301) 504-2000			E4. SOCIAL SECURITY NO. XXX XX XXXX			E5. FPC USE		
F. ESTABLISHMENT NAME AND ADDRESS										
F1. NAME Adam's Packing Co.					F2. FIRST LINE ADDRESS 8820 Purple Avenue					
F3. SECOND LINE ADDRESS					F4. CITY Beltsville		STATE MD		ZIP CODE 20202	
9. REMARKS										
INSPECTION SERVICES PERFORMED AS INDICATED										
Falsification of any item on this form may result in a fine of not more than \$10,000 or imprisonment for not more than 5 years or both (18 USC 1001).										
10. PLANT RECEIPT (Signature) <i>[Signature]</i>					11. INSPECTOR'S SIGNATURE <i>[Signature]</i>					
FSIS FORM 5110-1 (03/01/2000) REPLACES FSIS FORM 5110-1 (12/11/1998), WHICH MAY BE USED UNTIL EXHAUSTED.										
FINANCIAL PROCESSING CENTER										

PART THREE—LETTERS OF CREDIT

I. PURPOSE

A. This Part prescribes the method for providing Federal funds to SAs and provides cash withdrawal and management procedures for ensuring that funds are available for the Federal share of the Cooperative MPI program costs.

B. When FSIS agrees to fund up to 50 percent of the costs of a cooperative State inspection program, the SA must provide requisite budgetary information to FRAB. (See Attachment 2-1.) When the budget request is received and approved, FRAB issues a funding allocation. The SA then establishes an LOC account from which the cooperative MPI program funds are withdrawn, as needed.

II. LETTER OF CREDIT ACCOUNT

A. **General.** When the SA obligates funds in good faith to carry out FSIS programs, the LOC is irrevocable. The LOC method, which uses the DHHS Payment Management System (PMS)-SMARTLINK II, enables the SA to withdraw cash from the U.S. Treasury concurrent with and as frequently as disbursements are made by the SA. There is no time lapse between the receipt of Federal funds and disbursement.

B. **Continuing LOC.** Federal agencies use the LOC payment method if a continuing relationship with a recipient organization is expected to last for at least one year and if the annual allocation totals \$120,000 or more. FSIS uses the LOC payment method for the cooperative MPI program grant recipients, regardless of the allocation amount.

C. Completing Form SF-1199A.

1. **Prescribed Form.** The SA uses SF-1199A to submit the information needed for PMS to establish a SMARTLINK II account.

2. **Initial SF-1199A.** The SA completes Sections 1 and 2 of the initial form, and the financial institution completes Section 3.

3. **Completing and Processing SF-1199A.** An SF-1199A must be on file with FSIS, DPM, and the SA's financial institution before a "Request for Funds" is honored. (See Attachment 3-1 for instructions to complete the form.) When the form is completed:

a. The SA submits the form to FRAB and the LOC is executed by an authorized FSIS certifying officer.

b. FRAB verifies the information on the form and forwards it to the DPM.

c. DPM establishes an account and sends the SA a PMS-SMARTLINK II User's Manual, a password, and a disk by certified mail, for access into SMARTLINK II.

D. Superseding Direct Deposit Sign-Up Forms. The SA should:

1. Submit a new SF-1199A to DPM 30 days before a change occurs in the:

- a. Name or address of the SA.
- b. Entity identification, claim or payroll identification number.
- c. Depositor account number.
- d. Financial institution.

2. Request, in writing, that DPM cancel the previous SF-1199A. Enter the sub-account number on the new form.

3. Send a copy of the new SF-1199A to FRAB.

E. Requesting Funds. State agencies request allocated FSIS funds to cover current disbursements and receive the funds through the LOC method using the DHHS' PMS-SMARTLINK II. The PMS-SMARTLINK II electronically transfers FSIS funds to the SAs financial institution. The SA electronically transmits a "Request for Funds" from a personal computer or a remote terminal to the DPM.

1. **Withdrawal Requirements.** Each withdrawal requires the assigned PIN, account number, and sub-account number. (See Attachment 3-4.) Call the PMS representative for assistance.

2. **Frequency of Withdrawals.** Normally only one "Request for Funds" per day is permitted. More than one request per day may be made to meet immediate drawdown needs.

3. **Payment of the Request.** The PMS-SMARTLINK II provides Federal funds to an SA on the next business day after DPM receives the request, unless the request is rejected. Requests for funds are not processed on Federal holidays.

a. **Request Received.** If the request passes the initial edit, the message "YOUR REQUEST WAS RECEIVED" shows on the request screen.

b. **Payment Generated.** If the request passes the second edit and is approved for payment, payment is effective on the next business day.

c. **Notice of Credit.** Upon notification of receipt of funds, the SA's financial institution credits the SA's account that same day, and provides the SA with immediate notice of credit. If notice of credit is not received on the anticipated payment date, the SA contacts its financial institution to determine if a response message was received. If a response was not received, the SA notifies the LOC contacts in FRAB for appropriate action.

4. **Rejected Drawdown Request (by SMARTLINK II).**

a. The PMS-SMARTLINK II rejects the "Request for Funds" if:

(1) The SA and financial institution's identifying information does not match the related SF-1199A.

(2) The sub-account number is invalid or has expired.

(3) The requested amount exceeds available funds.

(4) The total amount requested does not equal the total of the sub-account amounts.

b. FSIS may request that DHHS withhold payments. **NOTE:** A rejection message is not provided in SMARTLINK II. The PMS representative calls the SA's representative to discuss all rejections.

5. **Refunds.** Funds in excess of immediate cash needs must be promptly refunded. Use the following refund options:

a. Offset the refund with a current request.

b. Indicate a credit (-) amount for one sub-account at the same time a debit (+) amount is requested for another sub-account (October 1 through December 31).

c. Notify the financial institution to return the **entire amount** of the request.

III. **CASH MANAGEMENT REQUIREMENTS**

A. **Determine Amount of Request.** To determine the timing and amount of the request, SAs use either of the following methods:

1. **Invoices-On-Hand Method.** Request sufficient funds to pay invoices and other payment documentation on hand.

2. **Estimation Method.** Estimate the amount of funds needed to make all payments due at the time of the deposit. This may include both invoices on hand at the time and any additional liabilities estimated as payable when funds are deposited.

B. **Disbursements.** Funds should be disbursed on the day they are received. Disbursement should include transfers or other accounting adjustments required under the SA's system to pay allowable indirect costs.

C. **Minimize Time Between Drawdown and Disbursement.** An SA should schedule drawdowns to minimize the time between the deposit of the funds in the State's bank account and the issuance of checks or warrants. FSIS does not set a minimum drawdown amount.

D. **LOC Fiscal Requirements.**

1. **Different Sub-Account Each Fiscal Year.** A different LOC sub-account number is issued for each FY. If balances remain at the end of the FY, the unexpended balance remains in the LOC sub-account until December 31 (after the close of the FY). If the SA expends allowable funds after December 31, a written request for the funds is made to FRAB and a direct payment is generated, as appropriate. A new sub-account with a different sub-account number is established for the new FY funding authorization.

2. **End of Year Drawdown Procedures.** When funding for two FY's is available (October 1 through December 31), the SA draws funds only from the correct sub-account. The PMS-SMARTLINK II can process funds from two sub-accounts at the same time. During this 3-month period, overdrawn fund repayments (credit amount) can be accomplished as long as the total amount requested is greater than zero.

3. **LOC Account Number.** The LOC account number does not change from year to year. When a new FY begins, the last two digits of the sub-account number changes to the current FY. (**Example:** 12-37-328302 becomes 12-37-328303 in FY 03.) The sub-account number identifying fund authorizations is for specific FY's. State agencies must maintain records that adequately identify amounts disbursed, expenditures, and obligations by FY.

4. **Changes to Authorization.** When the authorization increases, decreases, or closes:

a. FRAB sends a memo to FAOB with allocation adjustment information, attaches schedules identifying the applicable SAs and provides single or multiple adjustments, as appropriate.

b. FAOB enters the adjustments in the accounting system.

c. FRAB sends a letter to the affected SA containing allocation adjustment information.

E. Reporting Requirements.

1. FRAB retrieves all LOC drawdown activity applicable to the State MPI programs from the PMS daily. However, a single drawdown covers costs for several program components. **EXAMPLES:** Cooperative MPI program (funded up to 50 percent), T/A 100 percent reimbursable overtime, FAIM, etc. When more than one program is affected by a drawdown, FSIS requires supplementary drawdown reporting.

2. The supplementary schedules/tracking reports (Attachment 3-2) provide data to ensure that payments are allocated to the appropriate funding source.

3. State agencies should provide tracking reports to allocate drawdown amounts applicable to each cooperative MPI program cost component. The SA is required to develop a tracking report that provides the drawdown date, the total drawdown amount, and an allocation of the drawdown based on amounts applicable to:

- a. Inspection (base 50/50 shared program).
- b. T/A 100 percent reimbursable overtime.
- c. Laboratory upgrades.
- d. HACCP training.
- e. FAIM (categorized by amount billed by FSIS and amount of other state incurred expenses).

4. Forward the tracking report (containing current and cumulative drawdown information) to FRAB at the time of each drawdown. See Attachment 3-2. Additional tracking report distribution requirements may be issued under separate cover.

IV. CHANGE IN NAME, ADDRESS, OR BANKING INFORMATION

- A. Submit all changes in SA's name or address to FRAB in writing.
- B. When the banking information (deposit account number or financial institution) changes, the recipient:

1. Completes an SF-1199A and forwards it to:

DHHS OFFICE OF FINANCE
DIVISION OF PAYMENT MANAGEMENT
P.O. BOX 6021
ROCKVILLE MD 20852

2. Sends a copy to FRAB.

V. **LOC CONTACTS AND PMS-SMARTLINK II REPRESENTATIVES**

- A. **LOC Contacts.** For additional information or assistance on LOCs, contact:

USDA FSIS FMD – LOC CONTACTS
FINANCIAL REVIEWS AND ANALYSIS BRANCH
MAILDROP 5264
5601 SUNNYSIDE AVENUE
BELTSVILLE MD 20705-5264
Telephone Number: (301) 504-5887

- B. **PMS-SMARTLINK II Representatives.** For assistance, call the DHHS Account Representative for FSIS Cross Servicing at (301) 443-9205 or the PMS Help Desk at (301) 443-4854. The mailing address is:

DHHS OFFICE OF FINANCE
DIVISION OF PAYMENT MANAGEMENT
PO BOX 6021
ROCKVILLE MD 20852

For Overnight Mail Only:
11400 ROCKVILLE PIKE
7th FLOOR
ROCKVILLE MD 20852



Assistant Administrator
Office of Management

**INSTRUCTIONS FOR COMPLETING THE SF-1199A,
DIRECT DEPOSIT SIGN-UP FORM**

INSTRUCTIONS FOR COMPLETING THE SF-1199A

Section 1

- A. Type or print your organization's name, address and telephone number. Do not enter an individual's name, unless the grant was actually awarded to an individual. Forms containing any alterations to the payee name are unacceptable.
- B. Do not list an individual's name. Leave this block blank or enter the organization's name.
- C. Enter your Federal employer identification number (9 digit tax identification number issued by the Internal Revenue Service.) Do not enter a tax exempt DUNS number. **NOTE:** The form cannot be processed without this information.
- D. Mark Checking or Savings.
- E. Enter the account number where the funds will be direct deposited. **NOTE:** Do not use correction tape or fluid, or make any alterations to the account number.
- F. Check "Other" and enter the name of the awarding Federal agency.
- G. Leave blank.

Each individual with signature authority over the account where the funds will be deposited signs and dates Section 1 on the left side.

Section 2

Enter the name and address of the Federal awarding agency. Return the completed Agency copy to DHHS.

Section 3

The financial institution's representative signs the form and provides a contact telephone number. The depositor account title **MUST** be filled in and should match the payee name. Maintain the payee's copy for your records.

Revisions

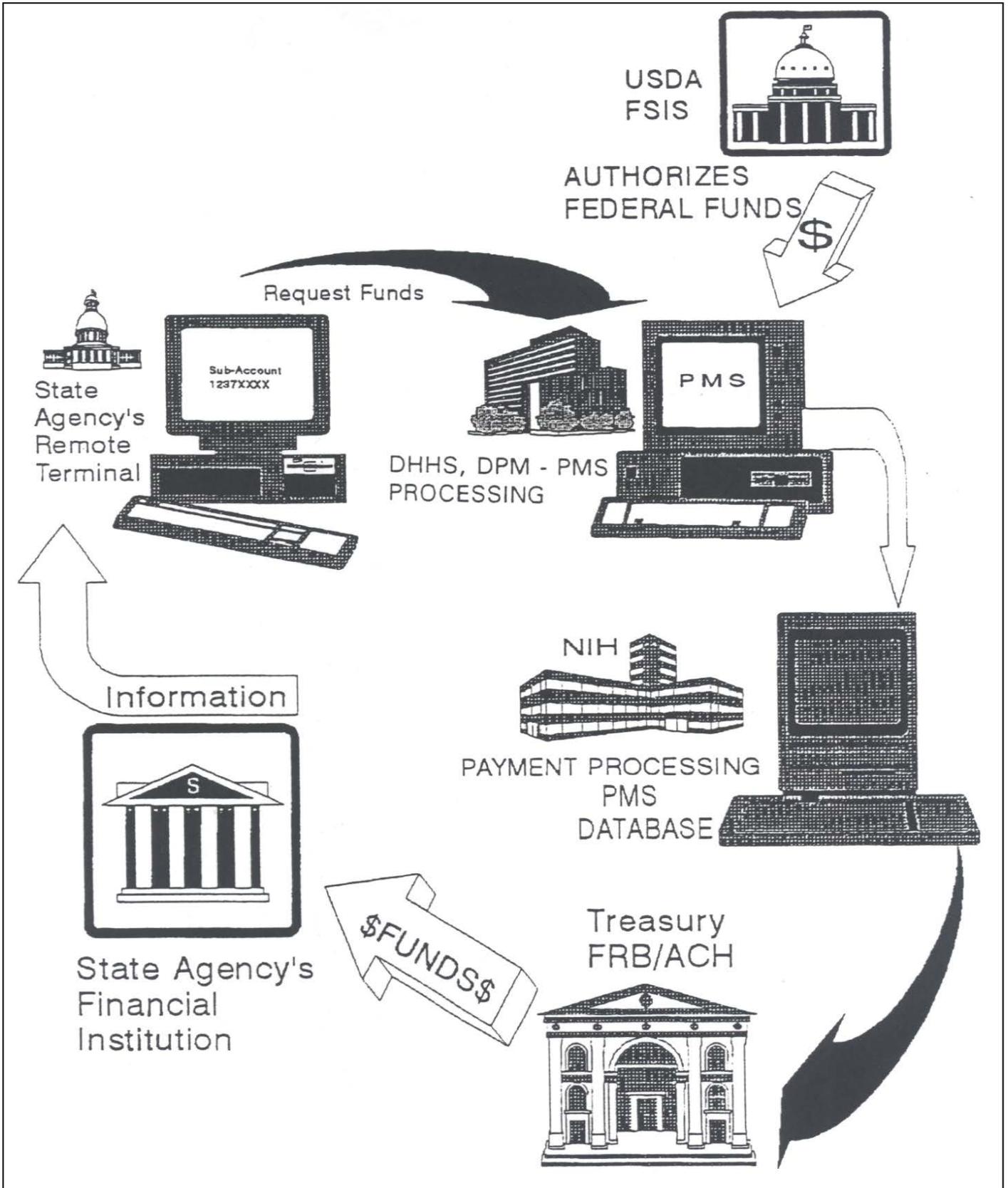
If any of the data on the SF-1199A changes, complete a new form and mail it to DHHS. You can obtain a new SF-1199A from your financial institution. **NOTE:** When sending a revised 1199A, print "Revised" on the top margin of the form and include your payment management system account number.

**SAMPLE DRAWDOWN TRACKING REPORT
FY 2004**

**STATE OF _____
DEPARTMENT OF AGRICULTURE
MEAT AND POULTRY INSPECTION PROGRAM**

Date of Draw	Total DD Amount	Base	T/A Overtime	FAIM		
		Amount	Amount	Total FAIM	Payment of Billings	Other State Expenditures
11/06/03	\$18,893.00	\$18,893.00		0.00		
11/07/03	18,859.00	18,859.00		0.00		
11/15/03	4,765.00	4,765.00		0.00		
11/21/03	31,342.00	18,842.00		12,500.00	12,500.00	
11/22/03	19,660.00	18,860.00		800.00		800.00
12/06/03	44,086.00	19,086.00	25,000.00	0.00		
12/13/03	13,088.00	13,088.00		0.00		
01/15/03	18,965.00	18,965.00		0.00		
01/16/04	22,835.00	22,835.00		0.00		
02/27/04	714.00	714.00		0.00		
02/28/04	17,945.00	17,945.00		0.00		
02/29/04	17,559.00	17,559.00		0.00		
03/04/04	45,119.00	17,619.00	27,500.00	0.00		
03/10/04	25,267.00	17,767.00		7,500.00	7,500.00	
03/13/04	7,424.00	7,424.00		0.00		
04/07/04	17,758.00	17,758.00		0.00		
04/11/04	3,531.00	3,531.00		0.00		
04/17/04	17,436.00	17,436.00		0.00		
05/25/04	17,436.00	17,436.00		0.00		
05/07/04	17,522.00	17,522.00		0.00		
06/14/04	26,104.00	4,324.00	21,780.00	0.00		
06/21/04	26,382.00	17,857.00		8,525.00	8,000.00	525.00
06/24/04	16,643.00	16,643.00		0.00		
07/06/04	18,015.00	18,015.00		0.00		
07/07/04	4,134.00	4,134.00		0.00		
07/16/04	17,592.00	17,592.00		0.00		
08/02/04	18,563.00	18,563.00		0.00		
08/13/04	18,125.00	18,125.00		0.00		
08/18/04	4,010.00	4,010.00		0.00		
09/14/04	42,687.00	18,787.00	23,900.00	0.00		
09/28/04	25,652.00	18,752.00		6,900.00	6,900.00	
09/29/04	3,879.00	3,879.00		0.00		
Totals	601,990.00	467,585.00	98,180.00	36,225.00	34,900.00	1,325.00

OVERVIEW OF PMS-SMARTLINK II PROCESS



EXAMPLE OF PAYMENT REQUEST SCREEN

SMARTLINK II-PMS PAYMENT REQUEST

PIN:

ACCOUNT NUMBER:

1. PAYMENT DUE DATE (YY/MM/DD):

2. TOTAL AMT REQUESTED:

FEDERAL CASH BALANCE ON HAND:

EXPECTED DISBURSEMENT AMOUNT:

SUB-ACCT	AMOUNT	SUB-ACCT	AMOUNT
1		2	
3		4	
5		6	
7		8	

MESSAGES:

1. Type the next business date in this area. (The cursor will automatically advance to the next field.)
2. Type the total amount of the request. (If the request for funds is for more than 8 sub-accounts, type the total for the 8 sub-accounts listed.)