

cost rate. Such requests should be made to:

- (i) The Federal department designated by the OMB to be the lead agency;
- (ii) The Federal department providing the most Federal money in the current fiscal year; or
- (iii) The Federal department with which the entity has had the longest standing relationship.

(2) When USDA is the Federal department responsible for negotiating the indirect cost rate, the request shall be made to the OCFO. The OCFO will determine which of the USDA agencies shall conduct the negotiation. Only those USDA agencies that have been delegated negotiation authority by the OCFO may conduct indirect cost rate negotiations.

#### **§ 3020.31 Physical segregation and eligibility.**

(a) Except as provided in §§ 3020.32, 3016.21 (h), and 3019.22 (i),(j), and (k) of this chapter, awarding agencies shall not impose conditions which:

- (1) Require the recipient to use a separate bank account for the deposit of Federal funds; or
  - (2) Establish any eligibility requirements for banks or other financial institutions in which recipients deposit Federal funds for USDA agreements.
- (b) [Reserved]

#### **§ 3020.32 Funds advanced to recipients.**

Any moneys advanced to recipients that remain subject to the control or regulation of the United States or any of its officers, agents, or employees (public moneys as defined in 31 CFR 202.1), must be deposited in a bank with FDIC insurance coverage whenever possible, and the balance exceeding the FDIC coverage must be collaterally secured.

#### **§ 3020.33 Source of bonds.**

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.

#### **§ 3020.34 Limits on total payments to the recipient.**

(a) This section summarizes the four most widely applicable limits on the total amount of money the recipient is entitled to receive from USDA as a result of a Federal award. It is permissible for the terms of a USDA agreement to provide one or more additional limits.

(b) For each Federal award, the lowest of the applicable limits is the one that

governs the final settlement upon expiration or termination of the award.

(c) The following two limits apply to every Federal award:

- (1) The amount of Federal funds authorized; and
  - (2) The Federal share of the allowable costs incurred by the recipient.
- (d) Federal awards that require a specified percentage of cost sharing or matching are subject to the applicable limits described in §§ 3016.24 and 3019.23 of this chapter.

(e) For each budget period of an incrementally funded discretionary Federal award, the limit is the Federal share of the allowable costs for that period's approved budget.

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

#### **§ 3020.40 Purpose.**

(a) This subpart establishes regulations implementing Executive Order 12372, "Intergovernmental Review of Federal Programs" and the applicable provisions of section 401 of the Intergovernmental Cooperation Act of 1968 (31 U.S.C. 6506) and section 204 of the Demonstration Cities and Metropolitan Development Act of 1966 (42 U.S.C. 3334).

(b) This subpart is intended to foster an intergovernmental partnership for review of proposed Federal financial assistance and direct Federal development.

#### **§ 3020.41 State responsibilities.**

(a) A State may elect to establish a coordinated review process within the State to review proposed Federal awards. The State review process shall consist of a Single Point Of Contact (SPOC) with the assigned functions of:

- (1) Selecting any of the programs or activities published in the **Federal Register** in accordance with § 3020.42 (a) for intergovernmental review. Each SPOC, before selecting programs and activities, should consult with local elected officials;
- (2) Notifying the USDA awarding agency of the Department's programs and activities selected for the State review process. A State may notify the USDA awarding agency of changes in its selections anytime;
- (3) Reviewing proposed Federal awards forwarded to the SPOC by the USDA awarding agency;
- (4) Distributing for comment the proposed award to all interested or affected local governments or other interested parties within the State, and compiling and analyzing any comments received;

(5) Providing the USDA awarding agency with a consolidated State recommendation for or against the proposed Federal award;

(6) Providing the USDA awarding agency with the State Agency Identification (SAI) number on each SPOC recommendation, if the SPOC process includes a State tracking system that assigns SAI numbers.

(b) If a State elects not to establish a SPOC in accordance with paragraph (a) of this section or the SPOC does not select a particular program or activity, the State, area wide, regional and local officials and entities may submit comments in accordance with § 3020.42 (b)(2).

#### **§ 3020.42 USDA awarding agency responsibilities.**

(a) The USDA awarding agency is required to publish in the **Federal Register** a list of the agency's programs and activities that are subject to this subpart and identify which of these are also subject to the requirements of section 204 of the Demonstration Cities and Metropolitan Development Act (42 U.S.C. 3334).

(1) The USDA awarding agency shall obtain clearance from the OCFO for any **Federal Register** publications regarding implementation of this subpart.

(2) In coordination with the SPOC, each USDA awarding agency shall maintain a current list of the programs and activities selected by the SPOC for review in accordance with § 3020.41 (a) (2).

(b) The USDA awarding agency is responsible for notifying all State and local governments that would be directly affected by proposed Federal financial awards from, or direct Federal development by, USDA:

(1) When a State has established a process under § 3020.41 (a), the USDA awarding agency shall exclusively use that process adopted by the State to review and coordinate proposed awards and shall allow a minimum of 60 days for the SPOC to comment on proposed awards. The USDA awarding agency shall allow for a comment period of less than 60 days only with the formal concurrence of the SPOC.

(2) When a State has not established a process or a program or activity has not been selected by the SPOC for review, the USDA awarding agency shall notify each of the affected State and local government officials directly and shall allow a minimum of 30 days for comments on proposed awards.

(c) The USDA awarding agency shall establish a system for accepting and evaluating comments when received