

Best Practice: Challenge Cost Share Agreement

Summary

The Upper Deschutes Watershed Council and the Deschutes National Forest have been working together informally for years. Now, a Challenge Cost Share Agreement enables the partners to broaden that partnership and share or exchange services, supplies and funding.

Keys to Success

Previously established working relationship between the partners.

“It (the CCSA) puts the ‘we want to work together’ handshake down on paper.”

*--Ryan Houston,
Executive Director
of the UDWC*

National Forest Foundation
Bldg. 27, Ste 3
Fort Missoula Rd.
Missoula, MT 59804
406.542.2805
www.nationalforests.org

Nonprofit and U.S. Forest Service Formalize Partnership

The Upper Deschutes Watershed Council (UDWC) and the Deschutes National Forest have formalized their partnership with a Challenge Cost Share Agreement that establishes the agency and the UDWC's commitment to work together towards common watershed restoration goals. The Challenge Cost Share Agreement establishes the mechanisms under which the nonprofit and agency share and exchange services, supplies and funding.

The agreement has helped the parties act on new opportunities on multiple occasions. Ryan Houston, Executive Director of the UDWC, offers two examples in which having the Challenge Cost Share Agreement in place enabled quick action. In 2003, it provided the appropriate avenue for the Forest Service to donate two pre-paid slots in a watershed restoration training program (valued at \$1,500 each) to UDWC.

In another instance, a local native plants nursery had extra plants, which the UDWC purchased and the Forest Service planted with federally-paid crews. In both cases, the Forest Service and UDWC were able to act quickly on the opportunity because their partnership and overall purpose for their work together was already formalized and clearly defined.

Benefit

- The Forest Service and the non-profit can quickly take advantage of unexpected opportunities because of the established and formalized working partnership in the Challenge Cost Share Agreement.

Links

Upper Deschutes Watershed Council

<http://restoredeschutes.org/>

Deschutes National Forest

<http://www.fs.fed.us/r6/centraloregon/>

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**CHALLENGE COST-SHARE AGREEMENT
BETWEEN
THE UPPER DESCHUTES WATERSHED COUNCIL
AND
UNITED STATES DEPARTMENT OF AGRICULTURE
FOREST SERVICE
R-6, DESCHUTES NATIONAL FOREST**

This Challenge Cost-Share agreement is entered into by and between the Upper Deschutes Watershed Council, hereinafter referred to as the Watershed Council, and the United States Department of Agriculture Forest Service, R-6, Deschutes National Forest, hereinafter referred to as Forest Service, under the provisions of the Department of Interior and Related Agencies Appropriation Act of 1992, P.L. 102-154.

I. **PURPOSE:** The purpose of this Challenge Cost-share Agreement is to help one another accomplish mutually beneficial objectives related to sustaining natural resource protection and enhancement within the Upper Deschutes River watershed.

II. **STATEMENT OF MUTUAL INTEREST AND BENEFITS:**

The Forest Service is interested in working with all stakeholders, the Watershed Council included, in a comprehensive effort to restore the Deschutes Basin Watershed so that state and federal water quality standards are met. The Forest Service is the managing agency for meeting state and federal water quality standards on national forest lands. Approximately 70% of the Upper Deschutes River land base is in the Deschutes National Forest.

The Watershed Council is interested in actively fostering stewardship of the Upper Deschutes River resources through cooperative and voluntary endeavors with watershed landowners, residents, and other interested parties.

Through this agreement, the Forest Service and the Watershed Council can better accomplish their common goals by partnering in implementing activities such as enhancement projects, workshops, field trips, conferences, educational programs and community outreach.

In consideration of the above premises, the parties agree as follows:

Comment [UFS1]: Insert Cooperator's legal name.

Comment [UFS2]: Insert the Region/Station/Area/Institute name.

Comment [UFS3]: Fill in the cooperator's full name.

Comment [UFS4]: Fill in the cooperator's shortened name.

Comment [UFS5]: Insert the name of the FS Region/Station/Area/Institute name.

Comment [UFS6]: If funds are going to be received, insert one of the following collection authorities in addition to P.L. 102-154. (1) the COOPERATIVE FUNDS ACT OF JUNE 30, 1914 (16 U.S.C. 504), which authorizes the Forest Service to accept money received as contributions toward cooperative work in forest investigations or protection, management, or improvement of the national forests, (2) the GRANGER-THYE ACT OF APRIL 24, 1950 (16 U.S.C. 572), which authorizes the Forest Service to perform work (a) on State, county, municipal, or private land within or near National Forest Service, (3) the ACCEPTANCE OF GIFTS ACT OF OCTOBER 10, 1978 (7 U.S.C. 2269, PUB. L. 95-442), which authorizes the Forest Service to accept cash and donations of real personal property, or (4) the INTERGOVERNMENTAL COOPERATION ACT OF 1968, AS AMENDED (31 U.S.C. 6501-6508, PUB. L. 90-577), which authorizes the Forest Service to provide services to States or subdivisions of States.

Comment [UFS7]: Explain why the parties wish to cooperate and include a statement that begins:

Comment [UFS8]: The Forest Service's and the cooperator's interests and responsibilities should be stated separately. These interests and responsibilities should then be tied together in a summary statement which clearly establishes the mutual interest and benefits of the parties. THIS SECTION SHOULD END WITH A TRANSITION STATEMENT SIMILAR TO THE FOLLOWING: In consideration of the above premises, the parties agree as follows:

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III. THE WATERSHED COUNCIL SHALL:

1. Coordinate agreed to activities such as enhancement projects, workshops, field trips, conferences, educational programs and community outreach.
2. Provide materials, supplies and staff time as identified in the annual financial plan.
3. Maintain a board position for a representative of the Forest Service.

Comment [UFS9]: Fill in the cooperator's shortened name.

Comment [UFS10]: List the activities/tasks the cooperator's will do; use numbered paragraphs

IV. THE FOREST SERVICE SHALL:

1. Cooperate with the Watershed Council activities as identified in the annual financial plan.
2. Provide materials, supplies and staff time as identified in the annual financial plan.
3. Assign a representative to the board of the Watershed Council.

Comment [UFS11]: List the activities/tasks the Forest Service will do; use numbered paragraphs.

V. IT IS MUTUALLY UNDERSTOOD AND AGREED BY AND BETWEEN THE PARTIES THAT:

1. FOREST SERVICE ACKNOWLEDGED IN PUBLICATIONS AND AUDIOVISUALS.

Forest Service support shall be acknowledged in any publications and audiovisuals developed as a result of this instrument.

Comment [UFS12]: The following clauses are standard provisions taken from FSH 1509.11, Section 72, Exhibit 01. Delete any that are not applicable and number the remaining in sequential order.

Comment [UFS13]: When development of publication or production of audiovisuals is approved, this is mandatory.

2. FEDERAL COST PRINCIPLES. This agreement will be governed by OMB Circular No. A-122, Cost Principles for Nonprofit Organizations with Exclusions listed in Attachment C of OMB Circular No. A-122 and audit requirements under OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations

Comment [UFS14]: This is mandatory

Comment [UFS15]: Select the appropriate cost principle and delete the remainder. If the FAR cost principle is selected delete reference to OMB A-133

3. COLLECTION OF AMOUNTS DUE THE FEDERAL GOVERNMENT. Pursuant to 31 U.S.C. 3716 and 7 CFR, Part 3, Subpart B, any funds paid to a cooperator in excess of the amount to which the cooperator is finally determined to be entitled under the terms and conditions of the award constitute a debt to the Federal Government. If not paid within a reasonable period after the demand for payment, the Federal awarding agency may reduce the debt by:

Comment [UFS16]: This is mandatory when the Forest Service is transferring or exchanging funds.

- (1) Making an administrative offset against other requests for reimbursements.
- (2) Withholding advance payments otherwise due to the cooperator
- (3) Taking other action permitted by statute.

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Except as otherwise provided by law, the Federal awarding agency shall charge interest on an overdue debt in accordance with 4 CFR, Chapter II “Federal Claims Collection Standards” and 31 U.S.C., Chapter 37.

4. **TAXPAYER IDENTIFICATION NUMBER.** The cooperator shall furnish their tax identification number upon execution of this instrument.

Comment [UFS17]: Unless the cooperator has already furnished the TIN, this is mandatory when the Forest Service is transferring funds to other than another federal agency. For CO agreements; if a Bill for Collection is to be generated or if a refund is possible, FFIS requires a TIN be used. Otherwise for CO use of this provision is optional.

5. **FREEDOM OF INFORMATION ACT (FOIA).** Any information furnished to the Forest Service under this instrument is subject to the Freedom of Information Act (5 U.S.C. 552).

Comment [UFS18]: This is mandatory, except for Inter and Intra-agency agreements.

6. **RETENTION AND ACCESS REQUIREMENTS FOR RECORDS.** The Forest Service, Inspector General, or Comptroller General, through any authorized representative, shall have access to and the right to examine all records related to this instrument. As used in the provision, “records” includes books, documents, accounting procedures and practices, and other data, regardless of type and regardless of whether such items are in written form, in the form of computer data, or in any other form. All records pertinent to the award shall be retained for a period of 3 years.

Comment [UFS19]: This is mandatory, except for Inter or Intra-agency agreement.

7. **MODIFICATION.** Modifications within the scope of the instrument shall be made by mutual consent of the parties, by the issuance of a written modification, signed and dated by all parties, prior to any changes being performed.

Comment [UFS20]: This is mandatory. Optional use for Inter an Intra-agency Agreements depending on the type in IA used.

The Forest Service is not obligated to fund any changes not properly approved in advance.

Comment [UFS21]: Add this sentence as the last sentence in the provision if this agreement is for (DG, CA, CS, PA, JV, CR).

8. **NONDISCRIMINATION.** The cooperator shall comply with all Federal statutes relating to nondiscrimination and all applicable requirements of all other Federal laws, Executive orders, regulations, and policies. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d, 2000e-16), which prohibits discrimination on the basis of race, color, disability, or national origin; (b) Title IX of the Education amendments of 1972, as amended (20 U.S.C. 1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; and Section 504 of the Rehabilitation Act of 1973 as amended (29 U.S.C. 794) which prohibits discrimination on the basis of disabilities. The nondiscrimination statement which follows shall be posted in primary and secondary cooperator offices, at the public service delivery contact point and included, in full, on all materials regarding such cooperators’ programs that are produced by the cooperators for public information, public education, or public distribution:

Comment [UFS22]: This is mandatory. All agreements that produce public information, public education, or public distribution of materials or information.

Comment [UFS23]: Select and use the appropriate one.

Comment [UFS24]: Select and use the appropriate one.

Comment [UFS25]: Select and use the appropriate one.

Comment [UFS26]: Select and use the appropriate one.

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“In accordance with Federal law and U.S. Department of Agriculture policy, this institution is prohibited from discriminating on the basis of race, color, national origin, sex, age, or disability. (Not all prohibited bases apply to all programs.)

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice and TDD). USDA is an equal opportunity provider and employer.”

If the material is too small to permit the full statement to be included, the material will at minimum include the statement, in print size no smaller than the text, that “This institution is an equal opportunity provider.”

9. **PROPERTY IMPROVEMENTS**. Improvements placed on National Forest System land at the direction of either of the parties, shall thereupon become property of the United States, and shall be subject to the same regulations and administration of the Forest Service as other National Forest improvements of a similar nature. No part of this instrument shall entitle the cooperator to any share or interest in the project other than the right to use and enjoy the same under the existing regulations of the Forest Service.

Comment [UFS27]: When improvements result from a project on National Forest System lands, this mandatory.

10. **LEGAL AUTHORITY**. The cooperator has the legal authority to enter into this instrument, and the institutional, managerial and financial capability (including funds sufficient to pay nonfederal share of project costs) to ensure proper planning, management, and completion of the project.

Comment [UFS28]: This is mandatory.

11. **PARTICIPATION IN SIMILAR ACTIVITIES**. This instrument in no way restricts the Forest Service or the Cooperator(s) from participating in similar activities with other public or private agencies, organizations, and individuals.

Comment [UFS29]: This is mandatory.

12. **COMMENCEMENT/EXPIRATION DATE**. The instrument is executed as of the date of the last signature and is effective through **December 31, 2006** at which time it will expire unless extended.

Comment [UFS30]: This is mandatory. For IA, use is optional depending on narrative type agreement or agency form used, where this information may already be captured.

13. **TERMINATION**. Any of the parties, in writing, may terminate the instrument is whole, or in part, at any time before the date of expiration.

Comment [UFS31]: Insert the expiration date no greater than 5 years.

Comment [UFS32]: This is mandatory. Check 1509.11 chapter 72 there is more to this provision. (Also, when refunds are required by statute, add the following sentence: Excess funds shall be refunded within 60 days after the effective period.

Neither party shall incur any new obligations for the terminated portion of the instrument after the effective date and shall cancel as many obligations as possible. Full credit shall be allowed for each Party’s expenses and all non-cancelable obligations properly incurred up to the effective date of termination.

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14. **PRINCIPAL CONTACT**. The principal contacts for this instrument are:

Comment [UFS33]: This may be changed to accommodate the citing of each party's technical and business representatives, if necessary. However, this is mandatory. For Inter and Intra-agency agreements use is optional depending on narrative form of agreement or other agency form used where this information may already be captured.

Forest Service Project Contact	Cooperator Project Contact
Marc Wilcox, Forest Hydrologist	Ryan Houston, Executive Director
Deschutes National Forest	Upper Deschutes Watershed Council
1645 Hwy 20 East	PO Box 1812
Bend, OR 97701	Bend, OR 97709
Phone: 541-383-5537	Phone: 541-382-6102
FAX: 541-383-5531	FAX: 541-382-4078
E-Mail: mwilcox@fs.fed.us	E-Mail: rhouston@deschuteswatersheds.org

Forest Service Administrative Contact	Cooperator Administrative Contact
Maria Gonzalez, Contract Specialist	Lisa Smith, Office Manager
Deschutes National Forest	Upper Deschutes Watershed Council
1645 Hwy 20 East	PO Box 1812
Bend, OR 97701	Bend, OR 97709
Phone: 541-383-5547	Phone: 541-382-6103
FAX: 541-383-5544	FAX: 541-382-4078
E-Mail: mgonzalez@fs.fed.us	E-Mail: lksmith@deschuteswatersheds.org

15. **COPYRIGHTING (1)**. The cooperator is granted sole and exclusive right to copyright future publications identified in the annual financial plan, including the right to publish and vend throughout the world in any language and in all media and forms, in whole or in part, for the full term of the copyright and all renewals thereof in accordance with this instrument. However, the cooperator shall not sell, or grant copyrights to a third-party designee who intends to sell, the document as a profit-making venture. No original text or graphics produced and submitted by the Forest Service shall be copyrighted. The Forest Service reserves a royalty-free, nonexclusive, and irrevocable right to reproduce, publish, or otherwise use, and to authorize others to use, the work for Federal government purposes. This right shall be transferred to any sub-agreements or subcontracts. This provision includes:

Comment [UFS34]: When cooperator publications are or may be developed, this is mandatory.

Comment [UFS35]: Insert name of publications.

a. The copyright in any work developed by the Watershed Council under this instrument.

Comment [UFS36]: Insert the cooperator's name

b. Any rights of copyright to which the Watershed Council purchases ownership with any Federal contributions.

Comment [UFS37]: Insert the cooperator's name

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16. **PUBLICATION SALE**. The cooperator may sell any publication resulting from the project. The publication may initially be sold at fair market value, which is defined in this instrument to cover costs of development, production, marketing, and distribution. After the costs of development and production have been recovered, fair market value is defined in this instrument to cover the costs of marketing, printing, and distribution only. Fair market value must exclude any in-kind or Federal government contribution to the total costs of the project.

Comment [UFS38]: When publications are or may be developed, this is mandatory.

17. **ELECTRONIC FUNDS TRANSFER**. The cooperator shall designate a financial institution or an authorized payment agent through which a Federal payment may be made in accordance with U.S. Treasury Regulations, Money and Finance at 31 CFR 208, which requires that Federal payments are to be made by electronic funds transfer (EFT) to the maximum extent possible. A waiver may be requested and payment received by check by certifying in writing that one of the following situations apply:

Comment [UFS39]: Unless the recipient/cooperator is already using EFT, this is mandatory. If changes occur to the phone numbers or the World Web address, make those changes accordingly.

Comment [UFS40]: Select and use the appropriate one.

1. The payment cooperator does not have an account at a financial institution.

Comment [UFS41]: Select and use the appropriate one.

2. EFT creates a financial hardship because direct deposit will cost the payment recipient more than receiving check.

3. The payment cooperator has a physical or mental disability, or a geographic, language, or literacy barrier.

To initiate receiving your payment(s) by electronic transfer, contact the National Finance Center (NFC) on the worldwide web at www.nfc.usda.gov, or call the NFC at 1-800-421-0323, or (504) 255-4647. Upon enrollment in the program you may begin to receive payment by electronic funds transfer directly into your account.

18. **PAYMENT /REIMBURSEMENT**. Reimburse the cooperator for the Forest Service's proportionate share 50 percent of actual expenses incurred, not to exceed \$500, reduced by program income, and other Federal and nonfederal cash contributions, as shown in the incorporated Financial Plan. The cooperator is approved to submit monthly billings(s). The Forest will make payment for its proportionate share of project costs upon receipt of an invoice. Each invoice shall display the cooperator's actual expenditures to date of the invoice (not just the Forest Service share of actual expenditures), display by separate cost elements as documented in the Financial Plan, less program income and other Federal and nonfederal cash contributions and previous Forest Service payments. The invoice should be forwarded as follows:

Comment [UFS42]: When reimbursable payments are required, this is mandatory. Remove the reference to program income when not applicable. Remove reference to paragraph b if not required by the Forest Service.

Comment [UFS43]: Insert percentage number.

Comment [UFS44]: Insert dollar amount.

Comment [UFS45]: Select and insert the appropriate on (monthly, quarterly, semi-annual, a lump-sum).

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Send an original to: Sam Fairbairn, Budget and Finance
 Deschutes National Forest
 1645 Hwy 20 East
 Bend, OR 97701

19. **ENDORSEMENT**. Any cooperator contributions made under this instrument do not by direct reference or implication convey Forest Service endorsement of the cooperator's products or activities.

Comment [UFS46]: This is mandatory.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the last written date below.

 JOANNE RICHTER | _____ Date
 Board President
 Upper Deschutes Watershed Council

Comment [UFS47]: Include name of signatory official on line above; include name of organization on line below.

 LESLIE A.C. WELDON | _____ Date
 Forest Supervisor
 Deschutes National Forest

Comment [UFS48]: Insert FS authorized representative's name, title, and Region/Station/Area/Institute.

Forest Service Use

Job Code: _____

Comment [UFS49]: A financial plan must be included with this agreement that shows the contributions, elements of cost and types of contributions. Reference FSH 1509.11, chap. 60. Standard templates for financial plans are available on the website.