Regional Conservation Partnership Program (RCPP) Supplemental Agreement, Type II, Attachment 2: Payment Eligibility

I. UNALLOWABLE COSTS

The following costs are not allowed:

1. Costs above the amount authorized for the project.
2. Costs incurred prior to commencement of, or after the end of the supplemental agreement period of performance.
3. Costs not identified in the approved budget or approved budget revisions.
4. Profit resulting from Federal financial assistance. Recipients may not earn and keep income resulting from an award.
5. Costs of promotional items and memorabilia, including models, gifts, and souvenirs.
6. Compensation for injuries to persons or damage to property arising from project activities.
7. Partner administrative costs (statutorily prohibited).
8. Costs associated with work for which all statutory and regulatory requirements are not met.
9. Costs for deliverables inconsistent with program authorities, or for which applicable program requirements are not met.
10. Any cost for deliverables for which required match has not been provided.

This list is not exhaustive. For general information about the allowability of particular items / costs, please see 2 CFR Part 200, "Subpart E - Cost Principles", or direct specific inquiries to the administrative contact identified in the award. Because this Supplemental Agreement is based on programmatic authorities, vs. general governmental authorities, not all provision of 2 CFR 200 apply.

The allowability of some items of costs may be difficult to determine. To avoid disallowance or dispute of such costs, the recipient may seek prior approval before incurring them. NRCS retains approval authority of all project deliverables for the purpose of approving RCPP related payments listed in the supplemental agreement(s) and project deliverables.

II. PAYMENTS

NRCS shall approve RCPP Supplemental Agreement (SA) payments where all the following conditions are satisfied:

1. Partner is compliant with all reporting and administrative requirements of this SA;
2. Partner provides satisfactory / verifiable documentation of completion of each fully or partial technical or financial assistance deliverable and evidence supporting requested payment consistent with approved valuation method for that deliverable as documented in SA Attachment 1.
3. NRCS determines that work fully satisfies program eligibly and technical adequacy criteria for the project and practice, and the delivery is consistent with contract requirements.

Payments(s) shall be based on actual extent installed and calculated on a line item/deliverable basis. Each payment shall be limited to the lesser of the unexpended balance in line item/deliverable or the product of

the actual extent installed times the lesser of the actual unit cost calculated from installed extent and costs, or the per unit cost at the time of contracting.

Note: Negotiated payment methods may include but are not limited to verifiable records of actual expenses such as canceled checks, paid bills, payroll records, timesheets, and subaward documents. Generally, labor costs charges to this award must be based upon salaries actually earned and the time actually worked on this award calculated to exclude administrative overhead. Exception to such "actual cost" methods are allowed ONLY when approved negotiated payment methods clearly document typical expenses associated with a task, and accounting records support delivery of specific quantities of a task for which such an approved negotiated payment method is in place.

III PAYMENT PROCESS:

Partner is responsible for requesting payments via RCPP Portal or successor system. Partner assumes sole responsibility for ensuring accuracy of all partner data entry and access via RCPP portal.

Partner is solely responsible for verifying partner "vendor record" information, including banking information, prior to each payment request.

Partner is responsible for providing supporting documentation which directly supports NRCS review with respect to approved SA payment methods or NRCS shall reject payment requests. Returned request will not be eligible for payment until such time as partner satisfies this requirement.

NRCS will make payment to the recipient on a reimbursable or advance basis no more than once per quarter, unless more frequent payments are requested by partner and approved by NRCS.

Partners may request full payments for any (or all) deliverables scheduled for delivery within the forthcoming 60-day period. NRCS may approve such requests based on NRCS determination an advance poses minimal financial risk. In making a determination of risk, NRCS may consider adequacy/completeness of partner delivery plan; adequacy/availability of financial and accounting mechanisms, including software tools to track advances; partner's past performance; status of deliverable planning and designs; and or other criteria. Return of advance payment will be required if work for which advanced payment is made is not completed within the 60-day period beginning on the date of receipt of the funds or the advance is not liquidated in a timely fashion thereafter per NRCS requirements. Failure to return funds within the timeframe specified by NRCS shall result in the partner being in violation of the terms of the SA, and/or may result in termination of the SA as determined by NRCS; see also "cost recovery" section in Supplemental Agreement..

This agreement is a supplemental programmatic agreement related to and RCPP project agreement, not a procurement contract. As such, it is not subject to 5 CFR Part 1315, Prompt Payment Act, and is governed by the terms set forth herein