Interim Administrative Guidance for Multistate Extension Activities and Integrated Research and Extension Activities
Frequently Asked Questions

UPDATED 9/23/10

What's New

1. Why is the Administrative Guidance being revised?

The Administrative Guidance is being revised to address the findings and recommendations of the U.S. Department of Agriculture (USDA) Office of Inspector General Audit Report No. 13001-3-Te: "Cooperative State Research, Education, and Extension Service's Implementation of the Agricultural Research, Extension, and Education Reform Act of 1998 (AREERA)," and to clarify policies and procedures associated with these requirements.

NIFA is requiring the 1862 Land-Grant Institutions in the 50 States and the District of Columbia not computing their base percentages correctly to either select 25 percent as the Target Percentage for multistate extension activities and integrated research and extension activities or to correctly determine their base percentages based on FY97 expenditures. In FY 2000, 1862 Land-Grant Institutions were provided four options for establishing a Target Percentage for these requirements: A) Target Percentage of 25 percent which will automatically waive the requirement to report the FY 1997 expenditures for multistate extension activities or integrated research and extension activities; B) Target a percentage which is two times the FY 1997 expenditures for multistate extension activities or integrated research and extension activities (commonly referred to as the FY 1997 baseline) but less than 25 percent; C) Target a percentage that is less than 25 percent (usually selected when auditable expenditure data is not available); and D) Phase-in Option C with a 3-year phase-in period. The USDA OIG determined during the audit that Options C and D did not meet the intent of the legislation and that the 1862 Land-Grant Institutions, if unable to determine their actual FY 1997 baseline percentages for multistate extension activities or integrated research and extension activities, must select 25 percent, and thus, expend 25 percent of their Smith-Lever Act funds on multistate extension activities and integrated research and extension activities and expend 25 percent of Hatch Act funds on integrated research and extension activities. Although some institutions had previously established 25 percent or a Target Percentage on actual expenditures, NIFA is requiring all institutions either to reconfirm existing Target Percentages or reset their Target Percentages by September 30, 2010.

In addition, the Interim Administrative Guidance will clarify some policies and procedures, particularly the process to requesting and processing a waiver request (*i.e.*, a reduction in the minimum percentage required to be expended on multistate extension activities and integrated research and extension activities).

The Interim Administrative Guidance also simplifies the annual process for determining the actual Target Percentage amounts by limiting the funds considered (*i.e.*, the regular formula allocation for Smith-Lever Act funds, and the total of the regular Hatch Act allocation and the Hatch MRF matching amount).

General

1. To whom does the Administrative Guidance apply?

The Administrative Guidance applies to the 1862 Land-Grant Institutions in the 50 States. The requirements of section 204 of the Agricultural Research, Extension, and Education Reform Act of 1998 (AREERA) also applies to the District of Columbia for the Hatch Act funds only.

2. Why was this Administrative Guidance developed?

This Administrative Guidance was developed to implement sections 105 and 204 of AREERA.

3. What was the intent of sections 105 and 204 of AREERA?

The intent of section 105 of AREERA was to strongly encourage 1862 Land-Grant Institutions to address critical agricultural issues within States more effectively and efficiently by requiring institutions to expend a certain percentage of Smith-lever Act (Section 3(b) &(c)) funds on Multistate Extension Activities. In addition, as a result of not only having to commit and expend funds on these activities, but to report on them as well, NIFA is providing better accountability (i.e. showing impacts) to the Office of Management and Budget (OMB) and to Congress. In FY 2000 and thereafter, NIFA is able to report the impact of this legislation by comparing the current level of expenditures on Multistate Extension Activities with the fiscal year (FY) 1997 levels and by evaluating the success of the Multistate Extension Activities supported with these funds.

The intent of section 204 of AREERA was to strongly encourage 1862 Land-Grant Institutions to address critical agricultural issues within States through an integration of research and extension activities by requiring institutions to expend a certain percentage of their Hatch Act and Smith-Lever Act (Section 3(b) & (c)) funds on Integrated Activities. This integration of research and extension activities is providing for a more timely, effective, and efficient solution to the critical agricultural issues being addressed. In addition, as a result of not only having to commit and expend funds on these activities, but to report on them as well, NIFA is providing better accountability (i.e. showing impacts) to the Office of Management and Budget (OMB) and to Congress. In FY 2000 and thereafter, NIFA is able to report the impact of this legislation by comparing the current level of expenditures on Integrated Activities with the FY 1997 levels and by evaluating the success of the Integrated Activities supported with these funds.

4. What exactly are the requirements of the Administrative Guidance?

The requirements of the Administrative Guidance is for the affected institution to establish a target percentage for meeting the requirements of sections 105 and 204 of AREERA; to commit and expend the established target percentage of Hatch Act and Smith-Lever Act (Section 3(b) & (c)) funds on Multistate Extension Activities and Integrated Activities in FY 2000 and thereafter; to provide an update to the 5-Year Plan of Work for these activities; and to report on these activities via the Annual Report of Accomplishments and Results.

5. What is due on September 30, 2010?

On September 30, 2010, for institutions required to reset their Target Percentages, you must submit Form NIFA-TARG (07/2010), Form NIFA-BASE (07/2010), and Form NIFA-PLAN (07/2010) (for FY 2011- FY 2015) to the NIFA Formula Grants Section, Awards Management Branch. For institutions reconfirming Target Percentages set in FY 2000, you must send a memo reconfirming these Target Percentages and attaching a copy of the original Form NIFA-TARG (07/2010) and, if applicable, Form NIFA-BASE (07/2010).

6. If we have any questions, who do we contact?

You may contact Brenda Barnett, Section Leader, Formula Grants Section, Awards Management Branch, at (202) 401-6520 or via email bbarnett@nifa.usda.gov on any administrative issues related to these requirements. You may contact Mary Snieckus, Policy Specialist, Policy Section, Office of Extramural Policy, at (202) 720.3842 or via email at msnieckus@nifa.usda.gov for policy issues related to these requirements.

Establishing Target Percentages

1. What is a target percentage?

A target percentage is the amount of Hatch Act and Smith-Lever Act (Section 3(b) & (c)) funds that an institution is required to expend from each annual allocation of Hatch Act and Smith-Lever Act (Section 3(b) and (c)) funds on Multistate Activities and Integrated Activities.

2. How is this target percentage established?

An institution has two options. The first option (Option A) is where the institution has already decided to commit 25 percent to Multistate Extension Activities and/or Integrated Activities in FY 2000 and thereafter. The requirement to determine the amount of FY 1997 funds that have been expended on Multistate Extension Activities and/or Integrated Activities is waived. Consequently, the submission of Form NIFA-BASE (07/2010) is not required. Option B is where an institution determines their actual FY 1997 Preliminary Baseline Percentage based on the FY 1997 expenditures for Multistate Extension Activities and/or Integrated Activities. Under Option B, the Target Percentage is two times the FY 1997 expenditures for multistate extension activities or integrated research and extension activities but less than 25 percent.

3. Are we required to reach 25 percent threshold within a certain period of time for Multistate Extension and Integrated Activities?

NO. You are not required to reach the 25 percent threshold within a certain period of time for Multistate Extension Activities and Integrated Activities unless your institution has chosen Option A, or twice the FY 1997 Preliminary Baseline Percentage for your institution is 25 percent. In those two cases, your institution would be required to meet the 25 percent threshold in FY 2011 and thereafter.

4. What are the potential consequences of not meeting 25 percent for Multistate Extension Activities and Integrated Activities?

There are no potential consequences of not meeting the 25 percent threshold for Multistate Extension Activities and Integrated Activities unless your institution has chosen Option A or your target percentage under Option B is 25 percent. In these situations, your institution could request either a pre-waiver or post-waiver from these requirements.

5. Does the target percentage for Integrated Activities at my institution have to be the same for both Hatch Act and Smith-lever Act funds?

NO. The target percentage for Integrated Activities does not have to be the same for both Hatch Act and Smith-Lever Act funds.

6. If my institution has decided that it will commit 25 percent towards Multistate Extension Activities and/or Integrated Activities, do we need to establish a FY 1997 baseline?

NO. Your institution does not have to establish a FY 1997 Preliminary Baseline Percentage and your institution is not required to submit Form NIFA-BASE (07/10).

7. If my institution is unable to provide documentation for the establishment of a FY 1997 baseline for either Multistate Extension Activities or Integrated Activities, what do we do?

You must select option A and establish 25 percent as the Target Percentage for the requirement.

8. Do all institutions need to reconfirm or resubmit their Target Percentages?

YES. All institutions must reconfirm or resubmit their Target Percentages, even if you are not changing your Target Percentage. Previously established Target Percentages will not be valid for awards starting in FY2011 and thereafter. Please use the forms updated in 2010, and not previous CSREES versions. Institutions may send separate packages from their Research Director and their Extension Director.

9. Please clarify which columns in the 1997 Baseline table to use to calculate the Target Percentages.

To determine the AREERA section 105 and 204 requirements for the funds authorized under the Smith-Lever Act, please use the last column, “Smith-Lever Funds,” and to determine the AREERA section 204 requirements for the funds authorized under the Hatch Act, please use the two columns marked “Hatch Regular Formula Funds” and Hatch Multistate Research Funds.”

10. Can our resubmitted Target Percentage be lower than the level at which it is currently established?

YES. Your Target Percentage can be lower, provided that the Institution uses the method outlined in Option A or Option B to establish it.

11. Can an Institution submit more than one NIFA-BASE Form?

YES. An institution can submit more than one NIFA Base Form (e.g., two for the Smith-Lever Act funds and one for the Hatch Act funds).

12. Can an Institution establish different Target Percentages for multstate Smith-Lever Act funds, integrated Smith-Lever Act funds, and integrated Hatch Act funds?

YES. Tthree separate percentages should be established. If appropriate, please submit together..

13. To whom do we submit the forms, and in what format?

Please send completed forms in PDF format to Brenda Barnett at bbarnett@nifa.usda.gov.

Accounting and Auditing Issues

1. Are the requirements of sections 105 and 204 of AREERA “auditable”?

YES. These requirements must be “auditable.” The establishment of the FY 1997 Preliminary Baseline Percentage and the expenditures used to satisfy the requirements of sections 105 and 204 of AREERA must be documented in accordance with standard accounting procedures.

2. One of the ways that Smith-Lever Act funds differ from Hatch Act funds is that Smith-Lever Act funds may be carried forward from one fiscal year to another. How do I account for this in establishing my fiscal year 1997 baselines? How do I account for this in meeting the requirements of sections 105 and 204 of AREERA in FY 2011 and thereafter?

In establishing your FY 1997 Preliminary Baseline Percentage, your institution would only consider the applicable expenditures with FY 1997 Smith-Lever Act funds. If your institution should carry over Smith-Lever Act funds from one fiscal year to another, your institution may consider the carryover funds as meeting the requirement for the fiscal year for which they were appropriated. Example provided below:

An institution receives their FY 2008 Smith-Lever Act allocation of $1,000,000, with a Target Percentage of 25 percent for Multistate Extension Activities. They expend $800,000 of their FY 2008 funds in FY 2008 and of that, they expend $200,000 on Multistate Extension Activities. In order to satisfy their Multistate Extension Activity requirement for FY 2008, they must expend $50,000 of their $200,000 (carryover funds) on Multistate Extension Activities in FY 2009 and thereafter.

Integrated Activities

1. In order for an activity to be considered "integrated," does the activity have to be supported by both Hatch Act and Smith-Lever Act funds?

NO. An "Integrated Activity" does not have to be supported by both Hatch Act and Smith-Lever Act funds. To satisfy the requirement under the Hatch Act, the "Integrated Activity" could be supported by Hatch Act funds (research component) and State or other funds (extension component). To satisfy the requirement under the Smith-Lever Act, the "Integrated Activity" could be supported by Smith-Lever Act funds (extension component) and State or other funds (research component).

2. Can we use "split appointments" to meet the Integrated Activities requirements under AREERA Section 204?

YES, you may use "split appointments" to identify potential integrated research and extension activities. However, the work conducted by the individual on the "split appointment" must meet the definition of "integrated." See IV.B. and V.B. of the Interim Administrative Guidance for additional information.

3. Do our integrated requirements under AREERA Section 204 need to align with the 5 Challenge Areas identified in the Agriculture and Food Research Initiative (AFRI) program?

NO. Your integrated requirements under AREERA Section 204 do not need to align with the 5 Challenge Areas identified in the AFRI Program.

Other

1. Can these multistate extension and integrated requirements be waived?

YES. These requirements can be waived on an annual basis. See III.D, IV.D., and V.D. of the Interim Administrative Guidance for additional information.

2. What are the consequences of not meeting the Target Percentages?

If your institution fails to meet the Target Percentages and fails to secure a waiver from these requirements for a specific fiscal year, the Federal formula funds equal to the difference between the Target Percentage amount and the actual percentage amount would be disallowed and would have to be repaid to the Agency.

3. Why are we being asked to submit brief activity summaries and an annual supplement to the 5 year plan of work? Isn't this redundant?

The Supplement to the Annual Report of Accomplishments and Results provides the documentation to support that the AREERA Section 105 and 204 requirements are being met since these requirements are auditable.

4. Do Institutions need to provide memoranda of agreement to document multistate activities?

NO. NIFA does not require copies of these agreements. Institutions need to be able to adequately explain how costs were allocated. The brief summaries can be helpful in establishing the nature of and participation in multistate projects and activities.