

## CHAPTER 10

### COST-REIMBURSABLE ACTIVITY

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#### **10-01 PURPOSE**

This chapter prescribes the policy and procedures pertaining to cost-reimbursable activity where NOAA is the performing agency.

#### **10-02 SCOPE**

This policy is applicable to all components of NOAA and cross-serviced agencies.

#### **10-03 AUTHORITY**

- U. S. Department of Commerce (DOC) Agreements Handbook provides general Departmental guidance to the operating units with respect to agreements. The DOC Agreements Handbook is available online at:  
<https://www.commerce.gov/oam/policy/acquisition-policy/handbooks> .
- DOC Accounting Principles and Standards Handbook, Chapter 7, ADMINISTRATIVE CONTROL OF FUNDS provides broad procedures to follow in budget execution and to specify basic fund control principles and concepts, including the administrative control of all funds in all Departmental operating units. Chapter 7 is available online at:  
[https://www.commerce.gov/sites/default/files/ofm/Final\\_Chapter\\_7\\_Acctg\\_Hdbk\\_5-23-19.pdf](https://www.commerce.gov/sites/default/files/ofm/Final_Chapter_7_Acctg_Hdbk_5-23-19.pdf) .

- DOC Accounting Principles and Standards Handbook, Chapter 12, MANAGERIAL COST ACCOUNTING provides guidance on accumulating costs at the bureau-level. Chapter 12 is available online at:  
[https://www.commerce.gov/sites/default/files/ofm/Final\\_Chapter\\_12\\_Acctg\\_Hdbk\\_5-23-19.pdf](https://www.commerce.gov/sites/default/files/ofm/Final_Chapter_12_Acctg_Hdbk_5-23-19.pdf).
- United States Code (USC), 31 USC § 1535 - Agency Agreements, (The Economy Act) describes the conditions under which agency agreements are allowed by law. The US Code is available online at:  
<https://uscode.house.gov/view.xhtml?req=granuleid:USC-prelim-title31-section1535&num=0&edition=prelim>.
- NOAA, NOA Administrative Order 216-109, POLICY ON REIMBURSABLE RESEARCH, establishes NOAA policy for reimbursable research by NOAA laboratories. The Administrative Order is available online at:  
<https://www.noaa.gov/organization/administration/nao-216-109a-policy-on-reimbursable-research>.

## **10-04 POLICY**

### **10.04.01 INTRODUCTION**

As part of its mission, NOAA makes interagency, intra-agency, international, and other special agreements with other Federal agencies, non-federal organizations and businesses, and individuals having complementary missions or requiring the exchange of information or services with NOAA. These agreements may be in the form of a Memorandum of Agreement, Memorandum of Understanding (MOU), Interagency Agreement, Intra-Agency Agreement, or any other document that details the terms of an agreement and the parties' acceptance. NOAA makes these agreements to provide goods or services to, or to engage in collaborative activities with another organization; to obtain goods or services from another Federal agency; or to transfer funds to a non-federal entity as authorized by law for a purpose for which a procurement contract, grant, or cooperative agreement is not the more appropriate legal instrument.

This policy is applicable only to those agreements where NOAA provides goods and/or services to other Federal or non-federal entities on a cost-reimbursable basis. In providing these goods and/or services, NOAA is considered the performing agency and the requesting entity is considered the ordering entity or sponsor.

NOAA will provide goods and/or services on a cost-reimbursable basis to Federal agencies, states, local municipalities, private persons, profit making businesses, and non-profit organizations only when:

- It is authorized by law.
- NOAA's service would not be considered to be in competition with private enterprise. In the case of research activities and special studies, this would be projects that cannot be

- done at all or done as effectively by a private research agency because basic data, knowledge, or facilities needed to accomplish the project are available only at NOAA.
- The end results of the project will serve the public interest and are consistent with NOAAs programs.
- Undertaking the project will not result in the diversion of resources to the detriment of NOAAs basic programs.
- The results of NOAAs service, or the fact that NOAA has undertaken the service, will not result in controversy that will have an adverse effect upon the reputation of NOAA for impartiality and objectivity.
- A written agreement is entered into covering the service to be performed; and such agreement will provide, unless determined otherwise for good reason shown, that no exclusive proprietary interest will accrue to the individual or group. The agreement will also provide that the results of special studies are the joint property of the individual or group and of NOAA, and that NOAA may publish or make use of the results of studies without any obligation to the sponsor.

*Interagency acquisition* is the term used to describe the process by which one agency (requesting agency), uses the contracts and/or contracting services of another agency (servicing agency) to obtain supplies and services. Through use of an interagency acquisition, an agency needing supplies or services can obtain them using another agency's contract, the acquisition assistance of another agency, or both. The use of interagency acquisitions, either through direct access to another agency's delivery vehicle (direct acquisition) or in order for a servicing agency to award a contract on behalf of a requesting agency (assisted acquisition) can be an effective means of acquiring needed goods and services. Guidance for interagency acquisitions (i.e. where NOAA is the requesting agency and is acquiring the goods or services through the use of an interagency acquisition, rather than providing the goods or services) can be found in the Commerce Acquisition Manual (CAM) 1317.570 *Interagency Acquisitions*. The website is [http://www.osec.doc.gov/oam/acquisition\\_management/policy/commerce\\_acquisition\\_manual\\_cam/documents/CAM\\_1317-570\\_Interagency\\_Acquisitions.pdf](http://www.osec.doc.gov/oam/acquisition_management/policy/commerce_acquisition_manual_cam/documents/CAM_1317-570_Interagency_Acquisitions.pdf).

#### **10.04.02 AUTHORITY FOR COST-REIMBURSABLE AGREEMENTS**

An agreement is merely a legal instrument that documents the parties' arrangement; it does not confer authority on NOAA to undertake activities. In addition to NOAAs programmatic authority, (the legal basis upon which NOAA engages in its day-to-day mission), the agreement must be authorized by law. Key authorities for NOAA cost-reimbursable agreements are detailed in Appendix A.

#### **10.04.03 COST-REIMBURSABLE AGREEMENTS**

As specified above, a formal written cost-reimbursable agreement between NOAA and the sponsor must be properly established prior to NOAA providing goods or performing services to the sponsor.

## Drafting an Agreement

Both NOAA and the sponsor are responsible for drafting a cost-reimbursable agreement. While either NOAA or the sponsor may take the lead in drafting the agreement, both parties should communicate and negotiate regarding the provisions of an agreement because both NOAA and the sponsor must ultimately agree on the provisions that will be contained within it. The party taking the lead should share drafts of the agreement documents with the other to ensure that the agreement includes all appropriate terms and clearly states the mutual intent of the parties.

Appendix B contains a generic NOAA cost-reimbursable agreement model, which provides the minimum information required for a NOAA cost-reimbursable agreement. NOAA encourages the use of Treasury's Interagency Agreements (IAA) General Terms and Conditions (GT&C) form 7600A and the IAA Order form 7600B to the maximum extent practical. If Appendix B or another form is used, it is recommended that the 7600A and 7600B be reviewed to ensure that the agreement contains all the required elements. Forms and instructions can be found on the Bureau of Fiscal Service's website under the Interagency Agreement section at: <https://fiscal.treasury.gov/g-invoice/resources.html#admin>.

NOAA Line/Staff Offices (LO/SO) should consider the time of year when entering into new agreements with Federal sponsors. Cost-reimbursable projects and funding accepted after June may not allow enough time for NOAA to obligate or expend the funding within the Federal sponsor's funding availability, especially where a Federal sponsor provides NOAA with one year funding for a project, unless specified by DOC OGC.

## Key Cost-Reimbursable Agreement Elements

The content of a cost-reimbursable agreement depends upon financial circumstances, purpose, and authorities. The DOC Agreements Handbook lists the elements below that are required for most cost-reimbursable agreements.

- Agreement Number: An agreement should have an identification number to enable efficient tracking.
- Parties and Scope: An agreement must clearly name each party and describe the purpose and objective of the agreement.
- Responsibilities of the Parties: An agreement must specify the role of each party (who is doing what and when) and provide a clear and comprehensive description of the work to be conducted. The division of responsibilities and commitments of each side should be defined as precisely as possible. Where applicable, the agreement should include goals, performance measures, deliverables, and a schedule of milestones. The agreement should clearly specify what the deliverables are and when they are due.
- Authority: An agreement must include citation(s) of the applicable authorities that permit the contemplated activities and/or the transfer of funds.
- Estimated Costs and Accounting Information: An agreement must specify the total estimated costs and, if appropriate, include a budget. An agreement must also explain the

method and frequency (e.g., advance payment or quarterly reimbursement) with which payments will be made. If an agreement is with another Federal agency, appropriate accounting information for both agencies must be included, such as each agency's Treasury Account Symbol (TAS), Business Partner Network (BPN) /Dun and Bradstreet Numbering System (DUNS) Number, Business Event Type Code (BETC), Agency Location Code (ALC) and Accounting Classification Code Structure (ACCS).

- **Term of Agreement:** An agreement must include a specified start date and completion date. In most cases, no agreement should extend beyond five years. In all cases, the parties should agree to appropriate interim review periods to ensure that the agreement's terms remain accurate and capture the continuing intent of the parties. Ideally, agreements should be reviewed by the partners annually. The DOC Office of the General Counsel (OGC) should be consulted where there are exceptional circumstances necessitating agreements extending beyond five years.
- **Termination/Cancellation Clause:** An agreement must include provisions to address termination and collection of termination costs.
- **Resolution of Disagreements:** Each agreement must include a method of settling disagreements. If an agreement involves the transfer of funds between Federal agencies for goods or services, the agreement must explain that financial disputes will be resolved consistent with Treasury Financial Manual, Vol. 1, Chapter 4700 *Federal Entity Reporting Requirements for the Financial Report of the United States Government*, Appendix 5 (Dispute Resolution Process) which can be found at: <http://fm.fiscal.treasury.gov/v1/p2/c470.pdf>.
- **Contact Information:** An agreement should include each party's technical/programmatic and administrative/financial contacts.
- **Signatories:** Include signature and date lines for the officials duly authorized to sign the agreement. An agreement is not effective, and, to the extent the agreement involves the obligation of Federal funds, funds are not obligated until the agreement is signed by all parties. Prior to executing an agreement, that obligates funds; parties must ensure that it has sufficient funds currently available to meet that obligation.

In addition to the items listed above, a cost-reimbursable agreement may contain other applicable terms and conditions as agreed to by the parties. As not all items are appropriate for all situations, discretion and good judgment must be used when preparing an agreement. The following items may be considered for possible inclusion, as applicable to the agreement.

- Statutory requirements, administrative regulations, policies, and procedures applicable to the work to be conducted under the agreement (e.g., travel or property management requirements, the Paperwork Reduction Act, or the Freedom of Information Act, etc.)

- It is recommended that the following audit access clause be included in every agreement between NOAA and non-governmental entities that transfers funds or other NOAA resources.

*Suggested Language:* Representatives of the Department of Commerce and its Office of Inspector General will have access, for the purpose of audit and examination, to any books, documents, papers, and records of any non-governmental party to this agreement that relate to the work conducted under this agreement.

Although the DOC OGC does not draft the agreement, it should be consulted with questions regarding the content of a specific agreement. When cost-reimbursable agreements are developed without DOC OGC input and presented to DOC OGC for review, there are many issues that could cause concern. The most common concerns are listed in the DOC Agreements Handbook, pages 19-20. The handbook is available online at:

<https://www.commerce.gov/sites/default/files/oam/Final%20DOC%20Agreements%20Handbook%20Nov%202011%20With%20Memo.pdf>.

#### Cost-Reimbursable Agreement Approval

All proposed cost-reimbursable agreements are required to be reviewed and cleared by the DOC OGC. An agreement must be finalized prior to the performance of work.

### **10.04.04 FUNDING COST-REIMBURSABLE AGREEMENTS**

#### Funds Availability

NOAAs use of a Federal sponsor’s funding is generally subject to the same time period as the sponsor for obligation and expenditure purposes, unless the authorizing legislation provides otherwise. One year funds are available only for that specific fiscal year cited in the accounting (fund) citation of the sponsoring agency and expire for obligation purposes on September 30 for that fiscal year. There are three exceptions:

- If a service is non-severable, it may extend beyond the funds’ period of availability, but the entire cost of the service must be obligated up front. An agency cannot obligate funds to cover the partial cost of a non-severable service, a practice commonly referred to as “incremental funding.”
- According to 10 U.S.C. § 2410a, “The Secretary of Defense, the Secretary of a military department, or the Secretary of Homeland Security with respect to the Coast Guard when it is not operating as a service in the Navy, may enter into a contract for (a) the procurement of severable services and (b) the lease of real or personal property for a period that begins in one fiscal year and ends in the next fiscal year if (without regard to any option to extend the period of the contract) the contract period does not exceed one year.”
- According to 41 U.S. Code § 3902, “The head of an executive agency may enter into a contract for the procurement of severable services for a period that begins in one fiscal

year and ends in the next fiscal year if (without regard to any option to extend the period of the contract) the contract period does not exceed one year... Funds made available for a fiscal year may be obligated for the total amount of a contract entered into under the authority of this section.”

For Economy Act agreements an obligation is recordable when supported by documentary evidence of “a binding agreement between an agency and another person (including an agency) that is:

“(A) in writing, in a way and form, and for a purpose authorized by law; and

(B) executed before the end of the period of availability for obligation of the appropriation or fund used for specific goods to be delivered, real property to be bought or leased, or work or service to be provided[.]”

The amount obligated is deobligated to the extent that the agency filling the order has not incurred obligations, before the end of the period of availability of the appropriation, in—

- “(1) providing goods or services; or
- “(2) making an authorized contract with another person to provide the requested goods or services.”

The deobligation requirement applies only to obligations under the Economy Act and has no effect on obligations for interagency transactions under other statutory authorities. LO/SOs should contact the OGC for questions on the availability of funding provided by Federal sponsors in drafting Economy Act agreements.

#### Severable and Non-Severable Services

An appropriation may be obligated only to meet the legitimate, or bona fide, needs of an agency that arise during the appropriation’s period of availability. In other words, an agency generally may not obligate funds available only for the current fiscal year for needs that will not arise until a future fiscal year. Similarly, an agency generally may not use funds available only during the current fiscal year to satisfy obligations properly incurred in a prior fiscal year. To determine the appropriation to be charged for the provision of particular services, it is necessary to look carefully at the nature of the services to be provided.

- A “**severable**” service is a service that is continuing or recurring in nature and can be separated into identifiable deliverables. A severable service is a *bona fide* need of the year in which the service is performed. For a severable service, the agreement’s period of performance generally cannot exceed the funds’ period of availability.
- A “non-severable” service is a service that, from the time it starts to the time it ends, is a single, indivisible undertaking for which an agency will receive no benefit from its performance until the entire undertaking has been completed. A non-severable service is a bona fide need of the year in which the service begins. If a service is non-severable, it

may extend beyond the funds' period of availability, but the entire cost of the service must be obligated up front. An agency cannot obligate funds to cover the partial cost of a non-severable service, a practice commonly referred to as "incremental funding."

An exception for severable services allows funds to be transferred from one Federal agency to another pursuant to an agreement whereby the servicing agency will procure severable services by contract on the requesting agency's behalf so long as the contract is executed before the end of the period of availability of the requesting agency's funds. This exception is permitted because agencies have statutory authority to procure by contract up to one year of severable services whose performance will extend beyond the end of the period of availability of the agency's funds.

#### Temporary Reimbursable Work Project Code Application Request

Beginning FY2021, the use of Temporary Work Authority (TWA) will no longer be permitted due to the opinion from OGC issued January 30, 2020.

There is a legal requirement that agencies enter into an agreement (1) documenting the arrangement and (2) providing funding to reimburse for the work prior to, or upon, commencing work. A Form 7600A or other umbrella agreement provides the general terms and conditions, establishing the agreement and is sufficient to meet the (1) above requirement. However, those documents do not contain the necessary specificity nor provide reimbursement for the work to the servicing agency. They merely set up a framework whereby future agreements may be entered into incorporating those terms. A Form 7600B serves as the order requirements providing funding information, and must be entered into in order to satisfy the (2) above requirement. Funds can then be obligated by the receiving agency, and the servicing agency can begin the work, and bill, collect and properly account for funds from the requesting agency.

At the beginning of the fiscal year, for the 7600A or other umbrella agreement that are 'subject to the availability of funding,' the reimbursable funds will not be authorized nor allotted, as was the case in the previous TWA process without a form 7600B. However, in emergency situations, a line / staff office may request a reimbursable project code to be set up in CBS so that it is immediately available upon the arrival of a signed funding document.

For the new Temporary Reimbursable Work Project Code Application Request process (see Appendix C), the following information should be submitted through the Line Office CFO's or Staff Office Directors for approval by the NOAA CFO, Finance Office Director and Budget Office Director.

- The request shall provide a **statement it is considered an emergency and explanation that it is mission critical work that must continue.**
- The request shall note the **reason for delay in obtaining the signed funding document, or 7600 B, as well as provide a date as to when the signed funding form or 7600B will be provided** to the Finance Office, not to exceed 30 days after the start of the fiscal year.

- All parties must have agreed to perform the work as documented in a signed overarching agreement or 7600A, **a copy of this document highlighting the applicable portion must accompany the request.**
- Further, a **letter of intent** from the receiving agency NOAA is servicing shall be included.

After approval is obtained, the project should be set up in the project screen (CM004), and agreement screen (RADG002). No budget authority (via RADG003) or allotment shall be requested or approved through this process.

This does not change the requirement that a specific agreement/order/funding document needs to be executed to provide funding for the work. The execution of an “option year” in the context of an interagency agreement is only an extension of the overarching agreement; with the expectation that specific funds and work will be agreed to later on. An option year execution without funding cannot be held up as authorizing the continuation of work. DOC OGC is available to review any agreement prior to the funding becoming available so that it can be queued up and ready to go once the funding is there.

A signed funding agreement must be provided within 30 days after the start of the fiscal year and upon receipt, the reimbursable agreement number shall be entered into the RADG002 and RADG003, and the same project code will be utilized. At this time the budget authority and allotment process may begin.

#### **10.04.05 BILLING AND COLLECTIONS**

##### **Advance Payment Requirement**

NOAAs policy is that all non-federal sponsors except state and local governments and state sponsored institutions (e.g., colleges and universities) are required to make payment in advance, on an estimated basis, of the actual cost of the goods/services to be provided by NOAA in a cost-reimbursable agreement. The conditions should be clearly detailed in the agreement. Advance payments can be accepted only for projects with an established agreement in place.

The Department’s Special Studies Authority permits NOAA to provide, upon the request of any person, firm, or public or private organization, (1) special studies on matters within the authority of the Department, including preparing from its records special compilations, lists, bulletins, or reports, and (2) transcripts or copies of its studies, compilations, and other records. The outside organization must request the special study, and the services and products can be provided only upon the payment of actual or estimated costs.

However, an advance payment schedule may be established within the cost-reimbursable agreement if the total estimated cost will exceed \$50,000 or the length of time to complete the work will exceed six months. The Director, NOAA Budget Office may determine, on a case-by-case basis, that an advance payment is not feasible. The request for a waiver of advance payment will be submitted by the LO/SO CFO to the Director, NOAA Budget Office as follows:

- The LO/SO CFO responsible for performing the work must prepare a written justification of the waiver and submit the waiver request and justification to the Director, NOAA Budget Office for review.
- The Director, NOAA Budget Office will provide written approval or disapproval of the waiver request to the applicable LO/SO CFO.
- The LO/SO is responsible for submitting a copy of any approved waiver to the FO RB.

LO/SOs are not required to apply for advance payment waivers for the following:

- Consolidated data or product type sales to state and local governments and state sponsored institutions. NOAA organizations that extend credit under the authority of this policy are responsible for covering the full cost of the agreement from direct funding in instances of default by the sponsor. The carryover from prior year project codes will be adjusted to the new task codes used for that specific activity whenever a project conversion is required.
- For cost-reimbursable agreements with state and local governments and state sponsored institutions, where advanced payment is prohibited either expressly or by implication through a state statute or charter.

Some legal authorities require advance payments that cannot be waived.

Cost-reimbursable agreements with Federal sponsors, state and local governments, and state sponsored institutions should include provisions for EITHER advance payment or quarterly billing plans. An agreement should not include BOTH an advance payment and quarterly billing plan.

### Billing

Most cost-reimbursable agreements with Federal sponsors, state and local governments, and state sponsored institutions will include a billing plan whereby costs are billed as incurred by NOAA.

All cost-reimbursable projects with billing plans will have invoices prepared and sent to the sponsor on a quarterly basis, unless a different billing cycle is approved by the NOAA CFO.

### Collections

Full payment of an invoice must be received within 30 days of the date of the billing. Once a quarter an aging report of old reimbursable receivables will be identified and distributed to each applicable line or staff office. LO/SO will be expected to follow-up with customers and determine the validity of the invoice. Responses will be returned to reimbursable branch for actions needed by applicable party.

Failure to receive payment may result in inclusion on the overrun list until all outstanding invoices related to the agreement are paid in full. Delinquent invoices must be promptly resolved before work should continue.

Delinquent invoices on non-federal cost-reimbursable projects not paid within 120 days, can be referred to Treasury for debt collection, unless excluded from transfer. The five specific instances where debt can be excluded from transfer are listed below; otherwise referral to Treasury is mandatory:

- Debts that are in litigation or foreclosure;
- Debts that will be disposed of under an asset sales program within one year after becoming eligible for sale, or later than one year if consistent with an asset sales program and a schedule established by the agency and approved by the Director of the OMB;
- Debts that have been referred to a private collection contractor for collection for a period of time determined by Treasury;
- Debts that have been referred to a Debt Collection Center with the consent of Treasury and for a period of time determined by Treasury; and
- Debts that will be collected under internal offset if such offset is sufficient to collect the debt within three years after the debt is first delinquent.

More information concerning debt referral to Treasury can be found at:

<https://www.fiscal.treasury.gov/dms/index.html> .

Uncollectible invoice costs will be charged to NOAA appropriated funds by way of a summary level transfer (SLT) processed by LO/SO. The SLT is required as soon as it is discovered that payment is not forthcoming.. Ultimately, it is the project manager's responsibility to ensure that the invoice is paid by the sponsor. In order to facilitate the collection of delinquent reimbursable-billed accounts receivable, the FO-Reimbursables Branch will maintain appropriate "aging" records of delinquent accounts.

### Electronic Payments

Federal agencies with deposits for credit may have the option of using Treasury's Fiscal Service to make electronic payments through Fedwire or the ACH Network. The Credit Gateway is a deposit program that the Fiscal Service uses for receipt of Federal agency Fedwire and ACH credit transactions. It is operated by a commercial bank that has been designated as a financial agent of the Government. Agencies transfer deposits over Fedwire or ACH only when the Fiscal Service determines that to do so is advantageous to the Government. For more information, refer to the Treasury Financial Manual, Volume 1, Part 5, Chapter 7500 at:

<http://tfm.fiscal.treasury.gov/v1/p5/c750.html> .

It is the Department's policy that the "collection and deposit of funds will be made timely and in a way that is most advantageous to the Federal government, with collection by EFT through the Automated Clearing House (ACH) being the preferred method of receiving funds."

#### Submission of Checks for Deposit

All cost-reimbursable agreements must specify that all checks for cost-reimbursable projects should be sent to NOAA's reimbursable lockbox for deposit. Sponsors should not send checks directly to LO/SOs. LO/SOs should send any checks for cost-reimbursable projects mistakenly sent to LO/SOs to NOAA's reimbursable lockbox address. NOAA's USPS reimbursable lockbox address is:

Department of Commerce – NOAA  
P.O. Box 979008  
St. Louis, MO 63197-9000

NOAA's FedEx or UPS reimbursable lockbox address is:

Department of Commerce – NOAA  
Attn: GA Lockbox 979008  
1005 Convention Plaza  
Saint Louis, MO 63101

Questions concerning lockbox deposits should be referred to FO-RB. More information about lockbox procedures can be found in Chapter 2000 of the Treasury Financial Manual at: <http://tfm.fiscal.treasury.gov/v3/p2/c2000.pdf>.

#### Expired Agreement/Funding

When a cost-reimbursable agreement or the associated funding expires, any remaining collections in excess of NOAAs cost incurred will be refunded to the sponsor. If the account to which the refund should be returned has been closed, the money will be deposited in the Treasury as a miscellaneous receipt.

### **10.04.06 COSTS TO BE REIMBURSED**

#### Full Cost

Generally, NOAA will recover the full cost of providing goods and/or services to Federal agencies, state, local municipalities, private persons, profit making businesses, and non-profit organizations unless authorizing legislation provides otherwise. Exceptions to full cost recovery may be made when any of the following conditions are met. Exceptions and the documentation thereof should be undertaken with the advice of the NOAA CFO:

- The recovery of full cost is in conflict with statutory requirements or would seriously impair the objectives of the program or public policy.

- The furnishing of the service without charge is an appropriate or reciprocal courtesy to a foreign country or international agreement to which the U.S. has subscribed.
- Comparable fees are set on a reciprocal basis with a foreign country.

Guidance on determining full cost and exceptions is available in the DOC Accounting Principles and Standards Handbook, Chapter 12, Section MANAGERIAL COST ACCOUNTING. The chapter is available online at:

[https://www.commerce.gov/sites/default/files/ofm/Final\\_Chapter\\_12\\_Acctg\\_Hdbk\\_5-23-19.pdf](https://www.commerce.gov/sites/default/files/ofm/Final_Chapter_12_Acctg_Hdbk_5-23-19.pdf) .

Costs attributed to reimbursable project activities should include both direct costs (labor, supplies, material, contracts, etc.) and indirect costs (e.g., a proportionate share of management and administrative services (M&A) that are indirectly associated with reimbursable project activities). NOAA LOs and Financial Management Centers (FMC) are responsible for calculating the proportionate share of M&A costs attributed to reimbursable activities. For more information on M&A costs refer to Chapter 12, ADMINISTRATIVE COSTS, of the NOAA Finance Handbook located online at:

<https://www.corporateservices.noaa.gov/finance/Finance%20Handbook.html> .

Costs related to a specific cost-reimbursable project should be directly recorded to the appropriate projects code(s) as work is performed and the resources expended. Costs for a specific cost-reimbursable project must also be charged against the correct fiscal year funding source.

For Economy Act agreements the term “actual cost” is used rather than “full cost” when determining the cost for a reimbursable project. Both actual cost and full cost require recovery of all direct costs attributable to the performance of a service or the furnishing of materials. In addition to direct costs, it has been recognized that actual costs for Economy Act purposes includes certain indirect costs (overhead) proportionately allocable to the transaction (for more information see Appendix A).

### Cost Sharing

When legal authority permits cost sharing of a project involving proportional participation in the total cost by NOAA and another entity, the project manager must calculate the total cost of the project as a whole. NOAA's portion of the cost will be included in the initial direct program plan in accordance with the basic budget operating plan procedure. The other entities' reimbursable portion of the cost will be entered on a single project plan. The division of costs will be determined by the application of the proportions for direct and reimbursable funds to each of the elements of the total plan. The agreement covering the project must specify the individual proportions (percentage and dollars) of the total cost to be borne by each entity, including NOAA, and the total planned output.

## Waiver of Overhead Costs

Some legal authorities, such as the Economy Act 31 U.S.C. 1535 and the Special Studies authority 15 U.S.C. 1525, require full cost recovery and overhead charges under those authorities cannot be waived. See Appendix A for additional information.

Since it is generally NOAAs policy to recover full cost (see Full Cost section for exceptions), the waiving of any overhead cost associated with reimbursable work can only be authorized by the Director, NOAA Budget Office. Costs eligible for waiver depend on the cost-reimbursable agreement's legal authority. Costs that may be eligible for waiver include:

- Distributed costs that make up NOAA support (i.e., NOAA overhead surcharge, LO/SO overhead surcharge, and office overhead surcharge). Requests for waivers for work in non-NOAA sites must be limited to 60% of any rates in effect.
- Depreciation distributed directly to a cost-reimbursable project will only be waived when the equipment used for that particular project is provided by the sponsor.
- GSA rent will normally be waived only if:
  - The services are performed in facilities not provided by NOAA (in non-NOAA-leased space, such as in the sponsor's facility space, etc.); or
  - The services are performed in facilities owned by NOAA.

Line/Staff Offices are responsible for requesting the waiver and ensuring the GSA rent surcharge is not charged to the sponsor when it is not applicable for payments made to GSA for leased space. Facilities owned by NOAA have Operations & Maintenance (O&M) costs associated with them. Line/Staff Offices are responsible for ensuring an appropriate share or amount of the O&M costs be included in the cost-reimbursement amount to the sponsor, and may account for it within the FMC overhead rate and/or some other cost allocation method. Due to statutory requirements, only actual costs of the services or goods provided may be recovered, and the GSA rent surcharge generated should be waived as a part of any agreement where the work is being wholly performed in facilities either owned by NOAA or not provided by NOAA.

Requests for waivers of NOAA overhead costs must be fully justified in writing. Waivers should preferably be submitted prior to negotiating the agreement, but always prior to requesting a project code. All requests for waivers will include the amount requested to be waived. In addition, the request must contain a direct project number to which the waived costs will be charged. Requests for waivers are required to be submitted for all revised agreements and for all modifications to agreements. Yearly updates of direct project offsets will be required by and submitted to the FO-RB each year in order to continue waiving cost in the new fiscal year.

Requests for waivers of NOAA overhead costs should be submitted to the Director, NOAA Budget Office as follows:

- Submit waiver letters to the Director, NOAA Budget Office for approval.

- The Director, NOAA Budget Office will provide written approval or disapproval of the waiver request to applicable the LO/SO CFO.
- The LO/SO is responsible for submitting a copy of any approved waiver to the FO-RB and the project manager.

The package will be returned to the LO/SO for renegotiation with the sponsor if disapproved. If the waiver is approved, the project manager will then draw up the proposed agreement with the sponsor. An approved waiver is applicable to the entire project for both billing and reimbursable earnings. A single direct project number must be agreed upon by the primary FMC and the NOAA Budget Office for assignment of waived costs as each FMC must use its direct appropriations to fund approved waivers.

### Cost Adjustments

Cost adjustments may only be made within the current fund code fiscal year. Prior year cost adjustments can be processed according to the DLA policy. Refer to the DLA Business Rules for exceptions at: [https://www.corporateservices.noaa.gov/finance/doc\\_level\\_adjust\\_form.html](https://www.corporateservices.noaa.gov/finance/doc_level_adjust_form.html).

## **10.04.07 PROJECT MANAGEMENT**

### NOAAs Cost-Reimbursement Project Responsibilities

The following is a summary of the activities that NOAA typically performs in the providing of reimbursable services to a sponsor:

- Request sponsor to provide a citation as to the authority that authorizes them to engage in the contemplated activities. Absent statutory authority to the contrary, a Federal agency cannot have another organization undertake activities on its behalf that it would not have authority to do on its own (or vice versa). If unsure, consult OGC.
- Ensure, prior to executing an agreement that obligates funds that sufficient funds are currently available to meet obligations resulting from the agreement.
- Establish an agreement with the sponsor;
- Receive the reimbursable agreement from the sponsor and record an unfilled customer order;
- Receive cash advances on applicable customer orders;
- Commit/obligate funds to provide the requested goods/services to the sponsor;
- Record the delivery of services as reimbursements earned, reduce unfilled customer orders, and voucher the amount to be paid the supplying vendor;
- Assign costs incurred to individual cost-reimbursable agreements;

- Bill the sponsor or reduce the amount previously advanced for the revenue earned;
- Liquidate the payable; and
- Return any excess advance to the sponsor.

### Project Manager

The project manager is responsible for the overall supervision and coordination of cost-reimbursable projects. They act as coordinators for performing work on the project and as the project contact throughout NOAA.

Proposals for cost-reimbursable projects made to NOAA are referred to the appropriate project manager after determining if the proposals are consistent with legislative authority, NOAA policy, and the requirements for acceptance of reimbursable work outlined above. The project manager must then determine who should participate in the proposed project work and the allocation of work and responsibility.

The project manager is responsible for ensuring that there is adherence to all provisions of a cost-reimbursable agreement.

If equipment purchases are prohibited by a particular cost-reimbursable agreement, the project manager must not record such costs against the cost-reimbursable project. When equipment acquisition is authorized, the agreement should be as specific as possible as to types and costs. It is mandatory that the agreement provide for subsequent equipment disposition and ownership. Joint ownership of equipment is prohibited.

Whenever possible, cost-reimbursable projects should consist of one sponsor, one agreement, one project code and one funding source. Project codes should be used by only one LO/SO. If two or more LO/SOs must use one cost-reimbursable project, the initiating LO/SO must own the project and must take responsibility for the management and oversight of the project and for clearing any cost overruns.

All NOAA staff working with cost-reimbursable projects should be properly trained, including training in Federal appropriations law as it applies to cost-reimbursable agreements and funding.

Reimbursable projects should not be established and used for internal, NOAA-only purposes.

### Cost Control

Project managers are responsible for assuring that costs do not overrun agreement amounts. A cost overrun is defined as (1) cost in excess of the agreement amount; or (2) cost incurred after project expiration.

When it becomes apparent that cost-reimbursable projects cannot be accomplished within the available time or funding, project managers will negotiate with sponsors to ensure the availability of additional time and/or funds prior to the completion or expiration of the project.

Overrun projects may result in violations of the Anti-Deficiency Act and can lead to audit findings and/or DOC Office of Inspector General investigations.

The FO-RB will bill and attempt to collect for all NOAA costs unless there is a written waiver approved by the Director, Budget Office. If the sponsor does not pay for the cost overrun within 120 days, this portion of the bill should be charged to the LO/SOs direct funds. LO/SOs are responsible for establishing the necessary controls in their FMCs to prevent cost overruns on their projects.

If the FO-RB identifies a project where the costs exceed the available funding recorded in the financial system, they will notify the LO headquarters staff.

### Projects with Multiple Sponsors

Some NOAA cost-reimbursable projects have multiple non-federal sponsors and transactions are often managed similar to over-the-counter sales. For some of these cost-reimbursable projects, advance payment must be collected for services or products. For others, the FO-RB or the LO/SO will bill the customer when the product or service is delivered, or shortly thereafter. Data sales, other types of sales, and special use projects fitting this category will be managed under the following guidelines:

- The LO/SO will establish a new project code for activity similar to that described above. If applicable, the new project code will be cross-walked from the old project code used in prior fiscal years so that prior year costs and collections will be recorded correctly. The carryover from prior year projects will be adjusted to the new project codes used for that specific activity.

### Carryover

Carryover occurs once at the beginning of each fiscal year. When budgetary resources remain available (unexpired) beyond the end of a fiscal year, a new apportionment request must be submitted to OMB for the upcoming fiscal year. Obligations cannot be incurred in any year absent an approved apportionment for that year. The CBS Reimbursable Agreements module has the capacity to perform an automated carryover process on work in progress (WIP) projects only. All non-WIP project types must use the manual carryover process. In order for LO/SOs to accurately gauge carryover, they must maintain complete files of all of their individual cost-reimbursable projects, along with up to date collection and billing activity as seen on various Data Warehouse reports (e.g., AR540D CAMS-CFS Collection Amount by Project Report; RA500D Cost-reimbursable project Status Billing Report). Once carryover has been completed for both WIP and non-WIP projects, any adjustments are considered current year adjustments aside from carryover.

## **10.04.08 INTRAGOVERNMENTAL BUSINESS RULES**

The Intragovernmental Business Rules (Treasury Financial Manual Vol. 1, Part 2, Chapter 4700, Appendix 10) apply to all intragovernmental business, including cost-reimbursable activity. The rules provide Federal entities with guidance for recording and reconciling intragovernmental

exchange activities including cost-reimbursable activity and are available online at <http://tfm.fiscal.treasury.gov/v1/p2/c470.pdf>.

The rules require that certain financial information be included in agreements involving the transfer of funds between agencies. As a result, all cost-reimbursable agreements must include the TAS, BPN, and BETC for both NOAA and the ordering agency. In addition, all cost-reimbursable agreements must include provisions addressing cancellation/termination costs and dispute resolution.

#### **10-05 EFFECT ON OTHER ISSUANCES**

This Chapter supersedes Chapter 10 of the NOAA Finance Handbook, dated December 10, 2015, in its entirety.

## **10-06 APPENDIX A: KEY AUTHORITIES FOR NOAA COST-REIMBURSABLE AGREEMENTS**

### **GOVERNMENT-WIDE AUTHORITIES**

#### Economy Act

The Economy Act of 1932 as amended (31 U.S.C. § 1535), permits Federal government agencies to purchase goods or services from other Federal government agencies or other major organizational units within the same agency. An Economy Act purchase is permitted only if:

- Amounts for the purchase are actually available;
- The purchase is in the best interest of the government;
- The ordered goods or services cannot be provided by contract from a commercial enterprise (i.e. the private sector) as conveniently or cheaply as could be by the government; and
- The agency or unit to fill the order is able to provide or get by contract the ordered goods or services.

The Federal Acquisition Regulations (FAR) (48 CFR 17.5) contains further requirements for Economy Act agreements. The FAR states that an order cannot be placed under the Economy Act if a more specific statutory authority exists, and that Economy Act orders must include:

- A description of the goods or services required;
- Delivery requirements;
- A funds citation;
- A payment provision; and
- Acquisition authority as may be appropriate.

Purchases pursuant to the Economy Act are not exempt from the requirements of 48 CFR 7.3, Contractor Versus Government Performance. Thus, OMB Circular A-76 applies to Economy Act agreements. Circular A-76 is available online at:

<https://www.whitehouse.gov/omb/information-for-agencies/circulars/>

Payment under the Economy Act, whether by advance with subsequent adjustment or by reimbursement, must be based on “the actual cost of goods or services provided.” 31 U.S.C. § 1535(b). This applies to both intra- and interagency transactions under the Act. The Economy Act requires the inclusion as actual cost of all direct costs attributable to the performance of a service or the furnishing of materials. In addition to direct costs, actual cost for Economy Act purposes includes certain indirect costs (overhead) proportionately allocable to the transaction.

Indirect costs are “items which commonly are recognized as elements of cost notwithstanding such items may not have resulted in direct expenditures. Indirect costs which (1) are funded out of currently available appropriations, and (2) bear a significant relationship to the service or work performed or the materials furnished, are recoverable in an Economy Act transaction the same as direct costs. Examples of indirect costs include administrative overhead applicable to supervision; billable time not directly chargeable to any particular customer; and rent paid to the General Services Administration attributable to space used in the course of performing Economy Act work. Agencies may waive the recovery of small amounts where processing would be uneconomical. An agency wishing to do this should set a minimum billing figure based on a cost study.

Each Economy Act order should be supported by a Determination and Finding (D&F). The D&F should state that:

- Use of an interagency acquisition is in the best interest of the government; and
- The goods or services cannot be obtained as conveniently or economically by contracting directly with a private source.

If the Economy Act order requires contracting action by the providing agency, the D&F should also include a statement that at least one of the following circumstances is applicable:

- The acquisition will appropriately be made under an existing contract of the providing agency, entered into before placement of the order, to meet the requirements of the providing agency for the same or similar goods or services;
- The providing agency has capabilities or expertise to enter into a contract for such goods or services which is not available within the requesting agency; or
- The providing agency is specifically authorized by law or regulation to purchase such goods or services on behalf of other agencies.

The D&F must be approved by a contracting officer of the requesting agency with authority to contract for the goods or services to be ordered, or by another official designated by the agency head, except that, if the providing agency is not covered by the FAR, approval of the D&F may not be delegated below the senior procurement executive of the requesting agency.

A model Economy Act agreement is available on the NOAA OGC website at:  
<http://www.gc.noaa.gov/documents/mou-economyact.pdf>.

### Intergovernmental Cooperation Act

The Intergovernmental Cooperation Act (IGA) (31 U.S.C. § 6505), provides that the President may prescribe statistical and other studies and compilations, development projects, technical tests and evaluations, technical information, training activities, surveys, reports, documents, and other similar services that an executive agency is especially competent and authorized by law to

provide. The services prescribed must be consistent with and further the policy of the United States government of relying on the private enterprise system to provide services reasonably and quickly available through ordinary business channels.

Executive branch agencies may provide services prescribed by the President to a state or local government when:

- Written request is made by the state or local government, and
- Payment of all identifiable costs of providing the services is made to the executive agency by the state or local government making the request.

Payment received by an executive agency for providing services under this section will be deposited to the credit of the principal appropriation from which the cost of providing the services has been paid or will be charged.

OMB Circular A-97 provides guidance concerning the IGA. It states that agencies may provide the following services to a state or local government pursuant to the IGA:

- Any existing statistical or other studies and compilations, results of technical tests and evaluations, technical information, surveys, reports, and documents, and any such materials, which may be developed or prepared in the future to meet the needs of the Federal government or to carry out the normal program responsibilities of the Federal agencies, involved.
- Preparation of statistical and other studies and compilations, technical tests and evaluations, technical information, surveys, reports, and documents, and assistance in the conduct of such activities and in the preparation of such materials, provided they are of a type similar to those, which the Federal agency is authorized by law to conduct or prepare.
- Training of the type, which the Federal agency is authorized by law to conduct for Federal personnel and others or which is similar to such training.
- Technical aid in the preparation of proposals for development and other projects, for which the Federal agency provides grants-in-aid or other assistance, provided such aid primarily strengthens the ability of the recipient in developing its own capacity to prepare proposals.
- Technical information, data processing, communications and personnel management systems services which the Federal agency normally provides for itself or others under existing authorities.

Circular A-97 is available online at: <https://www.whitehouse.gov/omb/information-for-agencies/circulars/>

Such services may not be provided unless the agency providing the services is providing similar services for its own use under the policies set forth in OMB Circular A-76. The OMB Circular is available online at: <https://www.whitehouse.gov/omb/information-for-agencies/circulars/>. In addition, in accordance with the policies set forth in Circular No. A-76, the requesting entity must certify that such services cannot be procured reasonably and expeditiously by it through ordinary business channels.

Such services may not be provided if they require any additions of staff or if they involve outlays for additional equipment or other facilities solely for providing such services, except where the costs thereof are charged to the user of such services. No staff additions may be made which impede the implementation of or adherence to the employment ceilings contained in OMB guidance or directives. In the event a request for a service is denied, the Federal agency should furnish the entity making the request with a statement indicating the reasons for the denial.

OMB Circular A-97 also states that when a Federal agency provides services under the IGA, full cost recovery must be achieved.

A model Intragovernmental Cooperation Act agreement is available from the NOAA OGC website at: <http://www.gc.noaa.gov/documents/intergovernmental.pdf>.

## **DEPARTMENT-WIDE AUTHORITIES**

### Special Studies Authority

The “Special Studies” authority (15 U.S.C. § 1525 first paragraph) permits DOC to provide, upon the request of any person, firm, or public or private organization:

- Special studies on matters within the authority of DOC, including preparing from its records special compilations, lists, bulletins, or reports, and
- Furnishing transcripts or copies of its studies, compilations, and other records.

These services and products can be provided only upon the payment of the actual or estimated costs of such special work. Payment for work or services performed under this authority must be deposited in a separate account or accounts, which may be used to pay directly the costs of such work or services, to repay or make advances to appropriations or funds, which do or will initially bear all or part of such costs, or to refund excess sums when necessary.

If the special study being requested provides a special benefit beyond those received by the general public, then the agreement is subject to OMB Circular A-25. The OMB Circular is available online at: <https://www.whitehouse.gov/omb/information-for-agencies/circulars/>.

A model Special Studies agreement is available from on the NOAA OGC website at: <http://www.gc.noaa.gov/documents/specialstudies.pdf>.

## **NOAA-SPECIFIC AUTHORITIES**

Generally, the Economy Act should not be used if there is a more specific authority to transfer funds. Both parties should work together to determine if a more specific authority exists.

### Fish and Wildlife Coordination Act, as amended (16 U.S.C. 661 et seq.)

This purpose of this Act includes recognizing the contribution of wildlife resources to the nation and ensuring that wildlife conservation receives equal consideration and coordination with other features of water-resource development programs through the effectual and harmonious planning, development, maintenance, and coordination of wildlife conservation and rehabilitation. This Act authorizes NOAA to make surveys and investigations of the wildlife of the public domain, including lands and waters or interests therein acquired, or controlled by any agency of the United States, and to accept donations of land and contributions of funds in furtherance of the purposes of this act.

### National Marine Sanctuaries Act, as amended (16 U.S.C. 1431 et seq.)

The purposes of the National Marine Sanctuaries Act include providing authority for comprehensive and coordinated conservation and management of national marine sanctuary areas and developing and implementing coordinated plans for the protection and management of these areas with appropriate Federal agencies, state and local governments, Native American tribes and organizations, international organizations, and other public and private interests. NOAA is further authorized to accept donations in designating and administering national marine sanctuaries, and to enter into agreements with nonprofit organizations authorizing the organization to carry out the purposes and policies of this act.

### Coastal Wetlands Planning, Protection, and Restoration Act (16 U.S.C. 3951 et seq.)

This Act established the Louisiana Coastal Wetlands Conservation and Restoration Task Force consisting of the Secretary of the Army, EPA Administrator, Governor of Louisiana, the Secretary of the Interior, the Secretary of Agriculture, and the Secretary of Commerce. Under section 3952, the Secretary of the Army is authorized to allocate funds made available for this purpose, among members of the task force based on the need for such funds and such other factors, as the task force deems appropriate to carry out the preparation of a priority project list. Further, this section authorizes the Secretary of the Army to allocate funds made available for this purpose among the members of the task force to carry out coastal wetlands restoration projects in accordance with the priorities set forth in the priority project list.

### NWS, NESDIS and OAR Authorities

A detailed list of NOAA National Weather Service (NWS), National Environmental Satellite, Data, and Information Service (NESDIS), and Office of Oceanic and Atmospheric Research (OAR) authorities is located on the OGC webpage at:

<http://www.gc.noaa.gov/documents/authorities-gcw07.pdf>.

**10-07 APPENDIX B: NOAA GENERIC REIMBURSABLE AGREEMENT FORMAT FOR INCOMING FUNDS**

A REIMBURSABLE AGREEMENT

BETWEEN THE

U.S. DEPARTMENT OF COMMERCE  
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION  
*[Name of Line Office/Staff Office]*

AND THE

*[Name of other Party]*

NOAA Agreement Number: NOAA-XXXX-20XX-XXXX/XXXX  
(1) (2) (3) (4/5) (6)

*[Name of other Party]* Agreement Number: \_\_\_\_\_

Do not include the line at the top or the following information on this page in the agreement

- (1) Designates NOAA
- (2) Designates NOAA Line Office (i.e., LO acronym)
- (3) Designates Fiscal Year agreement was established
- (4) First Character designates the type of partner (i.e., F-federal, S-state/local government, U-university/college, N-non-for-profit organizations, I-international, C-commercial, and D-other DOC/NOAA Bureau)
- (5) Sequential number designating the number of agreements established in a particular Fiscal Year (LO specific)
- (6) Computer generated number that will be used to file and track agreements (LO specific)

*[Note: This is a generic template to be used for incoming fund. Please refer to the OGC website <https://www.gc.noaa.gov/atmo-office1.html#agree> for specific model agreements. If the OGC website includes a model for the specific legal authority, then use the OGC model. If appropriate, include the financial information included in Section VI below in the OGC model. For all other agreements, use this generic template. Specific clauses and determinations required by certain statutory authorities may be added to this template.]*

I. PARTIES AND PURPOSE

- A. This Agreement is between the U.S. Department of Commerce (DOC), National Oceanic and Atmospheric Administration (NOAA), *[name of NOAA Line/Staff Office]*, through the *[name of Program/Staff Office – one level down in organization]*, and *[name of other Party]*.

B. The purpose of this Agreement is to *[briefly state the purpose of this Agreement]*.

## II. BACKGROUND

*[Provide relevant background information, which explains why the other Party is requesting goods or services from your organization.]*

## III. AUTHORITIES

- A. The funding transfer authority for NOAA and *[name of other Party]* to enter into this Agreement is *[cite the legal authority (e.g., U.S. Code, Public Law, or Executive Order) that authorizes the receipt of funds and briefly describe the section that provides for the transfer of funds]*.
- B. The programmatic authority for NOAA to enter into this Agreement is *[cite the legal authority that authorizes your organization to provide the goods or service and briefly describe the section(s)]*.
- C. The programmatic authority for *[name of other Party]* to enter into this Agreement is the *[cite the legal authority and briefly describe the programmatic authority of the other Party, if applicable]*.

## IV. RESPONSIBILITIES OF THE PARTIES

*[List the responsibilities that each Party will undertake under the Agreement.]*

- A. *[Name of NOAA Line/Staff Office]*, through the *[name of Program/Staff Office – one level down in organization]* agrees to:
  - 1. Provide .....
  - 2. Coordinate .....
- B. *[Name of other Party]* agrees to:
  - 1. Provide funding to support the above activities.
  - 2. Coordinate .....

*[In addition, a Statement of Work (SOW) can also be attached to this Agreement. The SOW must clearly describe the supplies or services to be provided by NOAA, delivery schedules, and associated costs with each deliverable. The SOW should include a table or a list, which includes the line item number for the supplies or services to be provided, the quantity being ordered, the unit cost (cost per individual unit), line total (unit cost times quantity in dollars and cents), and the total amount (total of all line totals)].*

*[If a SOW is not attached, then include a table entitled, “DELIVERABLES, DELIVERY SCHEDULES, AND COSTS,” in the Agreement.] For example:*

V. DELIVERABLES, DELIVERY SCHEDULES, AND COSTS

Line Item Number	Description of Supplies/Services	Quantity Ordered	Delivery Schedule	Unit Cost (\$)	Line Total (\$)
001	Describe supplies or services to be provided.	Enter quantity ordered.	Enter mm/dd/yy.	Enter cost/ unit (\$).	Unit cost (x) quantity ordered (\$).
002					
Total Amount					\$

VI. FUNDING, PAYMENT, AND REIMBURSABLE ARRANGEMENTS

A. *[Name of NOAA Line Office Program/Staff Office – one level down in organization]* will bill *[name of other Party]* in *[Advance]* or on a *[one time or quarterly]* basis *[select one]*. The Parties will reconcile accounting records on a quarterly basis *[if federal agency]*. At least quarterly, the parties will reconcile balances related to revenue and expenses for work performed under the agreement.

B. NOAA will send bill(s) to the following address:

*[Name of other Party]*

Name

Address:

City, State, Zip

Telephone No.:

Fax No.:

Email:

C. Accounting and Fiscal Data

1. NOAA

Employer Identification No.: 52-0821608

BPN/DUNS<sup>1</sup> No.:

OMB Max Code: 006-48 (if other Party is a federal agency)

Agency Location Code (ALC): 13-14-0001 (if other Party is a federal agency)

BETC<sup>2</sup> No.: COLL (if other Party is a federal agency)

2. *[Name of other Party]*

Employer Identification No.: \_\_\_\_\_

BPN/DUNS No.: \_\_\_\_\_

OMB Max Code: \_\_\_\_\_ (if federal agency)

Agency Location Code (ALC): \_\_\_\_\_ (if federal agency)

<sup>1</sup> Business Partner Network (BPN)/Dun & Bradstreet, Data Universal Numbering System (DUNS)

<sup>2</sup> Business Event Type Code (BETC)

BETC No.: \_\_\_\_\_ (if federal agency)

- D. *[Name of NOAA Line Office Program/Staff Office – one level down in organization]* will or will not *[choose one]* achieve full cost recovery for the goods or services it is providing. *[If NOAA is not achieving full cost recovery, indicate the amount NOAA is contributing (i.e., state that “NOAA will also contribute \_\_\_\_\_ in support of this Agreement”)]*.
- E. This Agreement is subject to the availability of funds. Any funds transferred to NOAA will be returned to *[name of other Party]* to the extent that NOAA has not incurred obligations.
- F. This agreement is entered into covering the service to be performed; and as such will provide, unless determined otherwise for good reason shown, that no exclusive proprietary interest will accrue to the individual or group. The agreement will also provide that the results of special studies are the joint property of the individual or group and of NOAA, and that NOAA may publish or make use of the results of studies without any obligation to the sponsor.
- G. The total cost to *[name of other Party]* is \_\_\_\_\_ for activities under this Agreement. The funds are currently available. The following financial information applies:
1. *[Name of NOAA Line Office Program/Staff Office – one level down in organization]*  
Treasury Account Symbol (appropriation code for collection):  
CBS ACCS<sup>3</sup>: \_\_\_\_\_
  2. *[Name of other Party]*  
Treasury Account Symbol (appropriation code (for payment)) – Federal required: \_\_\_\_\_  
Type of Funds/Expiration Date: \_\_\_\_\_  
Accounting Code: \_\_\_\_\_

## VII. CONTACTS

- a. The Points of Contact for coordinating activities under this Agreement are:
1. Programmatic:
    - a. *[Name of NOAA Line Office Program/Staff Office – one level down in organization]*  
Name:  
Title  
Address:  
Phone number:

---

<sup>3</sup> Commerce Business System (CBS) Accounting Classification Code Structure (ACCS)

Fax number:  
E-mail address:

b. Name of other party

Name:  
Title:  
Address:  
Phone number:  
Fax number:  
E-mail address:

2. Financial:

a. [Name of NOAA Line Office Program/Staff Office – one level down in organization]

Name:  
Title:  
Address:  
Phone number:  
Fax number:  
E-mail address:

b. Name of other party

Name:  
Title:  
Address:  
Phone number:  
Fax number:  
E-mail address:

- B. The Parties agree that if there is a change regarding the information in this section, the Party making the change will notify the other Party in writing of such change.

VIII. DURATION OF AGREEMENT, AMENDMENTS, OR TERMINATION

- A. This Agreement will become effective when signed by all the Parties to this Agreement. The Agreement will remain in effect through *[insert date – no longer than five years]*.
- B. This Agreement may be amended or extended at any time through the written mutual consent of the Parties, before its expiration.
- C. The Parties will review this Agreement at least once every three years to determine whether it should be revised or terminated.
- D. This Agreement may be terminated by (1) mutual written consent; (2) 30 or 60 *[choose one]* days advance written notice by either Party, or (3) completion of the

operation/terms of this Agreement. In the event of termination, NOAA will be reimbursed for all costs prior to termination plus any termination costs.

## IX. RESOLUTION OF DISAGREEMENTS

*[Only use the following clause if the other Party is another federal agency]*

Nothing herein is intended to conflict with current DOC or *[name of federal agency]* directives. If the terms of this Agreement are inconsistent with existing directives of either of the agencies entering into this Agreement, then those portions of the Agreement that are determined to be inconsistent will be invalid but the remaining terms and conditions not affected by the inconsistency will remain in full force and effect. At the first opportunity for review of the Agreement, all necessary changes will be accomplished either by an amendment to this Agreement or by entering into a new agreement, whichever is deemed expedient to the interest of both Parties. Should disagreement arise on the interpretation of the provisions of this agreement, the dispute will be resolved pursuant to the Treasury Financial Manual, Vol. 1, Chapter 4700 *Federal Entity Reporting Requirements for the Financial Report of the United States Government*, Appendix 5 Dispute Resolution Process, which can be found at: <http://tfm.fiscal.treasury.gov/v1/p2/c470.pdf>.

*[Only use the following clause if the other Party is not a federal agency]*

Should disagreement arise on the interpretation of the provisions of this Agreement, or amendments and/or revisions thereto that cannot be resolved at the operating level, the area(s) of disagreement will be stated in writing by each Party and presented to the other Party for consideration. If agreement on interpretation is not reached within 30 days, the Parties will forward the written presentation of the disagreement to respective higher officials for appropriate resolution.

## X. APPROVALS

This Agreement is entered into and made effective as of the date later in time indicated below.

ACCEPTED AND APPROVED FOR THE  
U.S. DEPARTMENT OF COMMERCE  
NATIONAL OCEANIC AND  
ATMOSPHERIC ADMINISTRATION  
*[Name of NOAA Line Office]*  
*[Name of NOAA Line Office Program/Staff  
Office – one level down in organization]*

BY: \_\_\_\_\_  
*[Name of Assistant Administrator]*  
Assistant Administrator  
*[or one level down in organization]*

DATE: \_\_\_\_\_

ACCEPTED AND APPROVED FOR  
THE *[INSERT NAME OF PARTY]*

BY: \_\_\_\_\_  
*[Name of person authorized to sign]*  
*[Title]*

DATE: \_\_\_\_\_

**10-08 APPENDIX C: TEMPORARY REIMBURSABLE WORK PROJECT CODE APPLICATION REQUEST**

**Temporary Reimbursable Work Project Code Application Request**

Statement it is considered an emergency, with explanation that it is mission critical work that must continue:

Reason for delay in obtaining the signed funding document:

Date as to when the signed funding form or 7600B will be provided to the Finance Office:

Check that attachments are included:

- Signed overarching agreement or 7600A, a copy of this document highlighting the applicable portion must accompany the request.
- A letter of intent from the receiving agency NOAA is servicing is also included.

Approvals:

Line Office CFO or Staff Office Director

NOAA Budget Office, Director

NOAA Finance Office, Director

NOAA CFO