



# Cooperative Forest Health Protection Special Project Grants

The Forest Health Protection (FHP) group under State & Private Forestry has a number of special grant programs: Special Technology Development Program (STDP), Forest Service Pesticide Impact Assessment Program (FSPIAP), Biological Control of Invasive Plants (BCIP) and Forest Health Evaluation Monitoring Projects (EM). Many of these programs are implemented through grants to states, universities, non-profits, and others. All of these grants fall under the regulations at 2 CFR 200, effective December 26, 2014.

With the implementation of 2 CFR 200 came some new regulations regarding indirect costs. If an entity has a Negotiated Indirect Cost Rate Agreement (NICRA) that is approved by a Federal agency, then every other Federal awarding agency **MUST** accept that rate. The Forest Service may **NOT** ask an applicant to consider reducing their rate or tell them that their application will not be considered if the indirect costs are over a certain level. There is no deviation or exception for this regulation in the Forest Service.

If the applicant does not have or ever had a NICRA, they may choose to use the 10% de minimis indirect rate. If they have a NICRA, they may not elect to use the de minimis rate. The de minimis rate is not a bottom threshold, but rather a reasonable allowance for entities that do not have a NICR. They may, at their own discretion, choose to assess a lower rate against the Federal funds and use the balance as part of their match. For example: Super University has an NICRA with an approved rate of 42%. They decide to only assess 22% against the Federal funding and use the other 20% indirect as match. **The key here is that the applicant makes that decision independently. Forest Service program managers and G&A staff may not tell the applicant that they must reduce the indirect cost.**

The **ONLY** exception to this regulation is if the specific granting authority includes a limitation on indirect costs. The Cooperative Forestry Assistance Act does not have any such limitation.

Additionally, non-Federal entities receiving the funds through a grant or cooperative agreement must show the appropriate cost-share (50/50) match.

## Frequently Asked Questions

**Question:** Can I tell the university that I won't accept their proposal for an STDP project unless they reduce their indirect cost? I think it's too high and I want more dollars to go to the project directly.

**Answer: NO.** Under the regulations at 2 CFR 200.414, the Forest Service must accept the approved indirect cost rate. Many universities have a high indirect cost because they put almost all of their operating costs into their indirect cost pool and only separate out salary for their principal investigators. This is a very efficient way to operate given the large number of grants and projects that they are required to track.

**Question:** Can we write a letter to a cooperator institution telling them that we are limiting the amount of indirect costs they can assess? How about if they request that we write the letter?

**Answer:** Again, the answer is NO. We cannot direct an applicant to use a certain rate or limit the indirect costs that they are entitled to. Nor can we appear, through writing a letter, to limit indirect costs.

