

Hatch Act (Experiment Station) Administrative Regulations Summary

Purpose: *Funds allocated to the States under the provisions of the Hatch Act of 1887...for the conduct of agricultural research by the State Agricultural Experiment Stations.*

Policy: **The States Agricultural Experiment Stations are expected to propose and conduct research projects, supported with Hatch funds and matching funds, which comply with the purposes of the Hatch Act. The scope of research which may be conducted under the Hatch Act includes research in all aspects of agriculture. These include: soil and water conservation; plant and animal production, protection, and health; processing, distributing, safety, marketing, and utilization of food/agricultural products; forestry-range management and range products, multiple use of forest and rangeland, and urban forestry; aquaculture; home economics and family life and human nutrition; rural/community development; sustainable agriculture; molecular biology; and biotechnology.**

Financial Administration: *Hatch funds may be used to pay the necessary expenses of administrative planning and direction of research which is to be supported by Hatch funds (i.e. relevant to the research outlined in the policy.)*

- Funds apportioned to the States on basis of a formula. Factors include 1) base amount distributed equally among the state plus prior year carry forward; 2) percentage of States rural population; and 3) percentage of states farming population
- Funds may be reassigned to approved Hatch projects at the discretion of the Director
- Costs incurred in any one fiscal year to be paid from Hatch funding cannot exceed the amounts allocated for that particular year. Funds are available for the fiscal year of appropriation only
- Accounts closed for obligation on September 30. Un-obligated funds will be deducted from the following year's annual allotment

Matching Requirements: *...no allotments and no payments thereof shall be made in excess of the amount which the State makes available out of its own funds for research and for the establishment and maintenance of facilities necessary for the prosecution of such research... (i.e., must be matched 100% with non-federal funds.)*

- Certification of sufficient state matching funds
- Matching funds assigned to approved projects at a ratio of Federal to non-Federal funds on a One-to-One basis
- Provides for reapportionment to other States of McIntire-Stennis funds that are not matched
- Indirect costs (Facilities and Administrative Costs) are not allowable as matching

Cost Allowability: *Generally, funds may be used to support an approved Hatch funded project or program if the use benefits that program or project and follows the guidelines set forth in OMB Circular A-21.*

- Indirect Costs (facilities and administrative) and Tuition remission are not allowable costs
- Funds can only be used for paying salaries or wages for activities involving research activities of the State Agricultural Experiment Stations as authorized by the Hatch Act-**must show allocability to an approved particular Hatch funded program or project**
- The cost principles prescribed in OMB Circular A-21 are ***generally applicable** for determining the allowability of costs charged to Hatch funds (***See administrative manual for deviations from A-21**)

**Full copy of the administrative manual can be found at <http://www.csrees.usda.gov/business/awards/formula.htm>*