

Section 3020.13 Acknowledgment of support on publications and audiovisuals. USDA is proposing no substantive changes from § 3015.200. This section states when a recipient shall acknowledge the awarding agency support in publications or audiovisual media.

Section 3020.14 Competing discretionary awards. There is no substantive change from § 3015.158 "Competition in the awarding of discretionary grants and cooperative agreements." This section covers the standards for competition, approval of applications and exceptions.

Section 3020.15 Program regulations and announcements. USDA is proposing no major substantive changes from § 3015.204. Proposed § 3020.15 addresses program announcements, program regulations, program solicitations, evaluation criteria and procedures, funding priorities, projects building on prior awards, and discussions with applicants. Proposed § 3020.15 clarifies and standardizes basic program notice and fairness requirements.

Section 3020.16 Nondiscrimination requirement. USDA proposes to establish a mandatory nondiscrimination statement that is to be included in covered USDA agreements.

Section 3020.17 Waiver of "single" State agency requirements. USDA is proposing no substantive changes from current § 3015.30. This section implements section 204 of the Intergovernmental Cooperation Act, which authorizes and establishes criteria for waiver of requirements that a single State agency or multimember agency administer a program.

Subpart C—Management of Agreements

Section 3020.20 Use of consultants. USDA is proposing no major substantive changes from § 3015.201. The Definitions and Applicability subsections have been removed. The Definitions are now covered in § 3020.50 and Applicability is addressed in §§ 3020.20(a) and 3020.20(b)(2). Unlike § 3015.201, applicability of § 3020.20 is not limited to grants, subgrants, and cost-type contracts. All other subsections are virtually the same. The proposed section addresses the basic policy for recipient use of consultants, exceptions, requirements for approval, and documentation standards.

Section 3020.21 Disposition of long term financial interests in real property, personal property, and equipment. This section creates a new departmental policy to terminate any departmental

financial interest in property or equipment acquired by a recipient, under a USDA agreement, after 20 years have passed since the last Federal need or use of the property or equipment. Executive Order 12803, "Infrastructure Privatization," directs Federal agencies to "Approve State and local governments' requests to privatize infrastructure assets, * * * and, where necessary, grant exceptions to the disposition requirements of the Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments' common rule" (57 FR 19063, May 4, 1992). As set out in Executive Order 12803, to privatize an asset means to dispose of, or transfer, an asset from a State or local government to a private party. Examples of infrastructure assets include roads, electrical supply facilities, water supply facilities, recycling plants, waste water treatment facilities, solid waste disposal facilities, housing, schools and hospitals. Executive Order 12803 provides that, "To the extent permitted by law," Federal agencies should revise the existing common rule requirements for the recuperation of Federal financial interests from State or local government grantees when the State or local government grantee privatizes a Federally funded infrastructure asset. The revised method set out in Executive Order 12803, Section 3(c)(iii) calls for use of the Internal Revenue Service accelerated depreciation schedules in calculating the value of the Federal interest in the asset.

Subpart D—Management of Funds

Section 3020.30 Management of indirect costs. In § 3020.30, USDA is proposing to codify the Federal indirect cost policies established in OMB Circulars numbers A-21, Cost Principles for Educational Institutions, and A-87, Cost Principles for State, Local, and Indian Tribal Governments. This section allows for a provisional indirect cost rate to be used pending determination of a final rate. These indirect costs may be paid only after establishing an indirect cost rate as required by §§ 3016.22 and 3019.27 of this chapter and the applicable cost principles or in the case of for-profit entities, the cost accounting standards. This section also explains which agency shall negotiate and establish the rate.

Section 3020.31 Physical segregation and eligibility. USDA proposes in this section to codify the requirement in OMB Circular number A-110, Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations, that awarding

agencies shall not require the recipient to use a separate bank account for the deposit of Federal funds or establish any eligibility requirements for banks or other financial institutions in which recipients deposit Federal funds for USDA agreements. Exceptions are found in §§ 3020.32, 3016.21 (h), and 3019.22 (i), (j), and (k) of this chapter.

Section 3020.32 Funds advanced to recipients. USDA proposes no substantive changes from section 3015.12. All moneys advanced to a recipient must be deposited in an FDIC insured bank whenever possible and anything over the FDIC limit must be collaterally secured.

Section 3020.33 Source of bonds. USDA is proposing no substantive changes in this section. Any bonds required under § 3016.36 (h) (1) through (3) or §§ 3019.21 (c) and (d) and 3019.48 (c) (1) through (3) of this chapter shall be obtained from companies holding certificates of authority as acceptable sureties listed by the Department of the Treasury in its Department Circular 570.

Section 3020.34 Limits on total payments to the recipient. USDA proposes in this section to codify the four most widely applicable legal limits on the total amount of money a recipient is entitled to receive from USDA as a result of a Federal award.

Subpart E—Intergovernmental Review of Department of Agriculture Programs and Activities

This subpart implements Executive Order 12372, Intergovernmental Review of Federal Programs, and the applicable provisions of section 401 of the Intergovernmental Cooperation Act of 1968 and section 204 of the Demonstration Cities and Metropolitan Development Act of 1966, and has been completely rewritten in consultation with active State Single Points of Contacts (SPOCs). These consultations were conducted over an extended period of time and the various draft revisions of this section were circulated to all active SPOC States. This was followed by discussions with individual SPOCs and a final review session held at the 1999 National SPOC Network Conference held in Washington, D.C. The proposed language reflects the ideas and comments presented by the SPOCs throughout this consultation process.

Section 3020.40 Purpose. USDA proposes no substantive changes from part 3105.300 "Purpose." This subpart is intended to foster an intergovernmental partnership for the review of proposed Federal financial assistance and direct Federal development.