



February 16, 2018

**To: 1862 Insular Area Land-Grant University Presidents, Provosts,
and 1862 Insular Area Extension and Research Directors and
Experiment Station Directors**

From: Sonny Ramaswamy, Director

**Subject: 1862 Insular Area Land-Grant University
Authorized Representative/Authorized Organizational
Representative and other roles clarification**

This memorandum is intended to provide clarity regarding the roles and functions associated with Authorized Representative (AR), Extension Director, Agricultural Research Director, and Legal Custodian (also known as Custodian of Funds or Treasurer) relative to 1862 insular area capacity (Research and Extension) awards. We have received numerous inquiries around the roles and functions associated with certain positions in NIFA awards. Some of the confusion stems from the transition from the old program manuals to the 2014 NIFA Policy Guide. Some of the program specific terms were not transferred to the 2014 NIFA Policy Guide. Additionally, the term Authorized Representative was introduced, which was a government-wide shift. NIFA added definitions for Authorized Representative as well as some of the capacity program roles to the Fiscal Year (FY) 2016 Capacity Grant Terms and Conditions. Additionally, in Fiscal Year (FY) 2018, NIFA will include this information in the update to the NIFA Policy Guide. In the interim, to help you administer your awards, I wanted to provide you with this memorandum to provide clarity regarding the roles and functions associated with the Authorized Representative (AR), Project Directors/Principal Investigators, Extension Director, Agricultural Research Director, and Legal Custodian. The definitions in this memorandum apply *only*¹ to your National Institute of Food and Agriculture (NIFA) capacity awards, including but not limited to: Cooperative Extension programs (Smith-Lever Act), Hatch Act of 1887 (Experiment Stations), McIntire-Stennis Cooperative Forestry Act, Expanded Food and Nutrition Education Program (EFNEP), and Renewable Resources Extension Act (RREA).

The AR, a government-wide term, is the designated representative of the grantee organization in matters related to the award and administration of its NIFA grants. The AR is the individual authorized to submit proposals on behalf of the Institution, receive and accept awards, commit the awardees' time and other resources to the project, commit the awardee to comply with the terms and conditions of the award instrument, submit post award actions, and to otherwise act on behalf of the awardee institution. The AR has an overall responsibility for ensuring grant funds are expended for allowable purposes in accordance with federal authorizing statutes, program regulations, government-wide laws and regulations, required certifications and assurances, the terms and conditions of the individual award, and the approved plan of work.

¹ It does not apply to competitively awarded grants to insular area institutions.

For applications submitted electronically through Grants.gov, the signature of the AR is documented as part of the electronic submission process and is authenticated through the Grants.gov registration process. In signing a grant application, the AR certifies that the applicant organization will comply with all applicable assurances and certifications referenced in the request for applications. When accepting a NIFA award, the applicant organization is then subject to the provisions noted on the award which includes being accountable both for the appropriate use of funds awarded and for the performance of the grant supported project or activities resulting from the application.

Although NIFA requires that the grantee organization designate an AR, NIFA does not specify the organizational location or full set of responsibilities for this official. A single individual may have this authority or multiple individuals may share some or all of this authority. The AR is a role of authority, it is not a specific position. For instance, an Extension Director may also act as the AR because he/she has the authority to submit proposals and receive an award on behalf of the institution. Authorized Organization Representative (AOR) is the previous iteration of the AR and for NIFA purposes, the terms are interchangeable. The term AR is used in the NIFA Policy Guide because of its use on the SF-424 and the Notice of Award and is not intended to create a new position or role.

The use of the term AR, and the role of the AR, does not change the roles and responsibilities of the Extension Director, Agricultural Research Director, or the legal custodian for capacity funds. 1862 insular area capacity (Research and Extension) award funds may be disbursed only as authorized by either the Extension Director, Agricultural Research Director, or their designees, as appropriate, in accordance with 2 CFR 200 (the Uniform Guidance), federal authorizing statutes, program and other applicable regulations, and the approved plan of work. The Extension Director, Agricultural Research Director, or legal custodian, or their designee, must approve all expenditures of funds made available for research and extension programs to ensure funds are expended for purposes specified in the authorizing statute. The roles and responsibilities of the Extension Director, Agricultural Research Director, and the legal custodian are defined below.

The Project Director or PD is the single individual designated by the awardee in the application, and approved by the NIFA Authorized Departmental Officer, who is responsible for the direction and management of the project. The PD is also known as the Principal Investigator (PI) for research activities. NIFA uses the term PD to refer to the individual for all types of projects (research, extension, and education). The organization applying for a NIFA grant, or the applicant organization, may designate multiple individuals as PDs who share the authority and responsibility for leading and directing the project, intellectually and logistically. Each PD is responsible and accountable to the organization receiving a NIFA grant, or the grantee organization, or, as appropriate, to a collaborating organization, for the proper conduct of the project or program, including the submission of all required reports. The presence of more than one identified PD/PI on an application does not diminish the responsibility or the accountability of any individual PD/PI.

The Insular Area Extension Director and Agricultural Research Director are responsible for: extension or research activities; extension and research funds at the insular area land-grant college or university; and compliance with the applicable rules and regulation. They assume obligations imposed by the NIFA capacity award and should be a direct report to the University governing board (President, Provost, etc.). The Directors authorize distributions and expenditure of award funds and ensure expenditures are consistent with the approved plan of work. This individual may be designated by the governing body of the institution to serve as the Authorized Representative (AR) for the award. NIFA strongly encourages Institutions to designate the Extension Director and Agricultural Research Director as the AR for the applicable NIFA insular area capacity awards.

Finally, all recipients of NIFA awards must designate a legal custodian (or custodian of funds). A legal custodian is appointed by the governing body of the Institution to receive and account for all NIFA grant funds (i.e. Smith-Lever, McIntyre-Stennis, EFNEP, RREA, etc.) allocated to the Institution. For Hatch Act, this individual is the Treasurer or equivalent. This individual certifies and submits the annual SF- 425 financial report. NIFA strongly encourages the Comptroller of the University to certify the SF 425. Under 2 CFR 200.303, internal controls and separation of duties are required elements in administration of grant awards. The legal custodian must be a different individual than the person who authorizes and/or approves expenditures.

We hope this clarification is useful in determining appropriate personnel to serve in these roles. If you have any questions, please do not hesitate to contact Cynthia Montgomery, Deputy Director, Office of Grants and Financial Management at 202-401-6021 or cmontgomery@nifa.usda.gov.

SUMMARY OF INSULAR AREA CAPACITY AWARD ROLES

Insular Area Extension Director/Agricultural Research Director

- Responsible for:
 - extension or research activities
 - extension or research funds at the insular area 1862 land-grant college or university; and
 - compliance with the applicable rules and regulation.
- Assumes obligations imposed by NIFA capacity awards.
- Should be a direct report to the University governing board (President, Provost, etc.).
- Authorizes distribution and expenditure of award funds.
- Ensures expenditures are consistent with the approved plan of work.
- May be designated by the governing body of the institution to serve as the AR.
- NIFA **strongly encourages** insular areas to designate Extension Director and Agricultural Research Director as the AR for the applicable NIFA capacity awards.

Legal Custodian (Custodian of Funds or Treasurer)

- Appointed by the eligible institution to receive and account for all allotments of Hatch, Cooperative Extension (Smith-Lever), McIntire-Stennis, EFNEP, and RREA funds.
- Certifies and submits the annual SF- 425 financial report. NIFA **strongly encourages** the Comptroller of the University to certify SF 425.
- Under 2 CFR 200.303, **internal controls** and **separation of duties** are required elements in administration of grant awards. The legal custodian must be a different individual than the person who authorizes and/or approves expenditures.

Relevant NIFA 1862 insular area capacity grant programs:

- Cooperative Extension (Smith-Lever Act))
- Hatch Act
- McIntire-Stennis
- RREA
- EFNEP