

Smith-Lever Administrative Regulations Summary

Purpose: *Funds allocated to the Cooperative Extension Services in order to aid in diffusing among the people of the United States useful and practical information on subjects relating to Agriculture, Natural Resources, Food and Nutrition, Family Education, Rural Development, Energy, and 4-H Youth Development.*

Policy (Sec. 2[7 U.S.C. 342]): “Cooperative agricultural extension work shall consist of the development of practical applications of research knowledge and giving of instruction and practical demonstrations of existing or improved practices or technologies in agriculture, uses of solar energy, and related subjects to persons not attending or resident in colleges in the several communities, and imparting information on said subjects through demonstrations, publications, and otherwise and for the necessary printing and distribution of information in connection with the foregoing.”

Financial Administration: *It is the institutions responsibility to maintain the integrity of the funds for which it is chargeable and assure that these funds are used **ONLY** for the purpose for which they are made available.*

- Funds appropriated primarily on basis of farm and rural population, as well as on the basis of special problems and needs
- Un-obligated funds as of September 30 are available for expenditure in the following year. A State **MAY NOT** carry over funds for a given fiscal year unless it has met that year’s matching (offset) requirement for those funds carried over. Negative balances may not be carried over to a following year
- Payments to States made on quarterly basis

Matching Requirements: *Requires that the State Cooperative Extension Services provide from non-Federal funds a certain amount to match the Federal allocation*

- No Federal allotment in excess of non-Federal funds (i.e. One-to-One match-100%)
- Funds must be matched in the fiscal year in which they are appropriated to be eligible for carryover
- Indirect Costs (Facilities and Administrative) are not allowed as matching/offset

Cost Allowability: *Federal and offset (matching) fund expenditures must be in furtherance of the project agreement, covered by a plan of work, and provided for in the approved budget for the year.*

- Costs must conform to limitations set forth in Smith-Lever Act
- Generally, cost principles follow OMB Circular A-21
- See Administrative manual for list of allowable/unallowable costs*

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