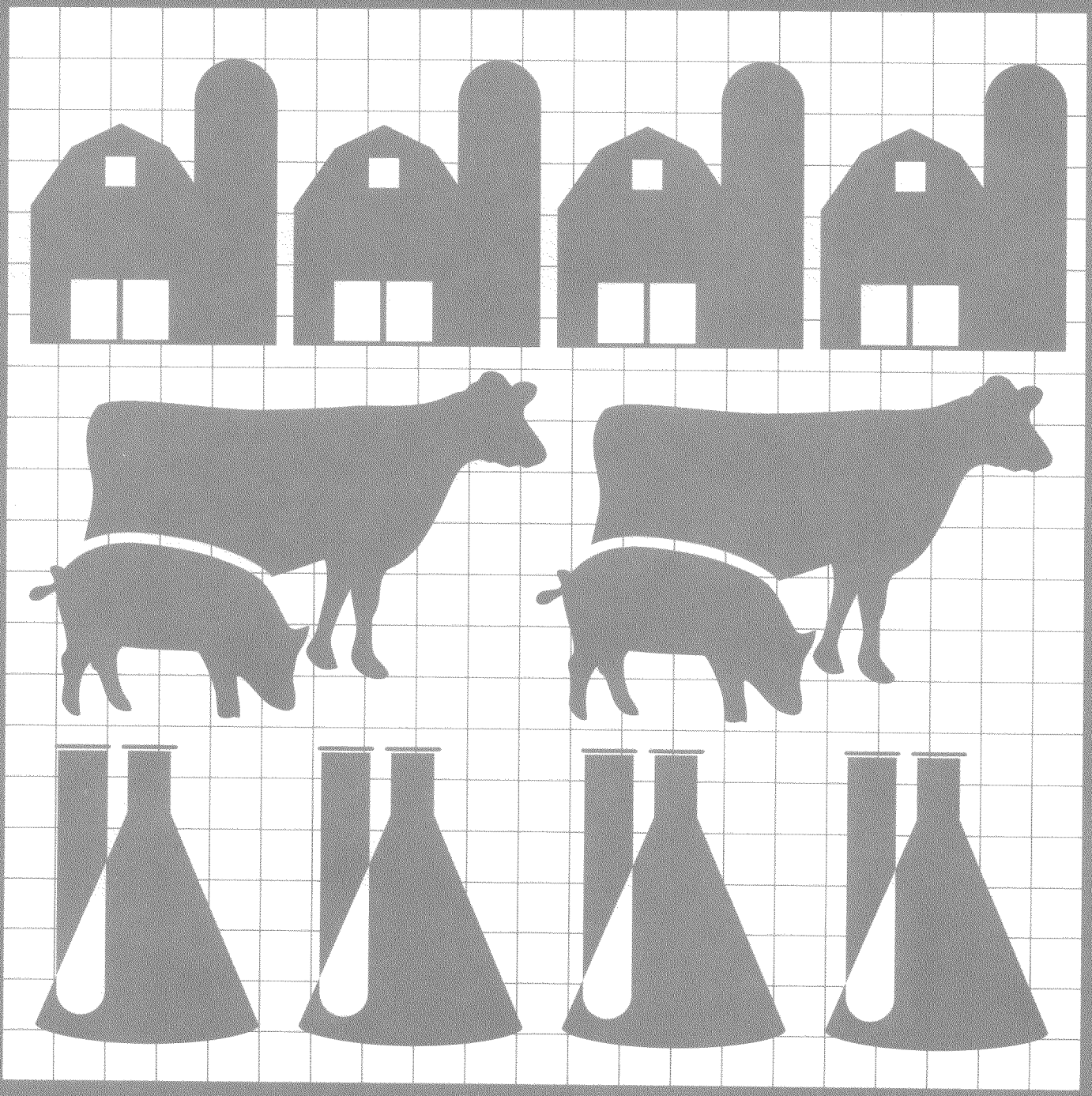
United States
Department of
Agriculture

Cooperative State
Research, Education,
and Extension Service

Administrative Manual for the Continuing Animal Health and Disease Research Program



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ADMINISTRATIVE MANUAL FOR THE CONTINUING ANIMAL HEALTH AND DISEASE RESEARCH PROGRAM

A. GENERAL REQUIREMENTS

1. Purpose

This Manual sets forth administrative guidelines governing the use of funds allocated to eligible institutions under the provisions of Section 1433 of Subtitle E (Sections 1429-1439), Title XIV of Public Law 95-113 (7 U.S.C. 3191-3201), as amended. (Appendix A). The provisions of this Manual apply only to funds distributed under Section 1433. Additional guidelines relating to such funds will be promulgated. This manual supersedes the "Administrative Manual for the Continuing Animal Health and Disease Research Program under Section 1433, Subtitle E, Title XIV, of the Food and Agricultural Act of 1977, as Amended," Cooperative State Research Service, August, 1982.

2. Applicability of General Provisions and Regulations

Except as otherwise provided herein, Section 1433 funds allocated under the Continuing Animal Health and Disease Research Program established under Subtitle E, Title XIV, Public Law 95-113, as amended are subject to the provisions of 7 CFR 3015 (Appendix B) and OMB Circular No. A-21 (Appendix E).

3. Definitions

a. The term "Administrative Project" means a component of the Eligible Institution's Research Program specifically authorizing expenditure of Animal Health funds for research planning, and other activities directly associated with effective administration and direction of the Continuing Animal Health and Disease Research Program.

b. The term "Animal Health Formula Funds" or "Section 1433 Funds" means those funds authorized for allocation by formula to the State(s) under Section 1433 of Subtitle E, Public Law 95-113 (7 U.S.C. 3195) as amended for the Continuing Animal Health and Disease Research Program.

c. The term "Animal Health Research" includes all areas described in Subtitle E Public Law 95-113 (7 U.S.C. 3191-3201), as amended.

d. The term "Animal Health Research Capacity" means the capacity of an Eligible Institution or group of institutions, to conduct animal health and disease research, as determined from (1) the scientist years (SY's) devoted to such research in the institution(s), and (2) the total funding, exclusive of Section 1433 funds, which the institution(s) commits to animal health and disease research.

e. The term "Approved Project" means a research or administrative project for which documentation has been submitted to and approved by the Cooperative State Research Service (CSRS) for the expenditure of Subtitle E funds.

f. The term "Board" means the Animal Health Science Research Advisory Board (AHSRAB).

g. The term "Continuing Animal Health and Disease Research Program" means the program authorized under the provisions of Section 1433, Title XIV, of Public Law 95-113 (7 U.S.C. 3195), as amended.

h. The term "Cooperative State Research Service (CSRS)" means an agency of the United States Department of Agriculture that administers Federal funds appropriated for forestry and agricultural research at State Agricultural Experiment Stations, Forestry Schools, 1890 Universities and Tuskegee University, and selected Veterinary Schools.

i. The term "Current Research Information System (CRIS)" refers to an automated system for storing and retrieving information on current research sponsored or conducted by the USDA, State Agricultural Experiment Stations, Forestry Schools, 1890 Institutions and Tuskegee University, Schools of Veterinary Medicine, and other institutions receiving Competitive or Special Grants.

j. The term "Dean" means the dean of an accredited school or College of Veterinary Medicine which qualifies as an Eligible Institution.

k. The term "Department of Agriculture" means the United States Department of Agriculture.

l. The term "Director" means the chief administrative officer of the State Agricultural Experiment Station.

m. The term "Eligible Institution" means an accredited school or College of Veterinary Medicine or a State Agricultural Experiment Station that conducts animal health and disease research.

n. The term "Fiscal Year" means the period of 12 months from October 1 of each year through September 30 of the following year.

o. The term "Hatch Act" means the Hatch Act of March 2, 1887, as amended, (7 U.S.C. 361a-361i).

p. The term "Legal Custodian" means the Treasurer or other officer appointed by the Eligible Institution to receive and account for all allotments of Animal Health funds.

q. The term "Letter of Authorization" means a certified authorization under which allocations of Animal Health funds are made available to an Eligible Institution for immediate disbursement needs in accordance with the provisions of Treasury Circular No. 1075.

r. The term "Matching Funds" means non-Federal funds and the value of qualified in-kind contributions made available for research as required by Section 1438 of Public Law 95-113 (7 U.S.C. 3200).

s. The term National Agricultural Research, Extension, and Teaching Policy Act of 1977, as amended, means Title XIV of the Food and Agriculture Act of 1977, 7 U.S.C. 1281, P. L. 95-113.

t. The term "Research Program" or "Animal Health Research Program" means a set of approved projects which defines the research to be conducted by an Eligible Institution with Section 1433 fund support within a given fiscal year.

u. The term "Research Project" means a component of the Eligible Institution's Research Program having specific objective(s), defined research procedures, specific date of initiation, and a projected date of completion.

v. The term "Revised Project" means a CSRS approved revision of an approved project.

w. The term "Secretary" means the Secretary of Agriculture of the United States Department of Agriculture.

x. The term "State" or "States" for purposes of the Animal Health and Disease Research Program means the 50 United States, Guam, the Virgin Islands, Puerto Rico, the District of Columbia, American Samoa, Micronesia, and Northern Mariana Islands.

y. The terms "State Agricultural Experiment Station" and "Station" mean an organization established under direction of the college or university or agricultural departments of the college or university in each State in accordance with the act approved July 2, 1862 (7 U.S.C. 301 et. seq.); or such other substantially equivalent arrangements as any State shall determine.

z. The term "State Funds" means all funds which the State makes available from non-Federal sources for animal health or disease research performed by the Eligible Institution.

aa. The term "Subtitle E" means Subtitle E (Sections 1429-1439), Title XIV of Public Law 95-113 (7 U.S.C. 3191-3201), as amended.

B. Policy

1. General

The scope of the research which may be conducted with Section 1433 funds is quite broad. It includes research to promote the general welfare through improved health and productivity of domestic livestock, poultry, aquatic animals, and other income-producing animals which are essential to the nation's food supply and the welfare of producers and consumers of animal products; to improve the health of horses; to facilitate the effective treatment of, and where possible, prevent, diseases in both domesticated and wild species which, if not controlled, would be disastrous to the United States animal industries and endanger the Nation's food supply; to minimize livestock and poultry losses due to transportation and handling; to protect human health through control of animal diseases transmissible to humans; to improve methods of controlling the birth of predators and other animals; and otherwise to promote the general welfare through expanded programs of research and extension to improve animal health.

Animal Health Research comprises basic and applied studies on infectious and noninfectious agents which impair the normal state of the living animal body and/or that affect the performance of vital functions. This includes research to improve the health

of domestic livestock, poultry, aquatic animals and other income-producing animals and to facilitate the effective prevention of diseases in both domesticated and wild animals which, if not controlled, would endanger the livestock and poultry industries.

Also included is research to minimize transportation and handling losses; monitor the suitabililty of animals and animal products for human use; protect public health through control of animal diseases transmissible to humans and improve methods of controlling the birth of predators.

Studies are classified as Animal Health Research if the studies relate directly to the health of a target livestock, poultry or aquatic animal species and includes laboratory studies, research on animal care as it relates to livestock health and well-being, investigations of metabolic diseases and reproductive diseases including endocrine dysfunctions such as anestrus. Application of molecular biology to animal health problems is included.

Limits

Research in nutrition, if no disease is produced or under study, is not included in Animal Health Research. Research on reproductive biology per se is not included. Research to improve performance is not included except as it relates to improved health.

The Animal Health and Disease (Section 1433) Research Program was enacted to address health and disease problems that exist pre-slaughter or pre-collection of animal products (pre-harvest). So-called "post-harvest" problems (post-slaughter or post-collection) of animal products are not included even though these are extremely important and closely related to pre-harvest problems.

Full Credit

The "Animal Health Research Capacity" of each participating institution must be calculated. All research in the capacity calculation does not have to be conducted in the School of Veterinary Medicine. Animal Health Research capacity of an eligible institution or group of institutions is determined from: 1. the total funding, exclusive of Section 1433 funds, which the institution(s) commit(s) to Animal Health Research and: 2. the scientist years (SY's) devoted to such research in the institution(s).

Only Animal Health Research which meets the requirement of Organized Research as defined in Office of Management and Budget (OMB) Circular No A-21 (Appendix E) is included for full or partial credit in Animal Health Research capacity calculations. Organized Research is that which is budgeted and accounted for separately. Research activities which are sponsored by federal and non-federal agencies and organizations as well as those which are separately budgeted by the institution by an internal allocation of institutional funds are included. Departmental research which is not usually budgeted and accounted for separately is considered a part of the instructional function of the institution and, as such, is not included in the Animal Health Research capacity calculations (OMB Circular No. A-21 Appendix E). For capacity calculations, Animal Health Research as defined above receives 100 percent credit.

Fractional Credit for Animal Health Research Capacity

Fractional credit is given to Organized Research which contributes to understanding

animal health problems and the development of a critical mass of scientific talent, but which does not directly address livestock disease problems. An example of this is human health-related research using animal models (comparative medicine). For projects involving research in foreign countries, that part of the research conducted in the U.S. is evaluated for Animal Health Research capacity calculations as any other research and is given partial credit in proportion to the relationship to domestic livestock disease problems and strengths which the program adds to domestic research activities. Fractional credit for Animal Health Research capacity calculations is based on the following approximate allowances:

Animal Health Research in an animal model system (research not directly involving the livestock disease or target species)	50% credit
Human health-related research in animals (Comparative medicine)	25% credit
Human health-related laboratory research	25% credit
Research on livestock diseases conducted in foreign countries	25% credit
Research on diseases of companion animals in companion animals	0% credit
Research on diseases of man in man	0% credit

Subtitle E of Public Law 95-113, as amended recognizes that it is necessary to have close coordination between colleges and universities having accredited Schools or Colleges of Veterinary Medicine and State Agricultural Experiment Stations that conduct animal heath and disease research. The Subtitle also recognizes that all of these are vital in training research workers in animal health.

Eligible Institutions are required to propose and conduct research projects supported with Animal Health funds which comply with the purposes of Sections 1402 and 1433 of the National Agricultural, Research, Extension, and Teaching Policy Act of 1977, as amended, which have relevance to the special conditions and needs of the respective States. Consideration of the priorities and objectives of the Joint Council on Food and Agricultural Sciences and the National ESCOP/CSRS Strategic Plan is to be included in the project selection process. To maximize the research effort, States and eligible institutions are encouraged to supplement Federal allotments and the required State matching funds whenever possible.

2. <u>Cooperative State Research Service (CSRS)</u>

The Secretary of Agriculture is responsible for the proper administration of the provisions of the Animal Health Program. This function has been delegated to the Cooperative State Research Service.

Among the responsibilities of CSRS are the following:

a. Issuing necessary administrative guidelines;

b. Allocating funds to the Eligible Institutions;

c. Ensuring that Section 1433 and matching funds, are utilized to carry out the purposes of the Continuing Animal Health and Disease Research Program; and

d. Providing advice and assistance to the Eligible Institutions as necessary to promote the purposes of the Continuing Animal Health and Disease Research Program.

3. <u>Animal Health Science Research Advisory Board</u>

The Animal Health Science Research Advisory Board was re-established as mandated by 7 U.S.C. 3194. The Board is a statutory committee and was extended by Section 1611 of the Food, Agriculture, Conservation, and Trade Act of 1990 until September 30, 1995. The Board consults with and advises the Secretary with respect to the implementation of animal health and disease research programs and will recommend priorities in such research.

The Board is composed of 12 members appointed by the Secretary. The committee Chairperson and Vice-Chairperson are elected by the committee from among its members. A representative of the Cooperative State Research Service serves as Executive Secretary and provides the necessary staff support for the Board. The Board is composed of the following members:

(1) A representative of the Agricultural Research Service, USDA;

(2) A representative of the Cooperative State Research Service, USDA;

(3) A representative of the Animal and Plant Health Inspection Service, USDA;

(4) A representative of the Center for Veterinary Medicine of the Food and Drug Administration, HHS;

(5) Two persons representing accredited colleges of veterinary medicine;

(6) Two persons representing State Agricultural Experiment Stations;

(7) One person representing an organization concerned with the general protection and well-being of animals, and

(8) Three persons representing national livestock and poultry organizations.

<u>Duties</u>

The Board meets at the call of the secretary to consult with and advise the Secretary with respect to the implementation of any animal health and disease research program provided for under Title 14 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977, as amended, under such rules and procedures for conducting business as the secretary may prescribe.

4. <u>Deans and Directors</u>

Research at the Eligible Institutions, supported by Section 1433 funds and related matching funds, shall be under the leadership of:

a. The Dean of the School or College of Veterinary Medicine in those Eligible Institutions having such a School or College or

b. The Director of the State Agricultural Experiment Station in those Eligible Institutions where animal health and disease research is a responsibility of administrative departments or units associated with the State Agricultural Experiment Station.

The Deans or Directors are not considered to be Federal employees for any purpose by virtue of their responsibilities under the Continuing Animal Health and Disease Research Program. They remain responsible to the head of the parent institution with which their organizational unit is affiliated.

In the administration of Section 1433 funds, CSRS shall deal directly with the respective Deans and Directors as the chief administrative officers of the Continuing Animal Health and Disease Research Program in their institutions.

Among the responsibilities of the Deans and Directors are the following:

a. Determining the research to be conducted by the Eligible Institutions using Section 1433 funds, subject to the approval of CSRS.

b. Utilizing Section 1433 funds and matching funds for carrying out the purposes of Subtitle E.

c. Complying with the rules and regulations applicable to the conduct of the Continuing Animal Health and Disease Research Program.

In keeping with the responsibilities of the respective Deans or Directors, all proposed research projects submitted to CSRS for approval of support with Section 1433 funds and all expenditures of Section 1433 funds must have the signed approval of the appropriate Dean or Director or his duly authorized agent.

5. <u>Legal Custodian</u>

Each Eligible Institution shall have a legal custodian, or other officer appointed by the governing board of the institution, to receive and account for all Section 1433 funds allocated to the institution.

On or before <u>December 31</u> of each year, the legal custodian with the approval of the Dean/Director shall report receipts and disbursements of Section 1433 funds to the Secretary of Agriculture on Standard Form 269 (Appendix L, Financial Reports) and according to 7 CFR 3015.82 (Appendix B).

C. PROGRAM ADMINISTRATION

1. Annual Research Program Development and Operations

To receive its annual allocation of Section 1433 funds each Eligible Institution must first submit its annual research program to CSRS for approval. This research program is due in CSRS by August 15 of each year for the fiscal years starting in October. An Eligible Institution's annual research program shall consist of a listing of all approved projects, including administrative projects and regional research projects which will be supported by Sections 1433 funds during the year. To facilitate this process, CSRS will provide each Eligible Institution with computer listings of 1) current projects which have received agency approval, 2) new projects currently in the approval/review process and 3) projects that have exceeded their estimated completion date but for which a termination report (CRIS Form AD-421) has not been received. The current project listing will serve as the annual research program document with the appropriate additions, deletions and/or corrections.

In addition, a certification that sufficient State funds are available to meet matching requirements of Section 1433 is required.

Upon receipt of proposed Research Programs, CSRS will review their content for compliance with the purpose of this Subtitle. An approved Research Program and an approved certification of matching funds will serve as the basis upon which Animal Health funds will be provided by Letter of Authorization. When deficiencies in a proposed Research Program are found, CSRS may approve a portion of the program thereby permitting funds to be released for the funding of the approved segment only. The balance of the Program may be approved as the identified deficiencies are corrected.

An annual Research Program may be revised at any time during the fiscal year upon written request to CSRS. In view of the continuing nature of the Animal Health and its Research Program, funds are allocated on a program basis and individual project budgets are not required to be submitted for CSRS approval. Accordingly, requirements of 7 CFR 3015.110 (Appendix B) regarding revision of financial plans are not applicable to the Animal Health Research Program. However, the following requirements must be observed:

a. All projects on which it is proposed to expend Section 1433 funds during the fiscal year should be identified on the annual Research Program.

b. The approved Section 1433 projects included in an approved annual Research Program constitute the Research Program upon which Section 1433 funds may be expended.

c. Section 1433 funds may be assigned or reassigned to approved Section 1433 projects at the discretion of the Dean or Director.

d. New projects, project revisions, or project extensions will automatically be added by CSRS to the approved Annual Research Program as of the effective date as indicated on CSRS Form 166 (Appendix O).

2. Submission and Review of Proposed Projects

a. Project Proposals

An example of a flow plan for project review and approval is found in Appendix J. Project proposals shall be written in the format set forth in Appendix F - "Essentials of a Project Proposal", and shall be supported by a certification that the project proposal was developed pursuant to the Eligible Institution's approved procedure. Project proposals may be submitted to CSRS for approval at any time.

b. Project Approval Procedures

-- Merit Review

The Eligible Institution shall have the primary responsibility for determining the need, priority, and scientific feasibility of the projects proposed. Each Research Director, therefore, shall develop a procedure, subject to CSRS approval, for project documentation, merit review, and selection. This procedure should assure that the research project proposals are scientifically sound, relevant to society's agricultural and food needs, not duplicative of efforts undertaken elsewhere, and have been evaluated in terms of the National priorities.

A merit review process for Animal Health research proposals at a participating institution should accomplish the following:

1. Ensure completeness of project proposal (all items in Appendix F should be included).
2. Evaluate relevance of the proposed research.
3. Evaluate quality and scientific value of the proposed research.
4. Consider opportunities for cooperation with other individuals or units.
5. Provide opportunity for the project leader to interact with reviewers and make adjustments as appropriate.
6. Provide CSRS with an indication, project by project, that the process was followed.

-- CSRS Review

To ensure compliance with the purposes of Subtitle E - Animal Health and Disease Research and the National Agricultural Research, Extension, and Teaching Policy Act of 1977, as amended, and to provide technical assistance where appropriate each project to be funded with Animal Health funds, including administrative projects, must be approved by CSRS before inclusion in the Eligible Institution's Research Program and expenditure of Animal Health funds thereon.

1. CSRS will review project proposals for compliance with the provisions of the Animal Health Act. CSRS will review project proposals for scientific and technical adequacy, when an Eligible Institution has not provided an adequate system for internal documentation and merit review. CSRS will also review classification coding of projects as they are approved to insure accurate identification and recording of those that address National research priorities.

2. Along with the project proposal, the following forms must be completed and submitted to CSRS:

   - transmittal letter with merit review statement
   - CRIS Form AD-416, (Appendix H)
   - CRIS Form AD-417, (Appendix H)
   - CSRS Form 662 "Assurance Statements", (Appendix I)

3. CSRS will notify the Research Director of approval or disapproval of each proposed project and of any deficiencies which preclude approval.

4. Animal Health funds may be expended on a project as of the effective date as indicated on CSRS Form 166 (Appendix O). Appropriate amendment of the Eligible Institution's Annual Research Program will be made by CSRS.

c. **Life of Project -- Extensions**

Animal Health formula funded projects will be approved for periods not exceeding five years. Eligible Institutions may extend the life of a project for not more than one year beyond the approved estimated completion date by including the project on the annual Research Program for the succeeding year, or a letter extending the project for one year.

To continue the research for more than one year beyond the approved estimated completion date, written justification for each project must be submitted. Disapproval of any proposed extension, and the reasons therefore, will be provided by CSRS to the concerned Dean or Director in writing. Upon receipt of notice of disapproval, the Dean or Director shall stop expenditure of Animal Health funds on the project.

D. FINANCIAL ADMINISTRATION

1. Planning and Direction

Section 1433 funds may be used to pay the necessary expenses of administrative planning and direction of research which is to be supported by Section 1433 funds. Separate administrative projects designed to provide for the payment of the costs of such administrative planning and direction shall be transmitted to CSRS for approval and included in the Eligible Institution's Research Program. Only accredited Schools or Colleges of Veterinary Medicine and State Agricultural Experiment Stations that conduct animal health and disease research are eligible to receive Section 1433 funds.

2. Obligations Limited to the Fiscal Year

Obligations incurred by an Eligible Institution in any one fiscal year to be paid from Section 1433 funds cannot exceed the amounts allotted to the institution for that year. Section 1433 funds are available for obligation only during the fiscal year for which appropriated. The accounts are closed for obligation on September 30. Funds obligated as of that date which represent unliquidated (unpaid) obligations remain available for one addition fiscal year after the year of appropriation for subsequent payment. Any unobligated balance shall be returned to CSRS for deposit in the U.S. Treasury.

3. Funding Provisions of Section 1433

General

Subtitle E provides for a program of continuing animal health and disease research in which funds are apportioned to the states in accordance with a formula specified under Section 1433. Key elements in a State's entitlement from this formula are its relative standing with respect to national totals of livestock value and income and the relative standing in animal health research capacity of the State's Eligible Institutions as compared to the national totals.

Section 1433 of Public Law 95-113, as amended authorizes the appropriation of funds to support continuing animal health and disease research at eligible institutions.

Funds appropriated under this section shall be used:

a. To meet expenses of conducting animal health and disease research, publishing, and disseminating the results of such research, contributing to the retirement of employees subject to the provisions of the Act of March 4, 1940 (54 Stat., 39-40, as amended; 7 U.S.C. 331).

b. For administrative planning and direction.

c. To purchase equipment and supplies necessary for conducting such research.

Apportionment of Funds

The formula for apportionment of the formula funds as specified in Section 1433 provides that:

a. Four percent shall be retained by the Department of Agriculture for administration, program assistance to Eligible Institutions, and program coordination.

b. Forty-eight percent shall be distributed among the States on the basis of each State's relative value of, and income to producers from domestic livestock and poultry as a proportion of the total value of, and total income to producers from, such livestock and poultry in all states. The Secretary will determine the values of, and income to producers from, domestic livestock and poultry based on the most recent inventory of all cattle, sheep, swine, horses and poultry published by the Department of Agriculture.

c. Forty-eight percent shall be distributed among the states on the basis of their relative animal health research capacity as a proportion of the animal health research capacity of all states. Research capacity will be determined by the Secretary on the basis of the number of scientist years devoted to animal health and disease research and the research funding base provided. To ensure research capacity credit, all research projects should be documented in CRIS.

Multiple Eligible Institutions in a State

In each State with one or more Eligible Institutions, the respective Deans and Directors responsible for the animal health research programs at the Eligible Institutions shall develop a comprehensive animal health and disease research program for the State

based on the animal health research capacity of each eligible institution in the State, which shall be submitted to the Secretary for approval and shall be used for the allocation of funds available to the State under the formula grant program.

Excess Funds

When the amount available under the formula for allotment to any State on the basis of domestic livestock and poultry values and income exceeds the amount for which the Eligible Institution or institutions in the State are eligible on the basis of animal health research capacity, the excess may be used, at the discretion of the Secretary, for remodeling of facilities, construction of new facilities, or increase in staffing, proportionate to the need for added research capacity.

New Eligible Institutions

Whenever a new College of Veterinary Medicine is established in a State and is accredited, or when a new State Agricultural Experiment Station is established, these institutions become eligible to participate in the Subtitle E program of animal health and disease research upon establishment of animal health research capacity.

Regional Colleges of Veterinary Medicine

Jointly established or supported Colleges of Veterinary Medicine serving two or more States are eligible to receive formula funds in amounts which reflect the combined relative value of, and income from, domestic livestock and poultry in the cooperating States, subject to such adjustments as to permit other Eligible Institutions to receive their proportionate share of the funds distributed by formula.

4. Matching Requirements

The matching requirements for funds allocated under Section 1433 of Public Law 95-113 are set out in Section 1438 of Public Law 95-113, as amended and reported on the Certification of Offset and Entitlement form (Appendix N).

7 CFR 3015.50-56 (Appendix B) prescribes the standards applicable to determining the allowability of cash and in-kind contributions for matching. The Animal Health program is exempt from the indirect cost provisions of OMB Circular A-21 (Appendix E). Accordingly, indirect costs are not allowable as contributions in satisfying matching requirements.

The Deans or Directors may, at their discretion, expend matching funds to support research projects approved, and/or to support other research projects and facilities which fall within the purpose of Section 1433 of Public Law 95-113, as amended. In the event that a Dean or Director elects to expend all or part of a matching funds on a research project which has not received prior approval in CSRS, the decision to do so should be supported by (1) evidence that the project has cleared the Eligible Institution's approved procedures for project documentation, scientific review, and selection, and (2) the project furthers the objectives of Section 1433 of Public Law 95-113. Matching funds may not be expended on research projects which have been disapproved by CSRS for expenditures of Section 1433 of Public Law 95-113 funds.

5. Financial Management and Accounting Operations

The standards for financial management systems applicable to the recipients of Section 1433 funds are prescribed in 7 CFR 3015.60-61 (Appendix B). Accountability for Section 1433 funds shall be based on the total annual Section 1433 formula grant program conducted by each Eligible Institution rather than on individual projects. Accordingly, respective Deans or Directors may assign or reassign Section 1433 formula funds to projects included in the institution's approved Research Program as necessary to carry out the research objectives.

Examinations in the form of audits or internal audits are required to occur not less than every two years. Generally, such examinations conducted on a university-wide basis to test the fiscal integrity of financial transactions, as well as compliance with the terms and conditions of Federal grants and other agreements, will meet the requirements of 7 CFR 3015.77 (Appendix B).

6. Payment Requirements

The standards prescribed by 7 CFR 3015.100-105 (Appendix B) shall apply to the Continuing Animal Health and Disease Research Program.

All Eligible Institutions that meet the minimum annual funding level for issuance of a Letter of Authorization will receive Subtitle E payments via the Department of Health and Human Services-Payment Management System (DHHS-PMS). A Letter of Authorization for each fiscal year's research program will be issued effective October 1, in an amount equal to the first quarter's payment. It will be amended quarterly to reflect subsequent quarterly payments in accordance with the provisions of the Animal Health and Disease Research Program Act. It may include payments authorized under other CSRS programs, in which the amounts available for each program will be specified. See Appendix K (Payment Process Smartlink II) for further information on the DHHS-PMS. Requests for payment under the DHHS-PMS should be timed to meet immediate disbursement needs. In addition, a copy of the CSRS-OD-1088, Distribution of Animal Health and Disease Funds (incorporated by reference) will be sent to all Eligible Institutions during the first quarter of each fiscal year.

7. Program Income

The standards prescribed by 7 CFR 3015.40-46 (Appendix B) are applicable to income related to projects financed in whole or in part with Subtitle E funds, except as provided below:

a. Royalties received from copyrights or patents resulting from research conducted with Section 1433 funds are not considered to be program income and represent no obligation to the Federal Government.

b. Proceeds from the sale of real and/or personal property purchased in whole or in part with Section 1433 funds should be handled in accordance with Section E of this Manual.

c. All other program income shall be retained by the Eligible Institutions and used to further Section 1433 program objectives.

d. Generally, program income resulting from Subtitle E research will not be acceptable for use as matching funds.

8. Allowable Costs

-- General

Requisitions, Vouchers, Schedules, or other evidence presented to the legal custodian for payment shall bear the signatures of the appropriate Dean or Director or his designee. The cost principles prescribed by OMB Circular A-21 (Appendix E) are applicable for determining the allowability of costs charged to Section 1433 funds except as provided below.

-- Indirect Costs and Tuition Remission

Indirect costs and tuition remission are not allowable under the Animal Health and Disease Research Program; and therefore may not be charged against Animal Health funds.

-- Joint Employment

Section 1433 funds cannot be used for paying salaries or wages for activities other than authorized research activities of the Animal Health and Disease Program as specified in the act. The distribution of salaries and wages of professorial or professional staff will be based on either a system of monitored workload or a system of personnel activity reports. The personnel-activity reports must be used for nonprofessional employees. Standards for providing auditable support for salaries and wages charged under these two systems are specified in Sections J8c and J8d of OMB Circular A-21 (Appendix E).

The institution's accounting system must be able to show allocability to a particular funded program or objective.

The monitored workload system requires a budgeted or assigned workload, modified to reflect any significant changes which occur in the workload over the reporting period. Such changes are documented and signed by a responsible official. Under this system, at least annual confirmation of reasonable changes is required. The personnel-activity system reflects an after-the-fact reporting of the percentage of activity of each employee. A personnel activity report, signed by the employee or a responsible official, is required each academic term, but not less frequently than every 6 months for professorial, and professional staff and not less frequently than monthly for other individuals.

-- Employer Contributions to Retirement Systems

Under the provisions of an Act of March 4, 1940 P. L. 422 (Appendix H, Public Law 422 7 U.S.C. 331), (Appendix F, OMB Circular A-133) employer contributions may be made to Land-Grant College Retirement systems from Section 1433 funds. Such contributions are limited to five percent of that portion of the salaries of employees paid from Section 1433 funds must be at least equaled by total contributions to the system on the part of the individuals concerned and/or the State either separately or in combination.

-- Employer Contributions to Social Security (Old Age and Survivors Insurance) and Other Faculty and Staff Benefits

Section 1433 funds may be used to pay employer contributions toward old age and survivor insurance on that portion of salary paid from Section 1433 funds to any employee subject to the Federal Insurance Contribution Act. These employer contributions may be in addition to the five percent limitation on use of Section 1433 funds for retirement imposed by the Act of March 4, 1940. Payment of employer contributions from Section 1433 funds for other faculty and staff benefits are authorized as specified in Section J-15 of OMB Circular No. A-21 (Appendix E).

-- Travel

The Department recognizes the global dimension of agriculture and the importance of international exchange of scientific information. The Department deems domestic and foreign travel to be an important part of the Animal Health and Disease research program. Approval of domestic and foreign travel is delegated to the Dean or Director.

Section 1433 funds may be used to support domestic and foreign travel that will benefit the research progress or report results of the project on which the scientist is working.

Section 1433 funds may be used to support travel of prospective employees. In cases where the prospective employee will be employed jointly on Section 1433 Research and on their activities of the eligible institution, it is expected that a fair and equitable division of travel costs will be made. Such costs may be charged directly to the research project on which the prospective employee will be engaged or to the eligible institution's approved administrative project.

-- Prohibition Against Lobbying

It is illegal for any Federal funds to be used directly or indirectly to pay for any lobbying activity. (18 U.S.C. 1913).

-- Branch Stations

Research at branch stations may be supported by Section 1433 funds if it is related to an approved project. The respective Dean or Director of the eligible institution is equally as responsible for the use of these funds as for those used as the principle location of the eligible institutions.

-- Publications

Publication and distribution costs associated with projects approved for Section 1433 funds may be paid from those funds. Where the publication is based upon more than one project and not all projects reported upon are approved for Section 1433 funds, the costs may be reasonably prorated. Expenses associated with providing editorial assistance are considered legitimate publication costs. Where an editorial staff is maintained for the purpose for providing assistance in publishing results of Subtitle E research projects and for other purposes, Section 1433 funds may be assessed a reasonable share of the common cost. The printing and distribution of only such publications as will record the research and experimental work supported by Section 1433 funds may be paid from such funds. Whenever results are published with other materials as, for instance, in annual reports of the institution, a prorated share of the cost of publication

may be charged to the Section 1433 funds. State funds used for publishing the results of animal health or disease research are acceptable for matching purposes.

-- Capital Expenditures for Special and General Purpose Equipment

CSRS, as a part of each year's program approval, delegates to the Dean or Director the authority to make capital expenditures as direct charges to Animal Health funds for special purpose equipment having a unit cost of $1,000 or more, and renovation of existing facilities and general purpose equipment.

This delegation is subject to the following provisions:

a. The Dean or Director or their designee must exercise the prior approval responsibility on an item-by-item basis.

b. The need for equipment for specific Subtitle E research determined to the satisfaction of the Dean or Director or is their designee.

c. The costs are reasonable and allocable to an approved Section 1433 project or projects within an approved program.

d. Such purchases are made in accordance with procurement policies and procedures of the institution and standards established in 7 CFR 3015.180-184 (Appendix B).

e. Procedures for management of such equipment are in accordance with the provisions of 7 CFR 3015.160-175 (Appendix B).

Capital expenditures for buildings and land are unallowable as direct charges except when approved in advance by CSRS.

9. <u>Cash Depositories</u>

The standards prescribed by 7 CFR 3015.10-13 (Appendix B) shall apply to the use of banks and other institutions as depositories for Section 1433 funds.

E. PROPERTY REQUIREMENTS

1. <u>Property Management Standards</u>

The standards prescribed by 7 CFR 3015.160-175 (Appendix B) shall apply to the continuing Animal Health and Disease Program except as provided below:

a. Title to real property purchased in whole or in part with Section 1433 funds shall vest in the State or parent university for the use and benefit of the Eligible Institution. Authority is delegated to the appropriate Dean or Director for approval of use of the real property in other projects when the Dean or Director determines that the property is no longer needed for the research program. When the real property is no longer needed for other projects, the disposition provisions cited in 7 CFR 3015.168 (Appendix B) are applicable.

b. Title to nonexpendable personal property purchased with Subtitle E funds shall be vested in the Eligible Institution upon acquisition as set forth in 7 CFR 3015.165-

166 (Appendix B) and the Eligible Institution shall have no other obligation or accountability to the Federal Government for its use or disposal, except that property must be utilized on the project for which it was purchased and the proceeds from the disposal shall be applied to further Subtitle E program objectives.

2. **Patents, Inventions, and Copyrights**

a. **Patents and Inventions**. The clause found at 37 CFR 401.14, Rights to Inventions Made by Nonprofit Organizations and Small Business Firms is incorporated by reference. Copies of this regulation can be obtained from:

Coordinator, National Patent Program
Agricultural Research Service, USDA
Room 401, Building 005, BARC-West
Beltsville, Maryland 20705

Further, this clause shall be incorporated into all subcontracts or other subawards, regardless of tier, for experimental, developmental, or other research work.

Under these provisions, the research performer may retain the entire rights throughout the world, of the invention in question. No further patent agreement is required. However, each invention must be disclosed in writing to CSRS and the Federal government shall have a paid-up license for its use of the invention.

b. **Disclosures**. Disclosure statements shall be made via the annual CRIS form AD-421 Progress Report. If applicable, enter the following information on the bottom of the form.

1. If a patent has already been issued, provide the Patent number and the issue date.

2. If a patent has been applied for but not yet issued, provide the patent application serial number and the filing date.

3. If disclosure information has not been submitted prior to the termination of the project, please include it on the AD-421 Termination Report.

c. **Central Point of Contact**.

Deputy Assistant General Counsel for Patents
Research and Operations Division
Office of the General Counsel, USDA
Room 2332, South Building
14th and Independence Avenue, S.W.
Washington, DC 20250-1400

d. **Copyrights**. The provisions of 7 CFR 3015.175(b) (Appendix B) are applicable to copyrights.

F. PROCUREMENT REQUIREMENTS

1. Procurement Standards

The standards prescribed by 7 CFR 3015.180-184 (Appendix B) shall apply to the Continuing Animal Health and Disease Research Program, with the following exception:

Departmental Regulation 7 CFR 3015.180-184 (Appendix B) requires prior approval of the sponsoring agency of any sole source contract, or one where only one bid or proposal is received, in which the aggregate expenditure is expected to exceed $5,000. The authority to exercise the CSRS's discretion in this regard is delegated to the Dean or Director. The Dean or Director may approve such contracts when the award complies with the institution's procurement policies and procedures, and the procurement standards of 7 CFR 3015.180-184 (Appendix B).

2. Bonding and Insurance

The standards prescribed by 7 CFR 3015.15-18 (Appendix B) shall apply to the Continuing Animal Health and Disease Research Program.

G. REPORTS, RECORDS, AND RETENTION

1. Program Monitoring and Reporting

The applicable standards for program monitoring and reporting are set out in 7 CFR 3015.90-95 (Appendix B). These Standards shall be applied to the continuing Animal Health and Disease Research Program as follows:

a. Eligible Institutions shall submit annual Progress Reports on CRIS Form AD-421. Reports from Eligible Institutions reporting on a calendar year are due by February 15. Reports from Eligible Institutions reporting on a Federal fiscal year are due by December 1. A report is required for each project included in the institution's approved Program for the Federal fiscal year.

b. A Termination Report, CRIS Form AD-421, shall be submitted to CSRS for each completed or terminated Animal Health project. Such reports shall be submitted at the same time as are progress reports on active projects and should include a brief summary of accomplishments for the entire life of the project. For those projects completed or terminated too late for inclusion with the annual progress reports, the final reports should be submitted with the annual Research Program (August 15).

c. A Research Funds and Staff Support Report, CRIS Form AD-419, shall be submitted to CSRS annually for all Animal Health projects. CRIS Form AD-419 reports are also required for expenditures on all State projects that are to be included in the non-Federal funds and matching funds computation. Reports shall be made on a Federal fiscal year basis and are to be submitted by December 1 of each year.

d. Other special reports and on-site reviews, as needed, are used to supplement program monitoring procedures and to provide data for program planning and coordination.

Information describing CRIS is included as Appendix H.

2. **Financial Reporting Requirements**

The standards for financial reporting prescribed by 7 CFR 3015.80-85 (Appendix B) are applicable to the Subtitle E Program. The instructions for preparing the Federal Cash Transactions Report (SF-272) and the Fiscal Financial Status Report (SF-269) are included in Appendix L.

3. **Retention and Custodial Requirements for Records**

The standards prescribed by 7 CFR 3015.20-25 (Appendix B) shall apply to Continuing Animal Health and Disease Research Program.

H. CLOSE-OUT PROCEDURES

The procedures prescribed by 7 CFR Section 3015.120 (Appendix B) shall apply to closing out annual Research Programs. Each year's Research Program shall be closed out as of **September 30**. Documentation to support the close-out will include.

a. A Financial Status Report (Standard Form 269) (Appendix L) covering the total Research Program as of **September 30** which will be submitted by the legal custodian with the approval of the Dean or Director on or before **December 31**.

b. Either a CRIS annual Progress Report or Termination Report should be submitted for each project included in the annual Research Program as provided for in Section C.1 of this Manual. CRIS Form AD-421 will be used for either report.

I. GENERAL PROVISIONS

1. **Research Involving Recombinant DNA or RNA Molecules**

If a project involves the use of recombinant DNA or RNA molecules, the recipient shall assume primary responsibility for complying with both the intent and procedures of the NIH "Guidelines for Research Involving Recombinant DNA Molecules," as revised (see 7 CFR 3015.205(b)(3)). This responsibility includes:

a. Ensuring that a standing Institutional Biosafety Committee (IBC) is maintained in accordance with Part IV of the NIH guidelines and also ensuring that the research plan is reviewed and approved by the IBC prior to commencing substantive work under the project. IBC action must be documented in Section A of Form CSRS-662 (Appendix I). Failure to include documentation of approval by the IBC interrupts and can add two to four weeks to the approval process for all Animal Health funded research involving recombinant DNA.

b. Registering with the IBC all experiments involving recombinant DNA and RNA molecules conducted with funds provided under the project and complying with the containment requirements specified in Part III of the NIH Guidelines. Records of this research must be kept in a form that is available to USDA upon request.

In addition, the recipient must report the following to USDA and to the reviewing Institutional Biosafety Committee (IBC):

a. New technical information relating to risks and safety procedures.

b. Serious accidents or releases involving recombinant DNA or RNA.

c. Serious illness of a laboratory worker which may be project related.

d. Other safety problems.

The completed and signed Form CSRS-662 "Assurance Statements" is required with all new or revised projects submitted to CSRS for approval.

2. Animal Care

The responsibility for the humane care and treatment of animals used in any research project supported with federal funds provided by CSRS rests with the performing organization. If a project involves research using animals, all key personnel identified in the approved project and all endorsing officials of the recipient's organization are required to comply with the Animal Welfare Act (Pub. L. NO. 89-544, 1966, as amended, Pub. L. NO. 94-279, and Pub. L. NO. 99-198, 7 U.S.C. 2131 et and the regulations promulgated thereunder by the Secretary of Agriculture in 9 CFR Parts 1, 2, 3, and 4 pertaining to the care, handling, and treatment of vertebrate animals held or used for research, teaching, or other activities supported by Federal awards. In the case of animals used or intended for use in CSRS-administered research, the recipient shall adhere to the principles enunciated in the Guide for the Care and Use of Laboratory Animals, described in NIH Publication NO. 86-23 (Revised, 1985), and to the USDA regulations and standards issued under the public laws stated above. In case of conflict, the higher standard shall be used.

All Animal Health funded projects requiring the use of animals should be approved by the Institutional Animal Care and Use Committee (IACUC) before submission to CSRS. This must be documented in Section B of Form CSRS-662. Failure to include documentation of approval by the IACUC interrupts and adds two to four weeks to complete the approval process for all Hatch funded research requiring the use of animals.

The completed and signed Form CSRS-662 "Assurance Statements" is required with all new or revised projects submitted to CSRS for approval.

3. Protection of Human Subjects

The recipient is responsible for protecting the rights and welfare of any experimental human subjects involved in research and related activities. If a project involves the use of human subjects, the recipient agrees to comply with the Department of Health and Human Services' regulations on the protection of human subjects as set forth in 45 CFR Part 46 and USDA requirements as set forth in Secretary's Memorandum NO. 1755 and 7 CFR 3015.205(b)(1).

The completed and signed Form CSRS-662 "Assurance Statements" is required with all new or revised projects submitted to CSRS for approval. If sub-heading (b) within Section C of Form CSRS-662 is checked, a revised Form CSRS-662 is required, with

either subheading (a) or (c) checked before research involving human subjects can be conducted. In some cases, where sub-heading (a) is checked, documentation may be required.

4. **Nondiscrimination Requirements**

The purpose and objective of Title VI of the Civil Rights Act of 1964 is defined broadly in Section 601 as follows:

No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefit of, or be otherwise subjected to discrimination under any program or activity of an applicant or recipient receiving Federal financial assistance from the Department of Agriculture or any Agency thereof.

Institutions receiving assistance or public funds are required to abide by the following regulations:

USDA Departmental regulations governing the Civil Rights Act of 1964, Title VI - Nondiscrimination in Federally Assisted Program and Rules and Regulations as Amended (CFR 7- Part 15): Section 504 of the Rehabilitation Act of 1973, as amended, Nondiscrimination on the basis of handicap in programs and activities receiving or benefiting from Federal financial assistance: Title IX of the Education Amendments of 1972, as amended, prohibits sex discrimination in federally assisted education programs and activities: and Age Discrimination Act of 1975, prohibits discrimination on the basis of Age in programs and activities receiving Federal financial assistance.

5. **Use of U.S. Flag Carriers**

If a project involves the use of air transportation to, from, between, or within a country other than the United States, and the cost of such transportation will be assisted in whole or in part by program funds, the grantee is required to use U.S. flag carriers in accordance with the provisions of 7 CFR 3015.205(b)(4).

6. **Acknowledgment of Support and Disclaimer**

In accordance with 7 CFR 3015.200 the following acknowledgment of CSRS support must appear in the publication of any material which is based upon or developed under CSRS support:

> "This material is based upon work supported by the Cooperative State Research Service, U.S. Department of Agriculture, under Project NO. (the recipient should enter the applicable project number here)."

In addition, all publications and other materials, except scientific articles or papers published in scientific journals, must contain the following statement:

> "Any opinions, findings, conclusions, or recommendations expressed in this publication are those of the author(s) and do not necessarily reflect the view of the U.S. Department of Agriculture."

7. **Data Collection**

The provisions of 5 CFR 1320 apply if the project involves the collection of identical

information from ten or more non-Federal persons or organizations and the collection of information is sponsored by USDA. A collection of information undertaken by the recipient is considered to be "sponsored" by the Department if:

a. The grantee is collecting information at the specific request of the Department;

b. The terms and conditions of the grant require specific Departmental approval for information collection or collection procedures.

Any data collection activities performed under a project are the responsibility of the recipient, and USDA support of the project does not constitute USDA approval of the survey design, questionnaire content, or data collection procedures. The recipient shall not represent to respondents that such data are being collected for or in association with the U.S. Department of Agriculture or any other Federal Government agencies unless such data are sponsored by the Department. However, this requirement is not intended to preclude mention of USDA support of the project in response to an inquiry or acknowledgment of such support in any publication of this data.

8. <u>Certification of Non-Delinquency</u>

In accordance with OMB Circular A-129, "Managing Federal Credit Programs," and the requirements contained in OMB Memorandum M-87-32, as implemented by 7 CFR Parts 1 and 3, no award of Federal funds may be made to an applicant who is delinquent on a Federal debt until the delinquent account is made current or satisfactory arrangements are made between the affected agency and the debtor except where the award is required by law or approved by the head of the awarding agency. Therefore, the recipient institution certifies in accepting the funds that it is not delinquent on any Federal debt.

As used herein, delinquency represents the failure to pay an obligation or debt by the date specified in the agency's initial written notification or applicable contractual agreement, unless other satisfactory payment arrangements have been made by that date, or if, at any time thereafter, the debtor fails to satisfy the obligations under a payment agreement with the credit agency. If the debtor fails to pay the debt by the specified date, then the debt is delinquent and the "date of delinquency" is the date given as the payment due date for contractual agreements or the day notification of the debt was mailed, as appropriate.

9. <u>Certification Regarding Drug-Free Workplace Requirements</u>

USDA's implementation of Sections 5151-5160 of the Drug-Free Workplace Act of 1988 is contained in 7 CFR 3017.600 (Appendix C), which requires that a proposed recipient certify that it will make a good faith effort to provide and maintain a drug-free environment by prohibiting illicit drugs in the work-place, providing employees with drug-free policy statements (including penalties for noncompliance), and establishing necessary awareness programs to keep employees informed about the availability of counseling, rehabilitation and related services. This is an overview of the certification only and is not intended or represented to be all inclusive. Exact wording appears in the implementing regulatory language referenced above.

10. <u>Suspension or Termination for Cause</u>

The procedures prescribed by 7 CFR 3015.122-125 (Appendix B) shall apply to

suspension or termination of the Hatch annual Research Program or to any of the component projects which, in total, constitute the annual Research Program. The term "for cause" includes:

a. Significant deviation from stated objectives;

b. Progress inconsistent with expenditures;

c. Fiscal irregularities;

d. Any other conditions which make continued support from Hatch funds inappropriate

In the event of suspension of termination which results in the withholding of any portion of an allotment, the facts and reasons therefore will be reported by the Department of Agriculture to the Congress, as required by 7 U.S.C. 361g.

11. Debarment or Suspension Requirements

USDA's implementation of Executive Order 12549, Debarment and Suspension, is contained in 7 CFR 3017.510(a)(Appendix C), which requires that a proposed recipient certify that it and its principals are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency, have not recently been convicted or indicated under criminal or civil statutes, etc. Precise wording appears in the implementing regulations referenced above.

In accordance with 7 CFR 3017.510(c)(Appendix C), the recipient shall provide immediate written notice to CSRS if at any time the recipient learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

Additionally, all lower-tier covered transactions or solicitations for lower-tier covered transactions must include certifications as to the lower-tier participants status regarding this requirement. As used herein, lower-tier covered transactions generally include:

a. Any transaction (other than a procurement contract) for goods and services, regardless of type;

b. Any procurement contract for goods and services, regardless of type, that is expected to equal or exceed the Federal cap on small purchases (currently, $25,000); and

c. Any procurement contract for goods and services, regardless of amount, under which the recipient will have a critical influence on or substantive control over the covered transaction (i.e., principal investigators and providers of federally-required audit services).

NOTE: The above paragraphs in this article are intended to highlight certain requirements only. USDA implementing regulations covering debarment and suspension (7 CFR 3017, Subparts A-E) contain precise language and requirements (Appendix C).

12. Certification Regarding Lobbying

Section 319 of Pub. L. NO. 101-121 (31 U.S.C. 1352) effective

December 23, 1989, imposes new prohibitions and requirements for disclosure and certification related to lobbying on recipients of Federal contracts, grants, cooperative agreements, and loans.

Current and prospective recipients (and their subtier contractors and/or subgrantees) are prohibited from using Federal funds, other than profits from a Federal contract, for lobbying Congress or any Federal agency in connection with the award of a particular contract, grant, cooperative agreement or loan. In addition, for each award action in excess of $100,000 ($150,000 for loans) recipients and their subtier contractors and/or subgrantees must:

(1) certify that they have neither used nor will use any appropriated funds for payment to lobbyists,

(2) disclose the name, address, payment details, and purpose of any agreements with lobbyists for whom recipients or their subtier contractors and/or subgrantees have paid or will pay with profits or nonappropriated funds on or after December 23, 1989; and

(3) file quarterly updates about the use of lobbyists if material changes have occurred. The law establishes civil penalties for noncompliance.

USDA Regulations implementing Section 319 of Pub. L. 101-121 are contained in 7 CFR 3018 (Appendix D).

13. Stevens Amendment

The institution shall clearly state in all requests for proposals, bid solicitations, press releases, statements, and other documents describing this project, (1) the percentage of the total cost of the project which will be financed with Federal money, and (2) the dollar amount of Federal funds for the project [638 of the Rural Development, Agriculture, and Related Agencies Appropriations Act, 1991 (P. L. No. 101-506)].

14. National Historic Preservation Act of 1966

The institutions will assist CSRS in its compliance with Section 106 of the National Historic Preservation Act of 1966 as amended (16 U.S.,C. 470), Executive Order 11593, and the Archaeological and Historic Preservation Act of 1966 (16 U.S.C. 469a-1 et seq.) as follows:

(a) by consulting with the State Historic Preservation Officer on the conduct of investigations as necessary to identify properties listed in or eligible for inclusion in the National Register of Historic Places that are subject to adverse effects (see 36 CFR Part 800.8) by the activity, and notifying CSRS of the existence of any such properties, and (b) by complying with all requirements established by CSRS to avoid or mitigate adverse effects upon such properties.

15. Uniform Relocation Assistance and Real Property Acquisitions Act of 1970

The institutions will comply with the requirements of the provisions of the Uniform Relocation Assistance and Real Property Acquisitions Act of 1970 (42 U.S.C. 4601 et. seq.) which provides for fair and equitable treatment of persons displaced as a result of Federal and federally assisted programs.

16. Environmental Requirements

a. National Environmental Policy Act

It is the policy of CSRS to comply with the provisions of the National Environmental Policy Act of 1969, as amended (42 U.S.C. 4321 et. seq.), and implementing regulations established by the Council on Environmental Quality at 40 CFR Parts 1500-1508, as adopted and supplemented by USDA at 7 CFR Part 1b and by CSRS at 7 CFR Part 3407. To assist CSRS in carrying out its responsibilities, institutions may be required to furnish environmental documentation prior to the award / expenditure of project funds. Additional information is contained in 7 CFR Part 3407 (Appendix M).

b. Flood Disaster Protection Act

Institutions will comply with the flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973, Public Law 93-234 (42 U.S.C. 4001 et. seq.). Section 102(a) requires, on or after March 1, 1975, the purchase of flood insurance in communities where such insurance is available as a condition for the receipt of any Federal financial assistance for construction or acquisition for use in any area that has been identified by the Secretary of the Department of Housing and Urban Development as an area having special flood hazards.

c. The Clean Air Act (42 U.S.C. 7401 et. seq.) and the Water Pollution Control Act (33 U.S.C. 1251 et. seq.)

Institutions will assure that the facilities under its ownership, lease, or supervision which shall be utilized in the accomplishment of research supported by Hatch and/or Regional funds are not listed on the Environmental Protection Agency's (EPA) list of Violating Facilities and that it will notify CSRS of the receipt of any communication from the Director of the EPA Office of Federal Activities indicating that a facility to be used in such research is under consideration for listing by the EPA.

The provisions listed in this section are intended as summaries only and may not contain the exact language required by or stated in the relevant statutes or regulations. The recipient is encouraged to review all laws and regulations applicable to this Program.

Appendix A

SUBTITLE E–ANIMAL HEALTH AND DISEASE RESEARCH

PURPOSE

SEC. 1429.[1] It is the purpose of this subtitle to promote the general welfare through the improved health and productivity of domestic livestock, poultry, aquatic animals, and other income-producing animals which are essential to the Nation's food supply and the welfare of producers and consumers of animal products; to improve the health of horses; to facilitate the effective treatment of, and, where possible, prevent animal and poultry diseases in both domesticated and wild animals which, if not controlled, would be disastrous to the United States livestock and poultry industries and endanger the Nation's food supply; to minimize livestock and poultry losses due to transportation and handling; to protect human health through control of animal diseases transmissible to humans; to improve methods of controlling the births of predators and other animals; and otherwise to promote the general welfare through expanded programs of research and extension to improve animal health. It is recognized that the total animal health and disease research and extension efforts of the several State colleges and universities and of the Federal Government would be more effective if there were close coordination between such programs, and it is further recognized that colleges and universities having accredited schools or colleges of veterinary medicine and State agricultural experiment stations that conduct animal health and disease research are especially vital in training research workers in animal health.

DEFINITIONS

SEC. 1430.[2] When used in this subtitle--

(1) the term "eligible institution" means an accredited school or college of veterinary medicine or a State agricultural experiment station that conducts animal health and disease research;

(2) the term "dean" means the dean of an accredited school or college of veterinary medicine;

(3) the term "director" means the director of a State agricultural experiment station which qualifies as an eligible institution;

(4) the term "Board" means the Animal Health Science Research Advisory Board; and

(5) the term "animal health research capacity" means the capacity of an eligible institution to conduct animal health and disease research, as determined by the Secretary.

SEC. 1431.[3] **AUTHORIZATION TO THE SECRETARY OF AGRICULTURE.**

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[1] 7 U.S.C. 3191. The Amendments of 1981, section 1426, 95 Stat. 1309, revised and clarified the last sentence of this section.

[2] 7 U.S.C. 3191. The Amendments of 1981, section 1427, 95 Stat. 1309, redefined the terms "eligible institution" in subsection (1) and "dean" in subsection (2).

[3] 7 U.S.C. 3192. The FACT Act of 1990, section 1611(a), 104 Stat. 3720, amended the section by adding "(a)" and a heading and by adding a new subsection (b) relating to a study of the animal care delivery system.

(a) AUTHORITY TO COOPERATE WITH, ENCOURAGE, AND ASSIST STATES.--In order to carry out the purpose of this subtitle, the Secretary is hereby authorized to cooperate with, encourage, and assist the States in carrying out programs of animal health and disease research at eligible institutions in the manner hereinafter described in this subtitle.

(b) STUDY OF ANIMAL CARE DELIVERY SYSTEM.--(1) The Secretary shall commission the National Academy of Sciences, working through the Board on Agriculture of the National Research Council, to conduct a study of the delivery system utilized to provide farmers, including small and limited resource farmers, and ranchers with animal care and veterinary medical services, including animal drugs.

(2) The study required by this subsection shall assess opportunities to--

(A) improve the flow of information to producers regarding animal husbandry practices, and diagnostic and treatment methods, including the costs and conditions necessary for the effective use of such practices and methods;

(B) foster achievement of food safety goals; and

(C) advance the well-being and treatment of farm animals, with particular emphasis on disease prevention strategies.

(3) The study required by this subsection shall include recommendations for changes in research and extension policies or priorities, food safety programs and policies, and policies and procedures governing the approval, use, and monitoring of animal drugs.

SEC. 1432.[4] ANIMAL HEALTH SCIENCE RESEARCH ADVISORY BOARD.

(a) ESTABLISHMENT AND MEMBERSHIP.--The Secretary shall establish a board to be known as the Animal Health Science Research Advisory Board which shall have a term that expires September 30, 1995, and which shall be composed of the following 12 members--

(1) a representative of the Agricultural Research Service of the Department of Agriculture,

(2) a representative of the Cooperative State Research Service of the Department of Agriculture,

(3) a representative of the Animal and Plant Health Inspection Service of the Department of Agriculture,

(4) a representative of the Center for Veterinary Medicine of the Food and Drug Administration

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[4] 7 U.S.C. 3194. The Amendments of 1981, section 1428, 95 Stat. 1309, changed the term of the Advisory Board from five years to a fixed expiration date. The Amendments of 1985, section 1414(a), 99 Stat. 1549, deleted "1985" and inserted "1990". The FACT Act of 1990, section 1611(b), 104 Stat. 3721, added a heading to subsection (a); deleted "1990" and inserted "1995"; expanded the Board's membership from ll to 12 to include a representative concerned with the protection and well-being of animals; in paragraph (4) struck "Bureau of" and inserted "Center for" before Veterinary Medicine; struck subsection (b) and inserted a new subsection (b). It should be noted that there has been no amendment to correct the name of the Department of Health, Education, and Welfare.

of the Department of Health, Education, and Welfare, and

(5) eight members appointed by the Secretary--

(A) two persons representing accredited colleges of veterinary medicine,

(B) two persons representing State agricultural experiment stations,

(C) one person representing an organization concerned with the general protection and well-being of animals, and

(D) three persons representing national livestock and poultry organizations.

The members shall serve without compensation, if not otherwise officers or employees of the United States, except that they shall, while away from their homes or regular places of business in the performance of services for the Board, be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under sections 5701 through 5707 of title 5 of the United States Code.

(b) DUTIES.--The Board shall meet at the call of the Secretary, but at least once annually, to consult with and advise the Secretary with respect to the implementation of any animal health and disease research program provided for under this title, under such rules and procedures for conducting business as the Secretary may prescribe.

APPROPRIATIONS FOR CONTINUING ANIMAL HEALTH AND DISEASE RESEARCH PROGRAMS

SEC. 1433.[5] (a) There are authorized to be appropriated such funds as Congress may determine necessary to support continuing animal health and disease research programs at eligible institutions, but not to exceed $25,000,000 for each of the fiscal years 1991 through 1995, and not in excess of such sums as may after the date of enactment of this title be authorized by law for any subsequent fiscal year. Funds appropriated under this section shall be used: (1) to meet expenses of conducting animal health and disease research, publishing and disseminating the results of such research, and contributing to the retirement of employees subject to the provisions of the Act of March 4, 1940 (54 Stat. 39-40, as amended; 7 U.S.C. 331); (2) for administrative planning and direction; and (3) to purchase equipment and supplies necessary for conducting such research.

(b) Funds appropriated under subsection (a) of this section for any fiscal year shall be apportioned as follows:

(1) Four per centum shall be retained by the Department of Agriculture for administration, program assistance to the eligible institutions and program coordination.

(2) Forty-eight per centum shall be distributed among the several States in the proportion that the

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[5] 7 U.S.C. 3195. The Amendments of 1981, section 1429, 95 Stat. 1309, reworded the first sentence from a permanent authorization for appropriations to one with a fixed termination date. The Amendments of 1985, section 1414(b), 99 Stat. 1549, further reworded the first sentence to extend authorization to 1990. The FACT Act of 1990, section 1601(b)(1), 104 Stat. 3703, extended the authorization for fiscal years 1991 through 1995.

value of an income to producers from domestic livestock and poultry in each State bears to the total value of and income to producers from domestic livestock and poultry in all the States. The Secretary shall determine the total value of and income from domestic livestock and poultry in all the States and the proportionate value of and income from domestic livestock and poultry for each State, based on the most current inventory of all cattle, sheep, swine, horses, and poultry published by the Department of Agriculture.

(3) Forty-eight per centum shall be distributed among the several States in the proportion that the animal health research capacity of the eligible institutions in each State bears to the total animal health research capacity in all the States. The Secretary shall determine the animal health research capacity of the eligible institutions with the advice, when available, of the Board.

(c) In each State with one or more accredited colleges of veterinary medicine, the deans of the accredited college or colleges and the director of the State agricultural experiment station shall develop a comprehensive animal health and disease research program for the State based on the animal health research capacity of each eligible institution in the State, which shall be submitted to the Secretary for approval and shall be used for the allocation of funds available to the State under this section.

(d) When the amount available under this section for allotment to any State on the basis of domestic livestock and poultry values and income exceeds the amount for which the eligible institution or institutions in the State are eligible on the basis of animal health research capacity, the excess may be used, at the discretion of the Secretary, for remodeling of facilities, construction of new facilities, or increase in staffing, proportionate to the need for added research capacity.

(e) Whenever a new college of veterinary medicine is established in a State and is accredited, the Secretary, after consultation with the dean of such college and the director of the State agricultural experiment station and, where applicable, deans of other accredited colleges in the State, shall provide for the reallocation of funds available to the State pursuant to subsection (b) of this section between the new college and other eligible institutions in the State, based on the animal health research capacity of each eligible institution.

(f) Whenever two or more States jointly establish an accredited regional college of veterinary medicine or jointly support an accredited college of veterinary medicine serving the States involved the Secretary is authorized to make funds which are available to such States pursuant to subsection (b)(2) of this section available for such college in such amount that reflects the combined relative value of and income from domestic livestock and poultry in the cooperating States, such amount to be adjusted, as necessary, pursuant to the provisions of subsections (c) and (e) of this section.

APPROPRIATIONS FOR RESEARCH ON NATIONAL OR REGIONAL PROBLEMS

SEC. 1434.[6] (a) There are authorized to be appropriated such funds as Congress may determine necessary to support research on specific national or regional animal health or disease problems, but not to exceed $35,000,000 for each of the fiscal years 1991 through 1995, and not in excess of such sums as may after the date of enactment of this title be authorized by law for any subsequent fiscal year.

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[6] 7 U.S.C. 3196. The Amendments of 1981, section 1430(a), 95 Stat. 1309, increased the authorization [of funds] for appropriation of research funds and extended the authorization three years. The Amendments of 1985, section 1414(c), 99 Stat. 1549, further extended the authorization to 1990. The FACT Act of 1990, section 1601(b)(2), 104 Stat. 3703, further extended authorization for fiscal years 1991 through 1995.

(b)[7] Notwithstanding the provisions of section 1435 of this title, funds appropriated under this section shall be awarded in the form of grants, for periods not to exceed five years, to eligible institutions.

(c)[8] In order to establish a rational allocation of funds appropriated under this section, the Secretary shall establish annually priority lists of animal health and disease problems of national or regional significance. Such lists shall be prepared after consultation with the Joint Council, the Advisory Board, and the Board. Any recommendations made in connection with such consultation shall not be controlling on the Secretary's determination of priorities. In establishing such priorities, the Secretary, the Joint Council, the Advisory Board, and the Board shall consider the following factors;

(1) any health or disease problem which causes or may cause significent economic losses to any part of the livestock production industry;

(2) whether current scientific knowledge necessary to prevent, cure, or abate such a health or disease problem is adequate; and

(3) whether the status of scientific research is such that accomplishments may be anticipated through the application of scientific effort to such health or disease problem.

(d)[49] Without regard to any consultation under subsection (c), the Secretary shall, to the extent feasible, award grants to eligible institutions on the basis of the priorities assigned through a peer review system. Grantees shall be selected on a competitive basis in accordance with such procedures as the Secretary may establish.

(e)[49] In the case of multiyear grants, the Secretary shall distribute funds to grant recipients on a schedule which is reasonably related to the timetable required for the orderly conduct of the research project involved.

AVAILABILITY OF APPROPRIATED FUNDS

SEC. 1435.[9] Funds available for allocation under the terms of this subtitle shall be paid to each State or eligible institution at such times and in such amounts as shall be determined by the Secretary. Funds shall remain available for payment of unliquidated obligations for one additional fiscal year following the year of appropriation.

WITHHOLDING OF APPROPRIATED FUNDS

SEC. 1436.[10] If the Secretary determines that a State is not entitled to receive its allocation of the annual appropriation under section 1433 of this title because of its failure to satisfy requirements of this subtitle or regulations issued under it, the Secretary shall withhold such amount. The facts and reasons concerning the determination and withholding shall be reported to the President; and the amount involved shall be kept separate in the Treasury until the close of the next Congress. If the next Congress does not

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[7] The Amendments of 1981, section 1430(b), 95 Stat. 1310, revised the fund allocation system to grants for periods not to exceed five years.

[8] The Amendments of 1981, section 1430(c), 95 Stat. 1310, added new subsections (c), (d), and (e).

[9] 7 U.S.C. 3197.

[10] 7 U.S.C. 3198.

direct such sum to be paid, it shall be carried to surplus.

REQUIREMENTS FOR USE OF FUNDS

SEC. 1437.[11] With respect to research projects on problems of animal health and disease to be performed at eligible institutions and supported with funds allocated to the States under section 1433 of this title, the dean or director of each eligible institution shall cause to be prepared and shall review proposals for such research projects, which contain data showing compliance with the purpose in section 1429 of this title and the provisions for use of funds specified in section 1433(a) of this title, and with general guidelines for project eligibility to be provided by the Secretary with the advice, when available, of the Board. Such research proposals that are approved by the dean or director shall be submitted to the Secretary prior to assignment of funds thereto with a brief summary showing compliance with the provisions of this subtitle and the Secretary's general guidelines.

MATCHING FUNDS

SEC. 1438.[12] No funds in excess of $100,000, exclusive of the funds provided for research on specific national or regional animal health and disease problems under the provisions of section 1434 of this title, shall be paid by the Federal Government to any State under this subtitle during any fiscal year in excess of the amount from non-Federal sources made available to and budgeted for expenditure by eligible institutions in the State during the same fiscal year for animal health and disease research. The Secretary is authorized to make such payments in excess of $100,000 on the certificate of the appropriate official of the eligible institution having charge of the animal health and disease research for which such payments are to be made. If any eligible institution certified for receipt of matching funds fails to make available and budget for expenditure for animal health and disease research in any fiscal year sums at least equal to the amount for which it is certified, the difference between the Federal matching funds available and the funds made available to and budgeted for expenditure by the eligible institution shall be reapportioned by the Secretary among other eligible institutions of the same State, if there are any which qualify therefor, and, if there are none, the Secretary shall reapportion such difference among the other States.

ALLOCATIONS UNDER THIS SUBTITLE NOT SUBSTITUTIONS

SEC. 1439.[13] The sums appropriated and allocated to States and eligible institutions under this subtitle shall be in addition to, and not in substitution for, sums appropriated or otherwise made available to such States and institutions pursuant to other provisions of law.

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[11] 7 U.S.C. 3199.

[12] 7 U.S.C. 3200.

[13] 7 U.S.C. 3201.