USDA APHIS
Veterinary Services

National Animal Disease Preparedness and Response Program (NADPRP) Cooperative and Interagency Agreements

Guidelines for Use of Funds

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INTRODUCTION

This guidance describes costs allowed or unallowed for reimbursement through an APHIS Veterinary Services (VS) Cooperative or Interagency Agreement funded via Farm Bill Section 12101 resources in the National Animal Disease Preparedness and Response Program (NADPRP). Additional cost guidance may be included in the NADPRP Notification of Funding Opportunity. The Office of Management and Budget (OMB) cost principles (2 CFR Subpart E) must be used to determine whether a cost can be charged to the project and, if so, the extent to which it can be charged. Applicants should use the Project Work Plan to provide narrative justification which aligns with the costs indicated in the Financial Plan. A review of the detailed Financial Plan will focus on reasonable requests for expenses that support the accomplishment of Work Plan objectives.

New This Year

USDA's Chief Information Officer is broadly increasing oversight on all cooperative agreement applications including NADPRP proposals. Additional review and approval will be required for all information technology–related items (services and equipment) to ensure compliance with policy, possibly causing delays in award announcements.

Allowable Costs

Allowable costs must be reasonable, allocable, and necessary for project completion. When identifying the resources needed, the Applicant must comply with Federal and State policy. The Financial Plan should include the following details:

1. **Personnel:** VS will allow costs for salary and wages for personnel who are essential to complete the activities described in the Work Plan and not included in the indirect cost base. The total compensation per individual employee must be reasonable for the work performed, conform to the established policy of the organization, and be consistently applied to Government and non-governmental activities. Provide details on the Financial Plan to clarify how the employee compensation was calculated. Note any compensation increases during the award period.
2. **Fringe Benefits:** May be requested when the Applicant's organization has formally established and consistently applied organizational policies for fringe benefits. Allowable benefits may include health and life insurance, unemployment insurance, workers' compensation, retirement, social security, pensions, and similar costs.
3. **Travel:** Funds may be requested for field work, training, attendance of meetings and conferences, and other travel costs associated with the proposed work. Recipients should follow their State written travel policies when calculating travel costs. If there is no State travel policy, Federal per diem rates should be used. Federal per diem rates can be found on GSA. Reference 2 CFR Part 200.474. Registration fees should be included in the "Other" category. Travel details on the Financial Plan should align with the documentation on the Work Plan.
    - Foreign travel: Identify any travel outside of the United States and its territories and possessions. However, for a recipient located outside Canada and the United States and its territories and

possessions, foreign travel means travel outside that country. Prior approval is required for all foreign travel which is accomplished by reference to it in the Work Plan and Financial Plan.

- Travel to the United States Animal Health Association/American Association of Veterinary Laboratory Diagnosticians (USAHA/AAVLD) Annual Meeting. For each awarded project, NADPRP funds may be used for one person to travel to the USAHA/AAVLD Annual Meeting to present project information one time during the project performance period, preferably near the conclusion of the project.

4. **Equipment:** The Federal definition of equipment is tangible personal property (including information technology systems) having a useful life of more than 1 year and a unit value of $10,000 or more, unless the Recipient definition of equipment is more restrictive. In the Work Plan, Applicants must describe the equipment to be purchased or leased, the purpose of each equipment item, and how it will benefit or be used for the project. In the Financial Plan, provide details including quantity, unit cost, and total costs. An inventory of equipment is required yearly in accordance with 2 CFR Part 200.312.

5. **Supplies:** Applicants must provide a general description of the supplies required to perform the proposed activities. Provide an itemized breakdown of the types of supplies when the cumulative value of supplies exceeds $10,000. Individual computers may be considered as supplies, as compared to Information Technology systems noted below, based on the cost. Details of the total estimated cost per type should be noted on the Financial Plan.

6. **Contractual:** In the Work Plan, describe the purpose and justification for each subaward. Indicate whether each contract will be procured competitively or through a sole-source process. If sole-source is proposed, a justification must be included in the proposal. Provide both a summary of costs on the main Financial Plan showing the total subaward costs and additional individual Financial Plans for each subaward, including detailed cost breakdowns.

   If a subaward will be made to consultants, a separate Financial Plan is not necessary. Instead, the main Financial Plan must include clarifying details about the consultant agreement including: 1) name(s) of consultant(s) to be engaged; 2) daily fees per consultant; 3) estimated days of continuing services; 4) scope of work to be performed (deliverables); 5) other incidental data supporting the proposed costs. 2 CFR Part 200.459 provides additional clarification on allowable costs for consultants.

   Please see the Subaward section for general details.

7. **Other:** Identify any direct costs which were not itemized elsewhere, such as conference registration fees, communications, printing, publication charges, computer time or usage, Recipient laboratory testing, etc. Include a quantity on the Financial Plan if relevant.

Unallowable Costs

The items below are costs that **will not be funded** through NADPRP Cooperative Agreements:

- Costs incurred prior to the effective date of the agreement (unless a pre-award has been signed)

- Construction of a new building or facility, or the acquisition or expansion of an existing building or facility, including site grading, improvement, and architect fees
- Land acquisition
- Projects or activities associated with APHIS VS-State-industry cooperative agreement funding programs that are typically supported through appropriated funds such as APHIS VS umbrella agreements, animal disease traceability agreements, and swine health improvement program agreements
    - However, NADPRP funds may be used to build on preparedness and response activities associated with other VS cooperative agreement programs.
- Promotional or thank-you materials, or similar costs unallowable by OMB cost principles (2 CFR Subpart E – Cost Principles General Provisions for Selected Items of Cost)
- Food and beverages (e.g., coffee service, meals, refreshments for personnel or participants in project activities).
- Bonuses or commissions
- Fundraising
- Incentives such as cash or gift cards
- Meeting, conference, symposia, or workshop honoraria which is payment to individuals or guests other than for documented professional services
- Compensation for Federal Employees including salary payments, consulting fees, travel costs, or other remuneration of full-time Federal employees.

Other Allowable Costs and Considerations

Subawards

Funds may be requested for a subaward, contract, and/or consultant (hereafter referred to as subawards) with a non-Federal entity when additional expertise, capabilities, or resources are needed to complete the proposed project and are not available within the applicant organization. All subaward activities must be carried out through a procurement relationship with an individual or organization outside the applicant. Please refer to the USDA Terms and Conditions, APHIS Terms and Conditions, and 2 CFR § 200 for complete information on requirements for subawards, primarily 2 CFR § 200.331 and 2 CFR § 200.332.

Applicants that use subawards are expected to:

- Ensure that funds support the cooperative agreement objective(s).
- Provide oversight to subrecipients to ensure that expenditures authorized under the subaward are allowable, allocable, and reasonable. Reasonable costs do not exceed that which would be incurred by a prudent person under similar circumstances and would qualify as sound business practice.

- Ensure that all expenditures are consistent with all local, State, and Federal policies, regulations, and procedures.

The 2018 Farm Bill Section 12101 provides this guidance on subawards: “Nothing in this section prevents an eligible entity from using funds received under the Program to enter into subawards with another eligible entity or with a political subdivision of a State that has legal responsibilities relating to animal disease prevention, surveillance, or rapid response.”

Approval of the proposal constitutes written approval of the subaward. If subawards are not identified at the time of application, Recipients must obtain written approval from the Program Manager prior to issuing the subaward and identify the subrecipient or contractor, authorized activities, and all anticipated costs.

Information Technology

Project Work Plans that include a request for Information Technology (IT) require additional USDA IT review. Information Technology is any equipment, interconnected system(s), or subsystem(s) of equipment that is used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information by an Agency. The term “information technology” includes, but is not limited to, computers, network and ancillary equipment, software, firmware, and similar procedures, services (including support services), and related resources. Refer to 2 CFR Part 200.1 for additional information.

NADPRP will fund IT projects that do not overlap with other sources of USDA funding. NADPRP focuses on IT projects that enhance or modernize existing IT systems and will not fund the development of new IT systems or existing IT system operational costs.

Animal Disease Traceability Equipment

Electronic ID (EID) tags, tag reading equipment, and software may be purchased with NADPRP funds. All equipment must comply with the Animal Disease Traceability Official Animal Identification Device Standards (OAIDs). NADPRP funding for the EID tags and tag reading equipment can be used when VS Umbrella or VS Animal Disease Traceability funding do not provide adequate resources to cover all State needs. Application packages that include EID tags and tag reading equipment must address need for resources beyond other funding sources in the Work Plan. EID tag readers are considered IT requests.

Communications Materials

Program funds may be used for publications, articles, presentations, websites, outreach and education materials, training curricula, training materials, brochures, pamphlets, fliers, fact sheets, videos, and other print and media products. Refer to the USDA Terms and Conditions for Federal Awards Section 1.14 Acknowledgement of USDA Support for Additional Information.

Participant Support Costs

Participant Support Costs are allowable when provided in the approved budget or with prior written approval for such items as stipends or subsistence allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with approved conferences, training projects, surveys, and focus groups.

Cost Sharing

Cost sharing and matching, defined in 2 CFR Part 200.29, is "the portion of the project costs not paid by Federal funds (unless otherwise authorized by Federal statute)." There is no required cost share/match for NADPRP cooperative agreements. If an Applicant includes contributions as part of a cost share in their budget proposal and it is accepted by APHIS VS, the commitment of funds becomes legally binding, must be reported on the SF-425, and is subject to audit. Third-party, in-kind contributions are non-cash contributions that have value that will benefit the project and are contributed by a non-Federal third-party without charge. These contributions should also be reflected in the Work Plan in the In-Kind Contribution section.

Neither Applicant costs, nor the value of third-party, in-kind contributions, may count towards satisfying a cost sharing or matching requirement if they have been, or will be, counted towards satisfying the cost sharing or cost matching requirement of another Federal assistance award, a Federal procurement contract, or any other award of Federal funds.

If the Applicant does not meet its cost share ratio or cost-match requirement as stipulated in the cooperative agreement, action can be taken to (1) reduce the next cooperative agreement, (2) reduce VS' share proportionately, or (3) allow the reduced cost share when it is in the best interest of the Federal Government. After the cooperative agreement has expired, adjustments to a cost share cannot be approved. Refer to 2 CFR Part 200.306 for additional information.

Indirect Costs

NADPRP cooperative agreements limit the applicant's assessment of indirect costs (IDC) to no more than 10% of the project's total costs, or the application of their **N**egotiated **I**ndirect **C**ost **R**ate **A**greement (NICRA), **whichever is less**. This limit also applies to sub-applicants (subawards). If you are submitting a proposal for NADPRP Farm Bill funding and requesting IDC, please calculate your indirect costs based on the following information.

Applicants that do not have a NICRA. For applicants that do not have a NICRA, indirect cost equals the total Federal award (i.e., direct costs + indirect costs), multiplied by 10%. The simplest way to calculate the indirect costs is to multiply the total direct costs (i.e., the sum of all personnel, fringe benefits, travel, equipment, supplies, and miscellaneous costs) by 11.11%.

> Example: The applicant does not have a NICRA and the direct costs for the project (i.e., the sum of all personnel, fringe benefits, travel, equipment, supplies, and miscellaneous costs) are $178,000.
>
> 1. Indirect cost calculation = ($178,000 X 11.11%) or $19,776.
> 2. Total Federal Award = ($178,000 + $19,776) or $197,776

Applicants that have a NICRA. Applicants that have a NICRA need to provide a copy of their fully executed current NICRA and:

1. Calculate indirect costs using the base and rate in their NICRA.
2. Calculate the maximum allowable IDC for NADPRP awards by multiplying the total direct costs (i.e., the sum of all personnel, fringe benefits, travel, equipment, supplies, and miscellaneous costs) by 11.11%.
3. Use the lower of the indirect cost calculation from steps 1 and 2.

   Example: The applicant has a NICRA and their negotiated indirect cost rate with their cognizant agency is 15% with a base applicable **only** to personnel and travel. Total base costs (personnel and travel) are $105,000 and total direct costs for the project are $178,000.

   1. Indirect cost calculation using their NICRA = ($105,000 X 15%) = $15,750
   2. Indirect cost calculation using the max allowable for NADPRP: ($178,000 x 11.11%) = $19,776
   3. The lower indirect cost calculation ($15,750) must be used.
   4. Total Federal award = ($178,000 + $15,750) = 193,750

Tips for Creating the NADPRP Financial Plan

Information about NADPRP annual competitive funding opportunities for eligible applicants is available on the NADPRP website. Applicants must submit a Financial Plan with their application package, and a template is available on the website when funding opportunities are open. **When completing the Financial Plan, the final Federal award amount should be given as a whole dollar amount (no cents).**

Guidelines on Use of NADPRP Funds for Projects on Livestock Depopulation for Emergency Response

NADPRP provides funding to support projects aimed at enhancing the nation's capabilities and capacity for animal disease preparedness and emergency response, including activities associated with livestock depopulation in an animal disease outbreak emergency.

NADPRP funds may be used to support projects that **evaluate depopulation methods** and provide scientific information to the American Veterinary Medical Association (AVMA) and USDA APHIS. Projects may address, but are not limited to, methods that are listed as Tier 1, 2, or 3 in the American Veterinary Medical Association (AVMA) Guidelines for the Depopulation of Animals: 2026 Edition. Proposals must consider all aspects of the AVMA guidelines, including the 11 criteria to guide assessment of depopulation methods (Considerations for Assessment of Methods) and any applicable special considerations. Proposals must describe how project findings will be shared with AVMA to assist with the continuous assessment and improvement of depopulation guidance for American producers and how protocols will be reviewed for animal welfare concerns, such as review by an Institutional Animal Care and Use Committee (IACUC).

NADPRP funds may also be used to support projects that **train animal agriculture responders** to conduct safe and humane livestock depopulation for animal disease outbreak response. For training projects, the approach must focus on methods that AVMA lists as Tier 1 or 2 in the AVMA Guidelines for the Depopulation of Animals: 2026 Edition. Proposals must describe the types of animals (species, production type, or class) and types of premises to verify that the project aligns with AVMA guidelines Tier 1 or 2 depopulation methods.

Definitions

The eCFR :: 2 CFR Part 200 -- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards includes a comprehensive list of definitions. Below are some common definitions along with definitions for terms that are not listed in the eCFR.

- **Allowable costs:** Costs that are reasonable, allocable, and necessary to the project and comply with funding statute requirements.
- **Consultant:** A consultant is an individual or a group that may enter into a subaward with a recipient. Consultants require additional documentation on the main Financial Plan, as they do not need a separate Financial Plan.
- **Contract:** *Contract* means a legal instrument by which a non-Federal entity purchases property or services needed to carry out the project or program under a Federal award. The term as used in this part does not include a legal instrument, even if the non-Federal entity considers it a contract, when the substance of the transaction meets the definition of a Federal award or subaward.
- **Cooperative agreement:** A legal instrument of financial assistance between a Federal awarding agency or pass-through entity and a non-Federal entity when substantial involvement is anticipated.
- **Cost sharing or cost matching:** The portion of project costs not paid by Federal funds (unless otherwise authorized by Federal statute). **Cost sharing** refers to the portion of project *not* borne by the Federal Government, i.e., a recipient's participation in the total cost of the project. For example, if the Recipient "cost-sharing" is 33 ¼ percent, then the Federal share is 66 ¾ percent of the recipient's total project costs. **Cost matching** refers to the portion of the project *not* borne by the Federal Government, and it directly compares Federal and non-Federal participation dollar for dollar. For example – a 50 percent match of Federal funds means that the recipient must provide 50 cents for every Federal dollar. A 100 percent match means one recipient dollar (or dollar value) for every Federal dollar.
- **Disallowed costs**: Those charges to a Federal award that the Federal awarding agency or pass-through entity determines to be unallowable, in accordance with the applicable Federal statutes, regulations, or the terms and conditions of the Federal award.
- **Equipment:** Tangible personal property (including information technology systems) having a useful life of more than 1 year, and a per unit value of $10,000 or more.
- **Grant:** A legal instrument of financial assistance between a Federal awarding agency or pass-through entity and a non-Federal entity which does not provide for substantial involvement.
- **Indirect (facilities & administrative (F&A)) costs:** Costs incurred for a common or joint purpose benefiting more than one cost objective, and not readily assignable to the cost objectives specifically benefited, without effort disproportionate to the results achieved.
- **Information technology systems:** Computing devices, ancillary equipment, software, firmware, and similar procedures, services (including support services), and related resources.

- **Non-Federal entity:** A State, local government, Indian tribe, institution of higher education (IHE), or nonprofit organization that carries out a Federal award as a recipient or subrecipient.
- **Pass-through Entity**: A non-Federal entity that provides a subaward to a subrecipient to carry out part of a Federal program.
- **Recipient:** A non-Federal entity that receives a Federal award directly from a Federal awarding agency to carry out an activity under a Federal program.
- **Restricted costs:** A mixture of allowable and unallowable costs and/or requires agency approval.
- **Subaward:** An award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a Federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a Federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract.
- **Subrecipient:** A non-Federal entity that receives a subaward from a pass-through entity to carry out part of a Federal program.
- **Substantial involvement:** When the Federal awarding agency provides collaboration, participation, or intervention. The Federal awarding agency is substantially involved when it acts as a partner with the Recipient.
- **Unliquidated obligations:** On a cash basis, unliquidated obligations are obligations incurred but not yet paid. On an accrual basis, they are obligations incurred but for which an expenditure has not yet been recorded.
- **Unobligated balance:** The amount of funding that has been authorized on a Federal award but remains uncommitted by the Recipient.

Common Cost Types

2 CFR – Subpart E – Cost Principles General Provisions for Selected Items of Cost

Type of Cost (in Alphabetical Order)	2 CFR Part	Classification of Costs
Advertising and public relations costs	200.421	Restricted – Refer to CFR
Advisory councils	200.422	Unallowable – Unless authorized by statute, the Federal agency, or as an indirect cost where allocable to Federal awards
Alcoholic beverages	200.423	Unallowable
Alumni/ae activities	200.424	Unallowable
Audit services	200.425	Restricted – Refer to CFR
Bad debts	200.426	Unallowable
Bonding costs	200.427	Restricted – Refer to CFR

Type of Cost (in Alphabetical Order)	2 CFR Part	Classification of Costs
Collections of improper payments	200.428	Refer to CFR
Commencement and convocation costs	200.429	Unallowable except as provided for in Appendix III to Part 200-Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Institutions of Higher Education, paragraph (B)(9) Student Administration and Services, as student activity costs
Compensation - fringe benefits	200.431	Allowable – Provided that the benefits are reasonable and are required by law, non-Federal entity-employment agreement, or an established policy of the non-Federal entity
Compensation - personal services	200.430	Refer to CFR
Conferences	200.432	Refer to CFR
Contingency Provisions	200.433	Restricted – Refer to CFR
Contributions and donations	200.434	Unallowable
Defense and prosecution of criminal and civil proceedings, claims, appeals, and patent infringements	200.435	Restricted – Refer to CFR
Depreciation	200.436	Restricted – Refer to CFR
Employee health and welfare costs	200.437	Refer to CFR
Entertainment costs	200.438	Unallowable
Equipment and other capital expenditures	200.439	Restricted –Refer to CFR
Exchange rates	200.440	Allowable – Prior approval of agency required – Refer to CFR
Fines, penalties, damages, and other settlements	200.441	Unallowable – Prior approval of agency required – Refer to CFR
Fund raising and investment management costs	200.442	Restricted – Refer to CFR
Gains and losses on disposition of depreciable assets	200.443	Restricted – Refer to CFR
General costs of government	200.444	Unallowable
Goods or services for personal use	200.445	Restricted – Refer to CFR
Idle facilities and idle capacity	200.446	Restricted – Refer to CFR
Insurance and indemnification	200.447	Restricted – Prior approval of agency required – Refer to CFR
Intellectual property	200.448	Restricted – Refer to CFR
Interest	200.449	Restricted – Refer to CFR
Lobbying	200.450	Unallowable – Refer to CFR
Losses on other awards or contracts	200.451	Unallowable
Maintenance and repair costs	200.452	Allowable
Materials and supplies costs, including costs of computing devices	200.453	Allowable

Type of Cost (in Alphabetical Order)	2 CFR Part	Classification of Costs
Memberships, subscriptions, and professional activity costs	200.454	Restricted – Refer to CFR
Organization costs	200.455	Unallowable – Prior approval of agency required – Refer to CFR
Participant support costs	200.456	Allowable – Prior approval of agency required – Refer to CFR
Plant and security costs	200.457	Allowable
Pre-award costs	200.458	Restricted – Refer to CFR
Professional service costs	200.459	Restricted – Refer to CFR
Proposal costs	200.460	Restricted – Refer to CFR
Publication and printing costs	200.461	Refer to CFR
Rearrangement and reconversion costs	200.462	Allowable
Recruiting costs	200.463	Refer to CFR
Relocation costs of employees	200.464	Restricted – Refer to CFR
Rental costs of real property and equipment	200.465	Allowable – Refer to CFR
Scholarships and student aid costs	200.466	Restricted – Prior approval of agency required – Refer to CFR
Selling and marketing costs	200.467	Unallowable – Prior approval of agency required – Refer to CFR
Specialized service facilities	200.468	Allowable – Refer to CFR
Student activity costs	200.469	Unallowable
Taxes (including Value Added Tax)	200.470	Restricted – Refer to CFR
Termination costs	200.471	Restricted – Refer to CFR
Training and education costs	200.472	Allowable
Transportation costs	200.473	Allowable
Travel costs	200.474	Refer to CFR
Trustees	200.475	Refer to CFR