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	U. S. DEPARTMENT OF THE INTERIOR OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT DIRECTIVES SYSTEM	Subject Number: AML-5 Transmittal Number: 318 Date: 2/24/87

Subject: Cooperative Agreements for Federal Reclamation Program Projects

Approval: Jed W. Christensen | Title: Director

1. Purpose. This directive provides policy guidance to Assistant Directors of Eastern and Western Field Operations (AD/E/WFO) relative to approval of cooperative agreements (CA), or amendments to the agreements, for Federal Reclamation Program (FRP) projects.

2. Definitions.

a. Cooperative Agreement - document signed by a State/Tribe and an authorized official of the Office of Surface Mining Reclamation and Enforcement (OSMRE), obligating the State/Tribe to perform certain abandoned mine land (AML) reclamation activities in return for Federal funds.

b. Amendment - a written change in the provisions of a CA.

c. Application - material submitted by a State/Tribe to a Field Office (FO) when applying for Federal funds.

d. Assurances - certification by applicant (State/Tribe) that they will comply with OMB related circulars and other applicable Federal laws and regulations.

e. Audit - a report examining financial records and compliance with laws and regulations relative to a CA.

f. Closeout - the process of administratively declaring a CA completed. It involves a review and reconciliation of all financial and programmatic actions relative to the CA.

g. Cooperative Agreement Approval - the action when the grantee and grantor sign the CA thereby approving the document. When a CA is approved, a Contract Award Report - OSM Form MB-212 is issued increasing the recipient's letter-of-credit by the amount specified in the agreement.

h. Federal Reclamation Program Project - emergency or high priority AML abatement or reclamation project funded from the Secretary's Discretionary Share of the AML Fund, and undertaken through a Federal contract, a cooperative agreement with a State/Tribe or an interagency agreement with another Federal agency.

i. Letter-of-Credit - an instrument certified by an official of OSMRE which authorizes a recipient to draw funds. The drawdown requests may be submitted as frequently as cash is needed to meet expenditures chargeable to awarded funds. The funds advanced under the OSMRE letter-of-credit system are made available by the Treasury Disbursing Centers and Treasury Regional Disbursing Offices.

j. Obligation Package - the material submitted by the Division of Abandoned Mine Lands (DAML) - Eastern Field Operations (EFO) or the Branch of Federal Reclamation (BFR) (through the AML Section in the case of the Western Field Operations (WFO)) to the appropriate Grants Section of the Eastern/Western Field Operations (E/WFO) Offices for obligation of funds and increasing the recipient's letter-of-credit.

3. Policy/Procedures.

a. Concept. It is the policy of OSMRE to delegate to the AD/E/WFO signature authority to approve CA and amendments for FRP projects. Approval authority will be contingent upon the following conditions being satisfied:

(1) A briefing paper for the project has been developed and approved.

(2) Project funds in the amount specified in the approved briefing paper have been allocated to the E/WFO Office.

b. Responsibility. The AD/E/WFO are responsible for approving and executing CA and amendments for all FRP projects.

The Chief, DAML - EFO, or Chief, BFR - WFO, are responsible for evaluating and determining if CA applications or amendments and quarterly and closeout reports are complete and qualitatively acceptable for processing.

c. Approval Process.

(1) Processing of the Application. Applications for FRP CA or amendments will be submitted by the State/Tribe to the appropriate Field Office (FO) who will conduct a preliminary completeness review. The seven items required in a complete application are:

(a) Letter requesting the agreement or amendment;

(b) Application for Federal Assistance - SF-424;

(c) Project Approval Information - OSM Form 50 A/B;

(d) Budget Information - OSM Form 47 or OSM Form 48;

(e) Program Narrative Statement - OSM Form 51;

(f) Environmental Assessment (EA) Statement (if applicable); and

(g) State/Tribe clearinghouse review letter.

The FO will have fifteen (15) working days from the date the application is received to conduct the preliminary completeness review; notify the State/Tribe of any deficiencies in the application package; and transmit the application package to the E/WFO Office.

The E/WFO Office will have thirty (30) working days from the date the application is received to review the application package; determine if the documents are complete and qualitatively acceptable for processing; and notify the State/Tribe of the acceptability or unacceptability of the application for further processing.

When the application is complete and acceptable for processing the E/WFO Office will prepare three (3) copies of the CA and assurances and transmit these documents through the FO to the State/Tribe for approval. After approval by the State/Tribe all signed copies of the CA will be returned through the FO to the E/WFO Office.

The three (3) original State/Tribe signed copies of the CA and a Procurement Request - OSM Form MB-65A will be forwarded to the AD/E/WFO for approval.

For applications that include an EA the following procedure will be used. The AD/E/WFO or his representative will review the EA for completeness and prepare a Finding of No Significant Impact (FONSI) Statement. The E/WFO Office will identify those EA's requiring further study and will coordinate the work with the State and the FO prior to preparation of the FONSI.

An application package for a construction CA requires an EA. If the EA is not included the application will be returned to the State/Tribe without processing.

The FONSI will be submitted for approval to the AD/E/WFO with the CA and OSM Form MB-65A.

All documentation will conform to the requirements of Action Transmittal DOI-OSM-MB-80-1.

(2) Preparing and Issuing an Award. Upon approval of the application, the AD/E/WFO will sign all three (3) original copies of the CA, OSM Form MB-65A and the FONSI, if applicable. Distribution of the signed agreement will be as follows: One (1) signed original will be returned through the FO to the State; one

(1) signed original will be retained by the E/WFO Office, and the remaining signed original will be part of the obligation package.

The DAML - EFO or the BFR - WFO (through the AML Section in the case of the WFO) will forward the CA obligation package to the appropriate Grants Section of the E/WFO Office. At that time a complete copy of the CA obligation package will be sent to the Assistant Director for Program Policy (AD/PP) - DAML. The Grants Section will review the documents, and forward them to the Branch of Financial Operations (BFO), at the Denver Finance Center, to obligate funds and increase the State/Tribe letter-of-credit. The Grants Section will return a copy of the approved Contract Award Report - OSM Form MB-212 to the DAML at EFO and to the BFR (through the AML Section) at the WFO Office. The Grants Section will also send copy of the approved MB-212 Form to the AD/PP - DAML.

(3) Amending Cooperative Agreements. The AD/E/WFO is authorized to sign all amendments to CA for FRP projects. The procedure to be followed in approving an amendment is the same as that cited in the preceding sections for approving a CA.

All documentation will conform to the requirements of Action Transmittal DOI-OSM-MB-80-1.

d. Administering Cooperative Agreements.

(1) The E/WFO retains primary responsibility for monitorin the performance of the State/Tribe under a FRP CA. The FO will assist in project site inspection and liaison activities on an "as needed" and "as available" basis.

The FO will assist in reclamation monitoring of FRP projects in those instances where they are near to or frequently visit the project vicinity. The FO will report inspection findings to the AD/E/WFO.

All narrative and financial status reports (OSM Form 51, SF-269, SF-271) submitted by the State/Tribe, through the FO, will be reviewed by the E/WFO Office for compliance with Action Transmittal DOI-OSM-MB-80-2. The original and one (1) copy of all documents will be forwarded to the Grants Section of the E/WFO Offices. A copy of the narrative and financial status reports will also be sent to the AD/PP - DAML. The Grants Section will then transmit the original copy of the reports to the BFO.

NOTE: For FRP projects, the State/Tribe will submit narrative and financial reports on a quarterly basis. The first quarterly report will be submitted no later than thirty (30) calendar days following the end of the quarter of the effective date of the CA. Subsequent reports will be submitted within thirty

(30) calendar days from the end of a quarter. The final report will be submitted within ninety (90) calendar days after completion of the CA project work.

(2) Resolution of Problems. When a potential problem situation occurs the State/Tribe will contact the FO, who will transmit the information to the E/WFO Office. The E/WFO Office and the FO will evaluate the situation and recommend appropriate action. If the problem involves a policy issue, the E/WFO Office will forward the issue and provide its recommendations to the AD/PP - DAML, who in coordination with the E/WFO Grants Section and the DAML - EFO or the BFR - WFO will develop a recommended course of action. The E/WFO Office will then notify the State/Tribe through the FO and implement the action.

(3) Cooperative Agreement Closeout. When a CA is completed, closeout documents are developed by the State/Tribe and transmitted through the FO to the E/WFO Offices. The E/WFO Office reviews the material, resolves any issues with the State/Tribe, develops the final MB-212 and the Closeout Analysis Form - OSM Form 61A and forwards the original and one (1) copy of all documents to the Grants Section of the E/WFO Office. A copy of the closeout documents will also be sent to the AD/PP - DAML. The Grants Section will send the required documents to the BFO to deobligate any excess funds, reduce the State/Tribe letter-of-credit and closeout the CA. The Grants Section will return a copy of the approved MB-212 to the DAML of the EFO Office or the BFR of the WFO Office, and the AD/PP - DAML. The E/WFO DAML or the BFR, as appropriate, will then provide a copy of the approved MB-212 to the FO.

(4) Resolution of Audit Reports. The AD/PP, in conjunction with the Assistant Director for Budget and Administration, is responsible for resolving all audit findings pertaining to FRP. After an audit is conducted, the report is transmitted to the OSMRE Audit Liaison Officer, who provides the report to the Financial Management Liaison Office (FMLO). The FMLO will forward copies of the audit, together with a time frame for resolving any outstanding issues, to the AD/PP - DAML. The AD/PP - DAML transmits the report to the E/WFO Office, who works with the FO and appropriate State/Tribe agency to jointly arrive at solutions. The audit report resolution is then returned to the AD/PP - DAML who then forwards the audit findings with attempted resolution of identified problems to the FMLO.

4. Reporting Requirements.

As specified in Attachment 1 to this directive.

5. **References.**

a. Action Transmittals DOI-OSM-MB-80-1 and 2.
b. Federal Assistance Manual.
c. OSMRE Directive Number GMT-9.

6. **Effect on Other Documents.** None.

7. **Effective Date.** Date of Issuance.

8. Contact. Division of Abandoned Mine Lands - Program Policy. (202) 343-7910

Attachment 1

Documentation and Reporting Requirements

A. New Cooperative Agreement.

1. Application.

a. Letter from State/Tribe requesting project.

b. Two (2) original hand-signed copies of the Application for Federal Assistance - SF-424.

c. Two (2) copies of Project Approval Information - OSM Form 50 A/B.

d. Two (2) original copies of Budget Information Report - OSM Form 47 and/or Budget Information Construction Report - OSM Form 48, with an itemized breakdown of budget items by object class.

e. Two (2) copies of Program Narrative Statement - OSM Form 51.

f. Two (2) copies of EA Statement. Applicable only when project involves construction activities.

g. Two (2) copies of State/Tribe clearinghouse review letter.

2. Obligation Package.

a. One (1) copy of Procurement Request - OSM Form MB-65A.

b. One (1) carbon set of the Contract Award Report - OSM Form MB-212.

c. One (1) original hand-signed and one (1) copy of the approved CA with list of AML non-construction and/or construction assurances attached to each.

d. One (1) original hand-signed and one (1) copy of the completed Application for Federal Assistance - SF-424.

e. Two (2) copies of State/Tribe clearinghouse review letter.

f. Two (2) copies of Project Approval Information - OSM Form 50 Sections A and B.

g. Two (2) copies of FONSI and EA. Applicable only when project involves construction activities.

h. One (1) original and one (1) copy of Budget Information Report - OSM Form 47 and/or Budget Information Construction Report - OSM Form 48, with an itemized breakdown of budget items by object class.

i. Two (2) copies of Program Narrative Statement - OSM Form 51.

j. Two (2) copies of letter from State/Tribe requesting project.

B. Amendments to Cooperative Agreements Changing Funding Levels.

1. Application.

a. Letter requesting change in funding.

b. One (1) original hand-signed and two (2) copies of the amendment to the CA.

c. Two (2) original hand-signed copies of the Application for Federal Assistance - SF-424.

d. Two (2) original copies of Budget Information Report - OSM Form 47 and/or Budget Information Construction Report - OSM Form 48 with an itemized breakdown of budget items by object class.

2. Obligation Package.

a. One (1) copy of Procurement Request - OSM Form MB-65A.

b. One (1) carbon set of the Contract Award Report - OSM Form MB-212.

c. One (1) original hand-signed and one (1) copy of the amendment to the CA.

d. One (1) original hand-signed and one (1) copy of the completed Application for Federal Assistance - SF-424.

e. One (1) original and one (1) copy of Budget Information Report - OSM Form 47, and/or Budget Information Construction Report - OSM Form 48, with an itemized breakdown of budget items by object class.

f. Two (2) copies of letter from State/Tribe requesting change in funding.

C. Amendments to Cooperative Agreements Changing the Period of Performance.

1. Application.

a. Letter from State/Tribe requesting change to period of performance.

b. Two (2) original hand-signed copies of the Application for Federal Assistance - SF-424.

2. Obligation Package.

a. One (1) carbon set of the Contract Award Report - OSM Form MB-212.

b. One (1) original hand-signed and one (1) copy of the amendment to the CA.

c. One (1) original hand-signed and one (1) copy of the completed Application for Federal Assistance - SF-424, with Section III completed by the E/WFO Office.

d. Two (2) copies of letter from State/Tribe requesting change in period of performance.

D. Amendments to Cooperative Agreements Changing Scope of Work.

1. Application.

a. Letter from State/Tribe requesting change in scope of work.

b. Two (2) original hand-signed copies of the Application for Federal Assistance - SF-424.

c. Two (2) copies of Program Narrative Statement - OSM Form 51.

d. One (1) original and one (1) copy of Budget Information Report - OSM Form 47, and/or Budget Information Construction Report - OSM Form 48, with an itemized breakdown of budget items by object class. (Applicable only if funding is increased.)

2. Obligation Package.

a. One (1) copy of Procurement Request - OSM Form MB-65A (applicable only if funding is increased).

b. One (1) carbon set of the Contract Award Report - OSM Form MB-212 (applicable only if funding is increased).

c. One (1) original hand-signed and one (1) copy of the approved CA with list of AML non-construction and/or construction assurances attached to each.

d. One (1) original hand-signed and one (1) copy of the completed Application for Federal Assistance - SF-424.

e. One (1) original and one (1) copy of Budget Information Report - OSM Form 47, and/or OSM Form 48, with an itemized breakdown of budget items by object class (applicable only if funding is increased).

f. Two (2) copies of Program Narrative Statement - OSM Form 51.

g. Two (2) copies of letter from State requesting change in scope of work.

E. Progress Reports.

1. Application.

a. One (1) original hand-signed and two (2) copies of the Financial Status Report - SF-269 or SF-271.

b. Three (3) copies of quarterly Narrative Report - OSM Form 51.

2. Obligation Package.

a. One (1) original hand-signed and one (1) copy of the Financial Status Report - SF-269 or SF-271.

b. Two (2) copies of quarterly Narrative Report - OSM Form 51.

F. Closeout Reports.

1. Application.

a. Two (2) original hand-signed copies of the Financial Status Report - SF-269 or SF-271.

b. Two (2) copies of Final Performance Report - OSM Form 51.

c. Two (2) original hand-signed copies of Report of Government Property - OSM Form 60.

2. Obligation Package.

a. One (1) carbon set of the Contract Award Report - OSM Form MB-212 marked "Final Closeout."

b. One (1) original and one (1) copy of the Closeout Analysis - OSM Form 61A.

c. One (1) original hand-signed and one (1) copy of the Final Financial Status Report - SF-269 or SF-271.

d. Two (2) copies of the Final Performance Report - OSM Form 51.

e. One (1) original hand-signed and one (1) copy of the Report of Government Property - OSM Form 60.