

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

FSIS DIRECTIVE

1210.3
Revision 2

8/20/14

INTERAGENCY AGREEMENTS

I. PURPOSE

This directive provides the procedures for the awarding of Interagency Agreements (IAAs) between FSIS and other Federal agencies. This directive is being reissued to update and streamline the FSIS IAA process.

KEY POINTS:

- *IAAs are developed and administered according to applicable laws, rules, regulations, and guidelines*
- *Only FSIS Contracting Officers (COs) are authorized to execute IAAs that obligate FSIS funds*
- *FSIS IAAs are only executed if they are in the best interest of the Federal Government*

II. CANCELLATION

FSIS Directive 1210.3, Revision 1, Interagency Agreements, 4/11/08

III. BACKGROUND

A. IAAs are written agreements between Federal agencies where one agency transfers appropriated funds to another agency to obtain services or supplies. A signed IAA is to be in place before any fund transfers begin.

B. The most commonly used authority to develop and administer an IAA is [5 U.S.C. 1535 and 1536, The Economy Act](#). Consult the Office of Administrative Services (OAS), Procurement Management Branch (PcMB), when a more specific statutory authority does not exist for the IAA (see section VIII). COs are to carefully consider whether another authority applies to an IAA. The [Federal Acquisition Regulation \(FAR\), Subpart 17.5, Interagency Acquisitions Under the Economy Act](#), provides policies and procedures for Economy Act IAAs only. Other authorities used to enter into IAAs for supplies and services are in the following statutes:

1. The [General Services Administration Modernization Act](#), which provides authority for the Acquisition Services Fund (previously known as the General Services Information Technology Fund);
2. [The Government Management Reform Act of 1994](#), which establishes the franchise funds, such as [GovWorks](#) (Department of Interior) and [FedSource](#) (Department of the Treasury);
3. [The Government Employees Training Act](#); and
4. [The Office of Personnel Management Revolving Fund, 5 U.S.C., 1304 \(e\)\(1\)](#).

IV. GENERAL

A. Obligating Funds. The Office of the Chief Financial Officer, Budget Division (BD), is responsible for committing funds. The CO makes obligations under warrant authority. The requesting office and BD are to consider the following before funds can be obligated:

1. **Purpose.** The use of appropriated funds is subject to Federal fiscal laws ([31 U.S.C., 1301](#), [1341](#), and [1517](#)). Funds are obligated only for the purpose for which they were appropriated. This limitation is often referred to as the “purpose statute” or “color of money law.”
2. **Time.** An appropriation authorized for a certain Fiscal Year (FY) is not available for the needs of a future FY or a prior FY. This limitation is often referred to as the “bona fide needs rule” as stated in [31 U.S.C., 1502](#). An FY appropriation may be obligated only to meet a legitimate need arising in the FY for which the appropriation was made. For example, an FY 2014 appropriation is not available for a need that arose in FY 2013, nor is it available for a need that will arise in FY 2015.
3. **Amount.** An appropriation is to contain the funds available to cover the exact amount of the identified need or a reasonable estimate if the exact amount is unknown at the time that the obligation is recorded. Reimbursements to the servicing agency cannot exceed the cost of performance (i.e., agencies may not profit from IAAs).

B. Determination and Findings (D&F). The D&F is a document initiated by the program office and executed by the requesting agency CO that justifies an IAA award pursuant to the [Economy Act](#). Before procuring goods or services from another Federal agency, the CO is to ensure that:

1. The IAA is in the best interest of the Federal Government;
2. The D&F is only executed when the [Economy Act](#) applies to the IAA; and
3. The D&F is amended when there is a significant change to the IAA, such as a change in scope or price.

C. Duration of IAAs.

1. An IAA is effective from the date that it is signed by an FSIS CO and remains in effect for the period specified unless modified or terminated.
2. The CO is to ensure an IAA specifies the time period that it remains in effect, and that it may include provisions for IAA renewal for the succeeding year.
3. An IAA subject to the [Economy Act](#) where the performing agency uses its own Federal employees expires on September 30 of each year regardless of when it is awarded. In this instance, work is to cease, and funds are to be expended or deobligated because the period of availability of the funds expires on September 30. The originating program office is to ensure the new appropriated funds are sought for the succeeding year if work needs to be continued.
4. If the performing agency awards a contract to an outside source (non-government) before the end of the FY in which contracted personnel perform the work, those funds are considered obligated, and service may continue beyond September 30.

V. INITIATION OF IAAs

A. Program area officials are to submit requests for IAAs to their program area's Assistant Administrator (AA) who will request initial approval from the FSIS Administrator. The following information is to be included in a memorandum signed by the program area AA to the Administrator:

1. The servicing and the requesting agencies;
2. The amount of the IAA;
3. A description of the services being provided;
4. Any associated overhead fees;
5. Whether or not this is an existing, new, or amendment to an existing IAA; and
6. A brief benefit or impact statement to FSIS as a result of the IAA.

B. If the FSIS Administrator's office approves the request for an IAA, the program areas are to initiate the IAA process by completing the following documents and forwarding them to the program's budget analyst in BD:

1. [FMS Form 7600-A, General Terms and Conditions \(GT&C\) Section](#);
2. [FMS Form 7600-B; Order Requirements and Funding Information \(Order\) Section](#);
3. [FSIS Form 1210-10, Interagency Funds Transfer Actions](#); and
4. A Statement of Work (SOW).

C. The BD reviews all forms and the SOW and completes the following actions:

1. Reviews for accuracy all accounting information provided in the required forms;
2. Certifies fund availability for each IAA obligation to prevent exceeding allocations;
3. Ensures all financial codes are accurately provided on the [FMS Form 7600-B](#); and
4. Assigns the IAA number.

D. The BD forwards the completed IAA package to the OAS CO, who will ensure that all the necessary approvals and IAA documents are present, including the D&F for all Economy Act IAAs. OAS maintains the official copies of all IAAs once they are completed and monitors the performance of all IAAs once they are in place.

E. Once the servicing agency and the OAS CO have signed the IAA, it can be sent to the Financial Management Division (FMD) for entry into the Financial Management Modernization Initiative (FMMI) system and to obligate funds.

VI. MODIFICATION OF IAAs

Program areas are to make any modifications to an IAA on the [FMS Form 7600-B](#) and submit the form to the program's budget analyst in BD. The BD is to then send the form to the OAS CO for processing and approval.

VII. YEAR END CUT-OFF DATES

OAS provides specific cut-off dates annually. The following information is provided as a guide:

1. **IAAs under the Economy Act where the servicing or performing agency uses its own personnel.** Submit IAAs to BD by July 1 of each year for processing to ensure the award is made, and services are performed in the current FY.
2. **IAAs subject to the authority of GSA's Information Technology Fund and Franchise Funds.** Submit to BD by June 1 of each year.
3. **All Other IAAs.** For all IAAs that do not meet the conditions listed above, submit to BD no later than September 1.
4. **Renewals.** Submit all requests for IAA renewals for the next FY to BD by September 1 of each year to ensure the IAA is in place for the new FY.

VIII. QUESTIONS

Refer questions regarding this directive to the OAS, Procurement Management Branch (PcMB) at Procurement@fsis.usda.gov.



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