

GRANT AND COOPERATIVE AGREEMENT AWARD

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1. This condition is added when OSMRE funds only a portion of the grant award in the current fiscal year, and funds the remaining award amount in the subsequent fiscal year:

Obligation and payment of up to \$_____ of the sum of monies to be granted to the State pursuant to the terms of this agreement shall be contingent upon the appropriation by Congress of the Department of the Interior's budget request of sufficient additional monies for this purpose for the current Federal fiscal year or for fiscal year 198 , or upon approval by Congress of a continuing resolution appropriating sufficient monies for this purpose to the Department of the Interior for fiscal year 198_.

2. This condition is used instead of the standard program income condition (A.11) when a State administers the regulatory program on Federal lands:

For purposes of this grant, program income includes, but is not limited to, income from the sale of publications, the sale of real or personal property purchased with grant funds, the sale of services under a grant (such as the sale of computer time), permit fees, income earned from investment of permit fees or other program income, and income from royalties received as a result of copyrights or patents produced under the grant. Program income does not include income from fines, penalties, taxes or forfeitures. Except as discussed below, in the grant application the State may choose any of the following three methods of treating program income: 1) program income may be added to the funds committed in the grant agreement by the grantor and grantee and used to further eligible program objectives; or 2) program income may be used to finance the non-Federal share of the grant agreement; or 3) program income may be deducted from the total grant agreement costs for the purpose of determining the net costs on which the Federal share of costs will be based. When a grant provides funds for Federal lands activities, the program income derived from such funds must be treated in accordance with option 3 above, unless OSMRE approves an alternative treatment of such income. Proceeds from the sale, transfer or distribution of real or personal must be handled in accordance with OMB Circular No. A-102, Attachment N, and implementing OSMRE guidelines.

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3. This condition is added to all Regulatory Program Grant Agreements:

This grant is for the administration and enforcement of an approved State program for the regulation and control of surface coal mining and reclamation operations. Grant funds shall not be used for any other purposes. As a condition of the grant, the State shall implement the State regulatory program as approved by the Secretary of the Interior, including all findings and conditions set forth in the Secretary's approval decision or as may be modified by the Secretary. Grant funds shall not be used for implementation of any changes to the State regulatory program which have not been approved by the Secretary of the Interior.

4. This condition is added to all Abandoned Mine Land Reclamation Program Grant Agreements:

This grant is for the administration of the approved State reclamation plan and carrying out the specific reclamation activities included in the plan and described in the approved program narrative statement included in the grant application for each project in accordance with 30 CFR Part 886. Grant funds shall not be used for any other purposes.

5. This condition is added to all Small Operator Assistance Program Grant Agreements:

This grant is for reimbursing costs incurred by qualified laboratories for performance of technical work as provided in 30 CFR 795(b) and for reimbursing costs incurred by qualified laboratories or State regulatory authorities for performance of planned activities. Planning activities must be directly related to individual assistance sites and are limited to compiling and evaluating available hydrologic and geologic information and developing specifications, work statements or monitoring plans for the work to be performed at each site. Grant funds shall not be used for any other purpose including the purchase of equipment.

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1-67-40 SPECIAL GRANT CONDITIONS

- A. In addition to the above conditions, other conditions may be added to the agreement award to address a specific situation in a State that has been deemed a problem or needs special attention. However, the addition of State specific conditions is not the preferred method for achieving compliance. Action plans developed jointly by the State and the Office of Surface Mining Reclamation and Enforcement have a greater probability of success than unilaterally imposed conditions which often disrupt State processes and plans. Therefore, the addition of State specific conditions is reserved for serious situations. When utilized, such a condition shall be situation-specific and shall identify exactly what and how the State shall perform and shall be monitored very closely to ensure strict adherence.

- B. Before a State specific condition can be included in a grant or cooperative agreement, approval must be obtained from the Director after review by the appropriate Assistant Director for Field Operations and the Deputy Director for Operations and Technical Services.

1-67-50 SIGNATURES

- A. Each grant or cooperative agreement award must be signed by the Director of OSMRE, or his/her delegate.

- B. The signature on the grant or cooperative agreement award shall constitute the signer's certification that, in his/her opinion the grant or cooperative agreement is in accordance with all applicable laws and regulations and Departmental, OSMRE grant and program policies. No person shall be required to sign a grant or cooperative agreement award unless he/she is fully satisfied with the award.

CHAPTER 1-80
BUDGET REPORTING AND REVISION

1-80-00	Purpose
05	Applicability
10	Definition
20	Budget Report for Nonconstruction Costs
30	Budget Report for Construction Costs
40	Notice of Decision on Budget Revisions
50	Requirements for Nonconstruction Grants or Cooperative Agreements
60	Requirements for Construction Grants or Cooperative Agreements
70	Requirements for Grants or Cooperative Agreements Which Support Both Construction and Nonconstruction Work
80	Budget Underruns
90	Guidelines When OSMRE Prior Approval Is Not Needed

1-80-00 PURPOSE

This chapter sets forth criteria and procedures to be followed by OSMRE when requiring recipients of grants or cooperative agreements to report budgets and budget deviations and to request approvals for budget revisions. Reference OMB Circular A-102 Attachment K (Appendix 30.)

1-80-05 APPLICABILITY

This chapter is applicable to all OSMRE programs that issue grants or cooperative agreements.

1-80-10 DEFINITION

The grant or cooperative agreement budget as used in this chapter means the approved financial plan for both the Federal and non-Federal shares to carry out the purpose of the grant or cooperative agreement. This plan is the financial expression of the project or program as approved during the grant or cooperative agreement application and award process. The budget will be related to performance for program evaluation purposes.

1-80-20 BUDGET REPORT FOR NONCONSTRUCTION COSTS

- A. The OSMRE Budget Information Report, OSM-47, will be used to submit

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budget information for nonconstruction costs of a State agency. (See Exhibit XI-105-1.)

B. Detailed instructions for the preparation of the OSMRE Budget Information Report, OSM-47, can be found in the following Action Transmittals:

1. For the Regulatory Programs see Part III of Action Transmittal DOI-OSM-MB-80-3 (Revised), Appendix 3.

2. For the Abandoned Mine Lands Program see Part III of Action Transmittal DOI-OSM-MB-80-1 (Revised), Appendix 1.

1-80-30 BUDGET REPORT FOR CONSTRUCTION COSTS

A. The Budget Information-Construction Report, OSM-48, will be used to submit budget information for construction costs of a State/Tribal agency. (See Exhibit XI-105-2)

B. Detailed instructions for the preparation of the OSMRE Budget Information-Construction Report, OSM-48, can be found in the following Action Transmittals:

1. For the Abandoned Mine Lands Program, see Part VII of Action Transmittal DOI-OSM-MB-80-1 (Revised).

2. For Regulatory Programs, see Part VII of Action Transmittal DOI-OSM-MB-80-3 (Revised).

1-80-40 NOTICE OF DECISION ON BUDGET REVISIONS

A. Abandoned Mine Lands:

No later than 15 days from the date of receipt of the request for budget or budget revisions, OSMRE must review the request and notify the State/Tribal agency whether or not the budget has been approved. If the budget is still under consideration at the end of 15 days, OSMRE will inform the State/Tribal agency in writing as to when a decision may be expected on the budget approval or reasons for disapproval.

B. Regulatory Programs:

No later than 15 days from the date of receipt of the request for budget or budget revisions, OSMRE must review the request and notify the State/Tribal agency whether or not the budget has been approved. If the budget is still under consideration at the end of 15 days, OSMRE will inform the State/Tribal agency in writing as to

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when a decision may be expected on the budget approval or reasons for disapproval.

1-80-50 REQUIREMENTS FOR NONCONSTRUCTION GRANTS AND COOPERATIVE AGREEMENTS

- A. For nonconstruction grants and cooperative agreements (i.e. administrative costs of the State agency) the recipient shall request prior approvals promptly from OSMRE for budget revisions whenever:
1. The revisions result from changes in the scope or the objectives of the grant or cooperative agreement supported program.
 2. The revisions indicate the need for additional Federal funding.
 3. The revisions involve the transfer of amounts budgeted for indirect costs to absorb an increase in direct cost.
 4. The State agencies' budget revisions pertain to the addition of items requiring approval in accordance with the provisions of OMB Circular A-87, Cost Principles Applicable To Grants and Contracts With State and Local Governments).
 5. The recipient plans to transfer funds allotted for training allowances (direct payments to trainees) to other categories of expense.
 6. The Federal share of the grant or cooperative agreement budget is over \$100,000 and the cumulative amount of transfers among direct cost object class budget categories exceeds \$5,000 or five percent of the budget, whichever is greater. No transfer is allowed which would cause OSMRE funds, or part thereof, to be used for purposes other than those intended.
 7. All other changes to nonconstruction grants or cooperative agreement budgets except for the changes described in Paragraph 1-80-50A, do not require approval. These changes include: (a) the use of recipient funds in furtherance of program objectives over and above the recipient's minimum share included in the approved grant or cooperative agreement budget; and (b) the transfer of amounts budgeted for the direct costs to absorb authorized increases in indirect cost.

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1-80-60 REQUIREMENTS FOR CONSTRUCTION GRANTS OR COOPERATIVE AGREEMENTS WITH CONSTRUCTION COSTS

A. For construction grants and cooperative agreements with construction costs, the recipient shall request prior approvals promptly from OSMRE for budget revisions whenever:

1. The revision results from changes in the scope or the objectives of one or more construction projects funded by the grant or cooperative agreement supported program.
2. The revision increases the budgeted amounts of Federal funds needed to complete the grant or cooperative agreement.
3. The total amount of the revisions result in an increase or decrease of more than \$5,000 or 5 percent of the grant amount, whichever is greater (AML program only).

1-80-70 REQUIREMENTS FOR CONSTRUCTION GRANTS OR COOPERATIVE AGREEMENTS WHICH SUPPORT BOTH CONSTRUCTION AND NONCONSTRUCTION WORK

OSMRE requires the recipient to request prior approval before making any fund or budget transfers between the two types of work supported. Grant or cooperative agreement projects containing both construction and nonconstruction elements must meet the budget revision requirements listed in Paragraphs 1-80-50 and 1-80-60 above, when appropriate.

1-80-80 BUDGET UNDERRUNS

For cooperative agreements and both construction and nonconstruction grants, the recipient is required to notify OSMRE promptly whenever the amount of Federal authorized funds is expected to exceed the needs of the recipient by more than \$5,000 or five percent of the Federal grant or cooperative agreement, whichever is greater. This notification will not be required when applications for additional funding are submitted for continuing grants or cooperative agreements.

1-80-90 WHEN OSMRE PRIOR APPROVAL IS NOT NEEDED

In the case where the recipient of an OSMRE grant or cooperative agreement makes a change in the project budget which does not require OSMRE approval, a copy of the revised budget should be submitted to OSMRE with the next performance report for information purposes.

CHAPTER 1-81
EXTENSION OF A GRANT OR COOPERATIVE AGREEMENT

1-81-00	Purpose
10	Applicability
20	Definitions
30	Policy and Procedures
40	Responsibilities of Recipient
50	Responsibilities of the Field Offices

1-81-00 PURPOSE

This chapter identifies allowable and unallowable extensions in accordance with Paragraph 11 of Attachment J of OMB Circular A-110 and Attachment K of Circular A-102. It provides guidelines for the date a request for an extension is due and the OSMRE system for tracking agreement expiration dates. It provides policy and procedures for extending a grant or cooperative agreement. Reference OMB Circular A-102 Attachment K (Appendix 30.)

1-81-10 APPLICABILITY

- A. The policy promulgated in this chapter supersedes other policies OSMRE may have regarding standard operating procedures for such extension.
- B. This policy must be followed by OSMRE Federal assistance units when requiring recipients to request prior approvals for extensions in construction and nonconstruction grant or cooperative agreement terms and budgets.

1-81-20 DEFINITIONS

- A. "Expiration date" means the date a grant or cooperative agreement comes to an end.
- B. "Extension" means a change to the expiration date of a grant or cooperative agreement terms and budget.
- C. "Agreement" means a grant or a cooperative agreement.
- D. "Federal assistance unit" is an OSMRE programmatic unit responsible for managing a grant or cooperative agreement.
- E. "Grant or project period" is the span of time stipulated on the

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grant or cooperative agreement, during which all work to be accomplished under the terms of the agreement must be completed and during which time the non-Federal share must be contributed.

1-81-30 POLICY AND PROCEDURES

- A. No request for extensions of time received after the scheduled project expiration date will be honored unless there are unforeseen circumstances not under the direct control of the recipient. Such extenuating circumstances must be justified to the satisfaction of the Field Office Director. Examples of such circumstances are:
1. A regulatory or abandoned mine land plan not approved when scheduled, thus necessitating an extension of a program development grant or plan development cooperative agreement.
 2. OSMRE action expected to be completed on the submitted grant application but for some reason it is not, thus necessitating an extension of the old agreement.
- B. OSMRE policy for extending an agreement is set forth in Attachment J of the Office of Management and Budget (OMB) Circular A-110 and Attachment K of OMB Circular A-102. These attachments provide that:
- Within 30 calendar days from the date of receipt of the request to extend an agreement, OSMRE (grantor agency) shall review the request and notify the recipient whether the extension has been approved. If the request is still under consideration at the end of 30 calendar days, OSMRE shall inform the recipient in writing of the date when the recipient may expect the decision.
- C. In order for OSMRE to comply with OMB's requirements for extending a grant or cooperative agreement, it is necessary for a recipient to submit a request for an extension at least 45 days before the agreement expires.
- D. In the case where an agreement is awarded using no year appropriated funds and all the funds awarded are not outlayed by the recipient at the expiration date of the agreement, the Federal share of unobligated funds will be returned for reallocation and use on future agreements.
- E. In the case where an agreement is awarded with one year appropriated funds and all funds awarded are not outlayed by the recipient at the expiration date of the agreement, the Federal share of unobligated funds will be deobligated and returned to the Department of the Treasury (assuming the available year's appropriation has expired.)

1-81-30 (Continued)

- F. Requests for extensions must be received by OSMRE 45 days prior to the scheduled expiration date.
- G. The recipient will submit one copy of the changes to the previously approved application precipitating the request for extension and one original SF-424 completed in accordance with the instructions for that form, with the justification for the delay in "Remarks," Section IV. Item 15 must be marked "Increased Duration" and Item 13 should be left blank. For detailed preparation instructions, see Action Transmittals DOI-OSM-MB-80-1 for AML programs and DOI-OSM-MB-80-3 for State Regulatory Assistance programs, Appendices 1 and 3. The Field Office should follow the agreement amendment procedure outlined in Chapter 5-30.

1-81-40 RESPONSIBILITIES OF RECIPIENT

- A. Recipients are required to constantly monitor the performance of grant-supported activities to insure that time schedules are being met, projected work units by time periods are being accomplished, and other performance goals are being achieved. It is expected that all work pursuant to an approved grant or cooperative agreement will be completed and all costs will be liquidated by the final day of the grant or cooperative agreement period unless the recipient has previously requested and received written OSMRE approval to extend the project period.
- B. When a recipient determines that special or unusual circumstances will delay the completion of an approved project beyond the scheduled agreement period, the recipient must request prior written approval from OSMRE to extend the grant or cooperative agreement period by submitting a SF-424 with justification. (See 1-81-30C.)
- C. OSMRE will honor only one extension of the agreement period and the extension may not be for more than one (1) year, unless special or unusual circumstances are adequately justified to OSMRE for time extensions beyond the one year period, or multiple extensions.
- D. Upon notification that the agreement period has expired, the recipient will promptly submit a final payment request (TFS 5805) for the Federal share of agreement costs incurred through the scheduled completion date. If no allowable costs have been incurred, the recipient may inform OSMRE by submitting an SF-269 for nonconstruction agreements and an SF-271 for construction agreements.

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- E. If further work is necessary, a new application must be submitted in the regular manner, subject to regular review and approval before additional costs are incurred.

1-81-50 RESPONSIBILITIES OF THE FIELD OFFICE

The Field Office is required to:

- A. Establish a reminder system to identify when an agreement is about to expire.
- B. Contact and remind the recipient that their agreement is nearing its expiration date and that funds will not be available after the agreement has expired.
- C. Notify the recipient of OSMRE's requirements for extending an agreement at least 45 days before the agreement is to expire.
- D. Obtain and approve a new application when an agreement has been allowed to expire and OSMRE has determined that the activity/project is to continue.

CHAPTER 1-100
REQUISITIONING AND ACCOUNTING FOR CASH

1-100-00	Purpose
05	Background and Scope
10	Applicability
15	Payment Methods: Letter of Credit Advance by Treasury Check Reimbursement by Treasury Check
20	Payment Policies
25	Recipient Commitment
30	Recipients That Qualify For an OSMRE Letter of Credit
35	Recipients Not Qualifying For an OSMRE Letter of Credit
40	Procedure for Establishing an OSMRE Letter of Credit
45	Request for Payment under an OSMRE Letter of Credit
50	Rejection of Request for Payment
55	Amendments to Letter of Credit
60	Other Policies
65	Accounting for Cash

1-100-00 PURPOSE

- A. The purpose of this chapter is to prescribe the timing of cash advances to assure that cash withdrawals from the Treasury are essential for actual disbursements. Reference Treasury Department Circular 1075 (Appendix 51.)
- B. This chapter explains the method used by OSMRE to account for cash received by a recipient or subrecipient under an OSMRE grant or cooperative agreement.

1-100-05 BACKGROUND AND SCOPE

- A. The acceptance of a grant or cooperative agreement from OSMRE creates a legal duty on the part of the recipient organization to use the funds or property made available in accordance with the terms and conditions of the grant or cooperative agreement. Payments may be made in advance of work performed or as a reimbursement for work performed or for costs incurred by the recipient. OSMRE has a reversionary interest in the unused balance of payments; in any funds improperly applied, whether received as an advance or reimbursable payment; and in property acquired through

REQUISITIONING AND ACCOUNTING FOR CASH

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the grant, to which OSMRE specifically either retains title or reserves the right to require title transfer. (See Chapter 1-410).

- B. The provisions of this chapter apply to each recipient of funds awarded under an OSMRE grant or cooperative agreement.

1-100-10 APPLICABILITY

The procedures in this chapter apply primarily to the comptroller or business officer of the recipient organization.

1-100-15 PAYMENT METHODS

- A. Grant or cooperative agreement payments are made to recipients through a letter of credit, and advance by Treasury check or reimbursement by Treasury check. The following definitions apply for the purposes of the chapter:

1. Letter of Credit. A letter of credit is a commitment, certified by a designated official of OSMRE, specifying a dollar limit available to a designated payee. A letter of credit is the equivalent of cash available to the recipient and is irrevocable to the extent that the recipient has obligated funds in good faith thereunder for the execution of its authorized or approved OSMRE programs or projects. A recipient is authorized to draw funds needed for immediate disbursement in accordance with the provisions of Treasury Circular No. 1075.
2. Advance by Treasury Check. An advance by Treasury check is a payment made by a Treasury check to a recipient upon its request before cash outlays are made by the recipient or through the use of predetermined payment schedules before payments are made by the recipient.
3. Reimbursement by Treasury Check. A reimbursement by Treasury check is a payment made to a recipient with a Treasury check upon request for reimbursement from the recipient.

1-100-20 PAYMENT POLICIES

- A. Timing of Payments. Regardless of the particular method used, advances to a recipient shall be limited to the minimum amounts needed and shall be timed to be in accord with the actual, immediate cash requirements of the recipient in carrying out the purpose of the approved program or project. The timing and amount of cash

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advances shall be as close as is administratively feasible to actual disbursements for direct program costs and the proportionate share of any allowable indirect costs.

B. Withholding Payments. OSMRE reserves the right, upon written notice, to withhold future payments after a specified date if the recipient:

1. Fails to comply with the terms and conditions of an OSMRE grant or cooperative agreement, including the reporting requirements; or
2. Is indebted to the U.S. Government.

C. Safeguarding Funds. In no case will OSMRE funds be comingled with the personal funds of, or be used for personal purposes by, any officer, employee, or agent of the recipient; nor will any of these funds be deposited in personal bank accounts for disbursement by personal check.

1-100-25 RECIPIENT COMMITMENT

A. Once a recipient accepts an OSMRE grant or cooperative agreement award, that recipient understands and commits itself to the following:

1. To draw Federal funds only at the time actually needed to make disbursements and to submit timely reports, as required;
2. Under an OSMRE Letter of Credit, to meet the Federal share of current disbursing needs by presentation of the Request for Funds, SF 5805;
3. To prevent withdrawals from exceeding the amounts of the award;
4. To report outlays in a timely manner;
5. To impose of the same standards of timing and amount upon any secondary recipient organizations.

B. Failure to adhere to these provisions may cause the unobligated portion of the letter of credit to be revoked by OSMRE or by the Department of the Treasury.

1-100-30 RECIPIENTS THAT QUALIFY FOR AN OSMRE LETTER OF CREDIT

- A. To qualify for an OSMRE Letter of Credit, the recipient must meet all of the following conditions:
1. When there is, or will be, a continuing relationship between a recipient and OSMRE for at least a 12-month period and the total amount of advances expected to be received within that period is \$120,000 or more (Treasury Circular 1075); and
 2. When the recipient has established or demonstrated to OSMRE the willingness and ability to establish procedures that will minimize the time elapsing between the transfer of funds from the Treasury and their disbursement by the recipient; and
 3. When the recipient's financial management system meets the standards for fund control and accountability prescribed in Chapter 1-85.

1-100-35 RECIPIENTS NOT QUALIFYING FOR AN OSMRE LETTER OF CREDIT

- A. A recipient that does not meet all the requirements stated in paragraph 1-100-30 will not qualify for an OSMRE Letter of Credit. Recipients that do not qualify for an OSMRE Letter of Credit will be required to follow one of the following methods of payment for an OSMRE grant or cooperative agreement.
1. Request for Advance, SF-270. Recipients not qualifying for funding by letter of credit are instructed to use the Request for Advance, SF-270. The recipient's Designated Official (Accounting Officer, Business Officer, Treasurer, etc.) must submit a Request for Advance to OSMRE quarterly. Such requests should be limited to the minimum amounts needed and be timed to meet the anticipated cash requirements for allowable charges to active OSMRE programs.
 2. Request for Reimbursement, SF-270. When the SF-270 is used for reimbursement purposes, the recipient will be required to submit semiannually the following:
 - a. For Nonconstruction Grants and Cooperative Agreements. The recipient shall submit the SF-269 to support the requested reimbursement of nonconstruction outlays and a Performance Report, Form OSM-51.
 - b. For Construction Grants and Cooperative Agreements. The recipient shall submit the SF-271 to support the requested reimbursement of construction outlays and a Performance Report, Form OSM-51.

1-100-40 PROCEDURES FOR ESTABLISHING AN OSMRE LETTER OF CREDIT

- A. To establish an OSMRE Letter of Credit, the following steps will be followed:
1. Authorized Signature Card for Payment Vouchers on Letter of Credit. Form SF-1194 will be prepared and submitted by the recipient. The Authorized Signature Card for Payment Vouchers on Letter of Credit, SF-1194, must contain the signature(s) of the official(s) authorized by the recipient to sign Request for Funds, SF 5805. The financial institution will accept only the signature(s) of the official(s) named on the current signature card; the number of officials named should be limited to a practical number. A designation must be made, in the blocks provided, as to whether one or two signatures are required on the SF 5805. New signature cards shall be submitted whenever there is a change, including additions or deletions of the officials authorized to sign the SF 5805. Change in the title or position does not require a superseding signature card if the official's authority to sign the SF 5805 remains unchanged. A sample and detailed instructions for Form 1194 can be found in Appendix 100.
 2. The recipient completes SF-1194 and returns it to OSMRE.
 3. OSMRE approves the completed SF-1194 and forwards two signature cards to the U.S. Department of the Treasury. Treasury will forward one copy to the recipient organization's financial institution.
 4. OSMRE prepares a Letter of Credit, SF-1193A.
 5. Copies of the SF-1193A are transmitted to the U.S. Department of the Treasury and to the recipient.
 6. Upon receipt of an effective SF-1193A, the recipient may draw funds when needed.

1-100-45 REQUEST FOR PAYMENT UNDER AN OSMRE LETTER OF CREDIT

- A. General Information. The recipient shall submit a SF 5805 each time funds are needed to meet current expenses. Recipients are expected to exercise sound financial judgment and planning to ensure that the requirements for maintaining minimum cash balances are met. In preparing the SF 5805, careful consideration of such key factors as payroll dates, payments to subrecipients or contractors, and

REQUISITIONING AND ACCOUNTING FOR CASH

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major fixed costs will be required in order to determine when funds will be needed. Controls should be maintained on a current basis so that cash balances do not exceed the recipient's immediate disbursement needs.

- B. Detailed instructions for preparing the SF 5805 can be found in Action Transmittal DOI-OSM-MB-83-1.
- C. OSMRE furnishes the recipient a supply of the SF 5805.
- D. Following the effective date of the letter of credit, the recipient completes the SF 5805, and submits it to its designated financial institution in order to receive funds to meet immediate cash disbursement needs.
- E. The financial institution then transmits the request electronically through the Federal Reserve Communications System to the Federal Reserve Bank of New York. The Federal Reserve Bank of New York transmits the request electronically through the Treasury Financial Communications System to the Treasury Disbursing Center and the Office of Surface Mining Reclamation and Enforcement for review and approval.
- F. OSMRE will generate a payment message on the work day following receipt of the original message.
- G. The U.S. Treasury will electronically transmit funds to the recipient organization's financial institution.
- H. Distribution of Copies. Copies of the SF 5805 shall be distributed as follows:
 - 1. The original and duplicate copies will be presented to the financial institution as early in the day as possible.
 - 2. The triplicate copy may be discarded.
 - 3. The quadruplicate copy will be retained by the recipient organization.
- I. Emergency Payment. In the event funds to the recipient are not electronically transmitted within a reasonable length of time, the recipient should contact the OSMRE Assistant Director, Finance and Accounting, 1951 Constitution Avenue, NW, Washington, DC 20240, phone 202/343-2160.

1-100-50 REJECTION OF REQUEST FOR PAYMENT

A. The SF 5805 will not be accepted by the financial institution if it:

1. Is signed by an official whose signature is not on the current SF-1194 filed at the financial institution.
2. Contains an invalid signature.
3. Is missing required information.
4. Contains an altered amount requested.

If the SF 5805 is incomplete or contains an invalid or unauthorized signature(s) or altered amount requested, the financial institution shall:

1. Reject the SF 5805.
 2. Immediately notify the recipient organization by telephone of the rejection and the reason(s) for nonacceptance.
- B. The SF 5805 is rejected and immediately returned electronically by the U.S. Treasury to the financial institution to correct any of the following:
1. The nine-digit identifier of the sending financial institution;
 2. The telegraphic abbreviation of the sending financial institution;
 3. The nine-digit identifier of the recipient organization's financial institution if not the sending financial institution;
 4. The agency location code;
 5. The letter of credit number;
 6. The recipient organization's bank account number;
 7. Insufficient funds available for payment (in the letter of credit); and
 8. The amount requested exceeds \$5,000,000 (unless authorized in advance by OSMRE on the SF-193A).

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- C. Upon receipt of a 1031 message, Request for Funds, from the Treasury Financial Communications System, OSMRE will reject the request if:
1. Recipient organization name is incorrect.
 2. Payment exceeds the recipient's total net available balance for the applicable grant or grants.
 3. "Third Party Information" provided does not equal the total amount of the Request for Funds message.
 4. Recipient organization has excessive Federal funds on hand.
 5. Recipient reporting status is not current.
- D. If the SF 5805 is rejected, the recipient organization's financial institution will check the block indicating rejection and enter the reason(s) for rejection and the date on both copies of the SF 5805. A copy of the SF 5805 is forwarded by the financial institution to the recipient organization. The recipient organization's financial institution shall also immediately notify the recipient organization by telephone of the rejection and the reason(s) therefore.

1-100-55 AMENDMENTS TO LETTER OF CREDIT, SF-1193A

- A. The SF-1193A will be amended for the following reasons:
1. If there is a change in the information contained in the box entitled "Treasury Checks to be made Payable to" or the box entitled "In Favor Of";
 2. If there is an increase or decrease in the amount authorized;
 3. If the authorization for the recipient organization to draw amounts in excess of \$5,000,000 is established or rescinded; and
 4. If there is a change in time designation.
- B. The recipient is responsible for forwarding to OSMRE the information needed to change the SF-1193A.

REQUISITIONING AND ACCOUNTING FOR CASH

FEDERAL ASSISTANCE

1-100-60 OTHER POLICIES

- A. Erroneous Payments. Advances or reimbursements made in error and excessive withdrawals of cash must be promptly refunded by check (payable to the Office of Surface Mining Reclamation and Enforcement, Division of Financial Management, P.O. Box 25065, DFC, Denver, Colorado 80225). The only exceptions to the requirement for prompt refunding occur when the funds involved will be disbursed within seven calendar days or are less than \$10,000 and will be disbursed within 30 calendar days. Depending on the circumstances, OSMRE has permitted an exception to this rule by allowing a recipient to adjust its overdraw on the SF 5805.
- B. Program Income. Program income designated for credit to a grant or cooperative agreement shall be reported on the SF 5805 under Third Party Information. See Exhibit K1-100-1.
- C. Other Cost Credits. Purchase discounts, rebates, allowances, credits resulting from overhead rate adjustments, and other credits relating to any allowable costs received by or accruing to the recipient shall be credited against OSMRE grant costs if the grant has not been closed out. If the grant has been closed out, such credits will be made by submission of a revised financial Status Report, SF-269.

1-100-65 ACCOUNTING FOR CASH

- A. Recipient Responsibilities. The recipient of funds from OSMRE grants and cooperative agreements has the following responsibilities:
1. To draw funds as needed by submitting the SF 5805.
 2. To report outlays as required on Forms SF-269 and SF-271.
 3. To adjust cash at the closeout of a grant or cooperative agreement by drawing funds to equal approved outlays or refunding to OSMRE cash that is in excess of approved outlays.
 4. To submit to OSMRE within 90 days after the completion date of a grant or cooperative agreement, all financial, performance and other prescribed reports required as a condition of the agreement.

REQUISITIONING AND ACCOUNTING FOR CASH

PAGE 10

1-100-65 (Continued)

B. The Division of Financial Management, Finance and Accounting, Denver Responsibilities. The Division of Financial Management, in Denver, has the following responsibilities:

1. To operate the Treasury Financial Communications System.
2. To provide copies of paid drawdowns to Field Offices.
3. To post daily and distribute monthly to the OSMRE Field Offices, AD-PP, AD-FO, and program offices the Historical Report of Unobligated Federal Funds, Drawdowns, and Undrawn Funds, MB 214. The purpose of this report is to maintain a history of financial transactions for each grant or cooperative agreement. This report is reconciled to the OSMRE Letter of Credit. This report provides OSMRE with the following information:
 - a. The cash balance of Federal funds maintained by the recipient at a particular time.
 - b. The unobligated balance of Federal funds. The difference between the award and the Federal share of outlays and unobligated Federal funds.
 - c. The cumulative amount of drawdowns.
 - d. The Federal funds available to be drawn.
 - e. The amount of Federal funds to be deobligated when a grant or cooperative agreement is being closed out.
4. To obligate OSMRE funds with grant or cooperative agreement documents.
5. To certify and forward to Treasury, documents to increase or decrease the OSMRE Letter of Credit.
6. To record advances as outlays in OSMRE accounting records when the SF-269 and SF-271 are submitted and approved by OSMRE.
7. To deobligate funds at close out.
8. To reconcile cash requests with Treasury on a monthly basis.

1-100-65 (Cont'd)

C. Field Office Responsibilities. The Field Offices have the primary responsibility for monitoring the use of letter of credit drawdowns by the recipients. This responsibility includes:

1. To review the recipient organization's use of funds obtained under the letter of credit to determine (a) the difference between the total amount of funds drawn on the letter of credit and disbursements related to the Federal programs, and (b) that cash is being drawn on the letter of credit only in accordance with program disbursement needs. These reviews shall be conducted periodically, but not less frequently than quarterly, in accordance with Departmental Manual (339 DM2).

The magnitude and complexity of these reviews will be determined by each Field Office. The Field Offices may use financial reports prepared by the recipient, the MB 214 Report, the letter of credit request for payment messages and other documents to complete the analysis of use of funds.

2. When it is determined that cash is maintained in excess of immediate needs, to ensure that the excess balances of cash are promptly returned, unless the excess funds involved:
 - a. will be disbursed by the recipient within seven calendar days or
 - b. are less than \$10,000 and will be disbursed within 30 calendar days.

REQUISITIONING AND ACCOUNTING FOR CASH

EXHIBIT XI-100-1
PAGE 12

REQUEST FOR FUNDS				FOR FINANCIAL INSTITUTION USE ONLY			
SECTION I--RELEASE FORMAT				<input type="checkbox"/> PAID <input type="checkbox"/> REJECTED DUE TO: _____ DATE _____			
021030059							
TO	TYPE	AMOUNT	SPECIAL HANDLING INSTRUCTIONS				
0-0-0-0-0-0-0-0-1001	1001		REQUEST FOR FUNDS				
SENDER				NO FINANCIAL INSTITUTION			
RECEIVER LDC	YDD	PPA	LCN	ACH	RCN	RCN	SLA
TREAS	NYC	/	/	/	/	\$ (20,000.00)	/
THIRD PARTY INFORMATION							
Department of Natural Resources				G5127502/40000/P1			
SECTION II--CERTIFICATION (Must Be Completed By Drawer)							
I certify that this Request for Funds has been drawn in accordance with the terms and conditions of the Letter of Credit cited and that the amount for which drawn is proper for payment to the account of the drawee at the drawee's financial institution. I also certify that the data reported is correct and that the amount of the Request for Funds is not in excess of available disbursement needs.							
DATE	SIGNATURE					TITLE	
10/1/87	James C. Barr					Director	
DATE	COUNTERSIGNATURE					TITLE	
10/2/87	Mary C. Jones						
ORIGINAL--IF SENT TO FINANCIAL INSTITUTION							

When reporting Program Income, the SF 5805 is not submitted to the Financial Institution. The SF 5805 is sent directly to the Department of the Interior, Office of Surface Mining Reclamation and Enforcement, Division of Financial Management, P.O. Box 25065, Denver Federal Center, Denver, Colorado 80225. Send a copy to the appropriate Field Office.

In preparing the SF 5805 for reporting Program Income, cross out "Request for Funds" at the top of the form and type in "Report of Program Income".

When reporting Program Income, give particular attention to the Third Party Information section on the SF 5805. In this exhibit the grantee is reporting \$40,000.00 of Program Income for grant number G5127032.

CHAPTER 1-105
FINANCIAL REPORTING REQUIREMENTS

- 1-105-00 Purpose
 - 01 Recipient Requirements
 - 05 Basic Criteria for Full Disclosure in Financial Reports
 - 10 Budget Information Report, OSM-47
 - 15 Budget Information - Construction Report, OSM-48
 - 20 Financial Status Report, SF-269
 - 25 Request for Payment on Letter of Credit and Status of Funds Report, SF 5805
 - 30 Request for Advance or Reimbursement, SF-270
 - 35 Outlay Report and Request for Reimbursement for Construction Programs, SF-271

1-105-00 PURPOSE

This chapter introduces uniform report requirements for a recipient when submitting a budget, summarizing expenditures and Federal funds unexpended for each award, reporting the status of Federal cash advanced, drawing funds under the OSMRE Letter of Credit, and requesting reimbursement when the Letter of Credit method is not used. The chapter describes the standard forms to be used. Reference OMB Circular A-102 Attachment H (Appendix 30.)

1-105-01 RECIPIENT REQUIREMENTS

- A. Adherence by the recipient to the criteria prescribed in Chapter 1-85 for an acceptable system of accounting and internal controls should result in financial reporting that is fair in presentation, reliable, and capable of use by the recipient and OSMRE in preparing and reviewing budget requests, and in generally monitoring the project or program. The criteria and requirements of this manual have been established with the intent of imposing the least burden on the recipient, while at the same time permitting OSMRE to meet those fiscal and financial requirements imposed on it by Congress and the cognizant Federal agencies, such as the General Accounting Office, the Treasury Department, and the Office of Management and Budget.
- B. A recipient, when obtaining financial information required by OSMRE from subrecipients, is not required to use the forms contained in this chapter.

FINANCIAL REPORTING REQUIREMENTS

PAGE 2

1-105-01 (Continued)

C. Financial reports may be prepared on a cash or accrual basis.

1-105-05 BASIC CRITERIA FOR FULL DISCLOSURE IN FINANCIAL REPORTS

The following criteria are basic to full disclosure in financial reports and shall be met by the recipient.

1. All essential financial facts relating to the scope and purpose of each report and the period of time involved shall be completely and clearly displayed.
2. Reported financial data shall be accurate, timely, and reliable.
3. Financial reports shall be based on the required supporting documentation maintained under an adequate accounting system that produces information which objectively discloses the financial aspects of events or transactions.
4. Financial data reported shall be derived from accounts that are maintained on a consistent, periodic basis. Material changes in accounting policies and methods and their effect shall be clearly explained.
5. Reporting terminology used in financial reports to OSMRE shall be consistent with the receipt and expense classifications included in the latest approved budget.

1-105-10 BUDGET INFORMATION REPORT, OSM-47

- A. The OSMRE Budget Information Report, OSM-47, will be used to submit budget information for a grant or cooperative agreement that is to be issued for a nonconstruction project or activity of a State/Tribal agency. See Exhibit XI-105-1.
- B. Summary instructions for preparation of Form OSM-47 are printed on the back of the form. More detailed instructions for the preparation of the OSMRE Budget Information Report, OSM-47, can be found in the following action transmittals:
 1. For the Abandoned Mine Lands Program, see Part III of Action Transmittal DOI-OSM-MB-80-1 (Revised).
 2. For the State Program Assistance Program, see Part III of Action Transmittal DOI-OSM-MB-80-3 (Revised).

1-105-10 (Continued)

- C. The OSMRE Budget Information Report, OSM-47, will be submitted with each application for a nonconstruction project or activity of a State/Tribal agency. Form OSM-47 is also to be submitted for budget revision procedures for grants and cooperative agreements.

1-105-15 BUDGET INFORMATION - CONSTRUCTION REPORT, OSM-48

- A. The Budget Information - Construction Report, OSM-48 will be used to submit budget information for a grant or cooperative agreement that is to be issued for a construction project of a State or Tribal agency. See Exhibit XI-105-2.
- B. Summary instructions for preparation of Form OSM-48 are printed on the back of the form. More detailed instructions for the preparation of the OSMRE Budget Information - Construction Report, OSM-48, can be found in the following action transmittals:
1. For the Abandoned Mine Lands Program, see Part VII of Action Transmittal DOI-OSM-MB-80-1 (Revised).
 2. For the State Program Assistance Program, see Part VII of Action Transmittal DOI-OSM-MB-80-3 (Revised).
- C. The OSMRE Budget Information - Construction Report, OSM-48, will be submitted with each application for a construction project of a State/Tribal agency. Form OSM-48 is also to be submitted for budget revisions. See Chapter 1-80 for budget revision procedures for grants and cooperative agreements.

1-105-20 FINANCIAL STATUS REPORT, SF-269

- A. OSMRE requires recipients to use the Financial Status Report, SF-269, to report the status of funds for all nonconstruction projects or programs. See Exhibit XI-105-3.
- B. Summary instructions for preparation of Form SF-269 are printed on the back of the form. More detailed instructions for the preparation of the Financial Status Report, SF-269, can be found in the following action transmittals:
1. For the Abandoned Mine Lands Program, see Part I of Action Transmittal DOI-OSM-MB-80-2 (Revised).
 2. For the State Program Assistance Program, see Part I of Action Transmittal DOI-OSM-MB-80-4 (Revised).
- C. The first Financial Status Report, SF-269, for a twelve month grant is due 30 days after the first six months from the date of

FINANCIAL REPORTING REQUIREMENTS

PAGE 4

I-105-20C (Continued)

the grant agreement. The second report is due 30 days after the first 12 months from the date of the grant agreement. The final report is due 90 days after completion of the grant. However, if a grant or cooperative agreement was issued for more than one year, the semiannual reporting is due 30 days after the end of each six month period and the final report is due 90 days after the end of the grant or cooperative agreement period.

1-105-25 REQUEST FOR PAYMENT ON LETTER OF CREDIT, SF 5805

- A. OSMRE requires recipient organizations to use the SF 5805 for making drawdowns and reporting the status of funds under the OSMRE Letter of Credit. See Exhibit X1-105-4.
- B. Detailed instructions for the preparation of the SF 5805 can be found in Chapter 1-100.
- C. The submittal procedures to be followed are that ordinarily the request for payment should not be drawn more frequently than daily, for amounts less than \$5,000, or for amounts greater than \$5,000,000 unless so stated on the letter of credit.

1-105-30 REQUEST FOR ADVANCE OR REIMBURSEMENT, SF-270

- A. OSMRE requires that the Request for Advance or Reimbursement, SF-270, is the standardized form for all nonconstruction projects or programs when the OSMRE Letter of Credit is not used. See Exhibit X1-105-5.
- B. Recipient organizations that do not have an OSMRE Letter of Credit are authorized to submit Requests for Advance or Reimbursement, SF-270, at least quarterly.
- C. Detailed instructions for the preparation of the SF-270 can be found in Chapter 1-100.

1-105-35 OUTLAY REPORT AND REQUEST FOR REIMBURSEMENT FOR CONSTRUCTION PROGRAMS, SF-271

- A. OSMRE requires that recipient organizations use the SF-271 for reporting outlays for construction projects. See Exhibit X1-105-6.
- B. Summary instructions for preparation of Form SF-271 are printed on the back of the form.
- C. Recipient organizations that do not have an OSMRE Letter of Credit are authorized to submit requests for reimbursement on Form SF-271 at least monthly.

FINANCIAL REPORTING REQUIREMENTS

EXHIBIT X1-105-3
PAGE 7

FINANCIAL STATUS REPORT (Follow the Provisions on this book)		1. FEDERAL AGENCY AND ORGANIZATION, BUREAU TO WHICH REPORT IS SUBMITTED		2. FEDERAL AGENCY OR OTHER ORGANIZATION (OMB Approved No. 30-501100)		3. REPORTING PERIOD (Month, Day, Year)	
4. REPORTING ORGANIZATION NAME AND ADDRESS (Include ZIP code)		5. REPORTING ORGANIZATION NUMBER (If reporting number)		6. FUND NUMBER		7. REPORTING PERIOD (Month, Day, Year)	
8. REPORTING ORGANIZATION TYPE AND ADDRESS (Include ZIP code)		9. REPORTING ORGANIZATION NUMBER (If reporting number)		10. FUND NUMBER		11. REPORTING PERIOD (Month, Day, Year)	
12. REPORTING ORGANIZATION TYPE AND ADDRESS (Include ZIP code)		13. REPORTING ORGANIZATION NUMBER (If reporting number)		14. FUND NUMBER		15. REPORTING PERIOD (Month, Day, Year)	
16. UNREPORTED BALANCE OF FUNDED FUNDS		17. FUNDED FUNDS		18. UNFUNDED FUNDS		19. TOTAL FUNDS	
a. Total unreported balance of funded funds		b. Total funded funds		c. Total unfunded funds		d. Total funds	
20. FEDERAL AGENCY AND ORGANIZATION, BUREAU TO WHICH REPORT IS SUBMITTED		21. FEDERAL AGENCY OR OTHER ORGANIZATION (OMB Approved No. 30-501100)		22. REPORTING PERIOD (Month, Day, Year)		23. REPORTING PERIOD (Month, Day, Year)	
24. REPORTING ORGANIZATION NAME AND ADDRESS (Include ZIP code)		25. REPORTING ORGANIZATION NUMBER (If reporting number)		26. FUND NUMBER		27. REPORTING PERIOD (Month, Day, Year)	
28. REPORTING ORGANIZATION TYPE AND ADDRESS (Include ZIP code)		29. REPORTING ORGANIZATION NUMBER (If reporting number)		30. FUND NUMBER		31. REPORTING PERIOD (Month, Day, Year)	
32. REPORTING ORGANIZATION TYPE AND ADDRESS (Include ZIP code)		33. REPORTING ORGANIZATION NUMBER (If reporting number)		34. FUND NUMBER		35. REPORTING PERIOD (Month, Day, Year)	
36. REPORTING ORGANIZATION TYPE AND ADDRESS (Include ZIP code)		37. REPORTING ORGANIZATION NUMBER (If reporting number)		38. FUND NUMBER		39. REPORTING PERIOD (Month, Day, Year)	
40. REPORTING ORGANIZATION TYPE AND ADDRESS (Include ZIP code)		41. REPORTING ORGANIZATION NUMBER (If reporting number)		42. FUND NUMBER		43. REPORTING PERIOD (Month, Day, Year)	
44. REPORTING ORGANIZATION TYPE AND ADDRESS (Include ZIP code)		45. REPORTING ORGANIZATION NUMBER (If reporting number)		46. FUND NUMBER		47. REPORTING PERIOD (Month, Day, Year)	
48. REPORTING ORGANIZATION TYPE AND ADDRESS (Include ZIP code)		49. REPORTING ORGANIZATION NUMBER (If reporting number)		50. FUND NUMBER		51. REPORTING PERIOD (Month, Day, Year)	
52. REPORTING ORGANIZATION TYPE AND ADDRESS (Include ZIP code)		53. REPORTING ORGANIZATION NUMBER (If reporting number)		54. FUND NUMBER		55. REPORTING PERIOD (Month, Day, Year)	
56. REPORTING ORGANIZATION TYPE AND ADDRESS (Include ZIP code)		57. REPORTING ORGANIZATION NUMBER (If reporting number)		58. FUND NUMBER		59. REPORTING PERIOD (Month, Day, Year)	
60. REPORTING ORGANIZATION TYPE AND ADDRESS (Include ZIP code)		61. REPORTING ORGANIZATION NUMBER (If reporting number)		62. FUND NUMBER		63. REPORTING PERIOD (Month, Day, Year)	
64. REPORTING ORGANIZATION TYPE AND ADDRESS (Include ZIP code)		65. REPORTING ORGANIZATION NUMBER (If reporting number)		66. FUND NUMBER		67. REPORTING PERIOD (Month, Day, Year)	
68. REPORTING ORGANIZATION TYPE AND ADDRESS (Include ZIP code)		69. REPORTING ORGANIZATION NUMBER (If reporting number)		70. FUND NUMBER		71. REPORTING PERIOD (Month, Day, Year)	
72. REPORTING ORGANIZATION TYPE AND ADDRESS (Include ZIP code)		73. REPORTING ORGANIZATION NUMBER (If reporting number)		74. FUND NUMBER		75. REPORTING PERIOD (Month, Day, Year)	
76. REPORTING ORGANIZATION TYPE AND ADDRESS (Include ZIP code)		77. REPORTING ORGANIZATION NUMBER (If reporting number)		78. FUND NUMBER		79. REPORTING PERIOD (Month, Day, Year)	
80. REPORTING ORGANIZATION TYPE AND ADDRESS (Include ZIP code)		81. REPORTING ORGANIZATION NUMBER (If reporting number)		82. FUND NUMBER		83. REPORTING PERIOD (Month, Day, Year)	
84. REPORTING ORGANIZATION TYPE AND ADDRESS (Include ZIP code)		85. REPORTING ORGANIZATION NUMBER (If reporting number)		86. FUND NUMBER		87. REPORTING PERIOD (Month, Day, Year)	
88. REPORTING ORGANIZATION TYPE AND ADDRESS (Include ZIP code)		89. REPORTING ORGANIZATION NUMBER (If reporting number)		90. FUND NUMBER		91. REPORTING PERIOD (Month, Day, Year)	
92. REPORTING ORGANIZATION TYPE AND ADDRESS (Include ZIP code)		93. REPORTING ORGANIZATION NUMBER (If reporting number)		94. FUND NUMBER		95. REPORTING PERIOD (Month, Day, Year)	
96. REPORTING ORGANIZATION TYPE AND ADDRESS (Include ZIP code)		97. REPORTING ORGANIZATION NUMBER (If reporting number)		98. FUND NUMBER		99. REPORTING PERIOD (Month, Day, Year)	
100. REPORTING ORGANIZATION TYPE AND ADDRESS (Include ZIP code)		101. REPORTING ORGANIZATION NUMBER (If reporting number)		102. FUND NUMBER		103. REPORTING PERIOD (Month, Day, Year)	

EXPIRATION DATE 4-30-91
FOR FINANCIAL INSTITUTION USE ONLY

REQUEST FOR FUNDS			
<input type="checkbox"/>	PAID		DATE
<input type="checkbox"/>	REJECTED DUE TO:		
SECTION I—MESSAGE FORMAT			
021030039			
TO	TYPE	FROM	AMOUNT
0010000000	1001		
SECTION II—SPECIAL HANDLING INSTRUCTIONS REQUEST FOR FUNDS			
NO FINANCIAL INSTITUTION			
RECEIVER LOC	TOD	PPA	LGN
TREAS NMG	/	/	/
NON	/	/	/
THIRD PARTY INFORMATION			
SECTION III—CERTIFICATION (Must Be Completed By Drawer)			
I certify that this Request for Funds has been drawn in accordance with the terms and conditions of the Letter of Credit cited and that the amount for which claims is proper for payment to the account of the drawer at the drawer's financial institution. I also certify that the data reported is correct and that the amount of the Request for Funds is not in excess of applicable disbursement needs.			
DATE	SIGNATURE	TITLE	TITLE
	COUNTERSIGNATURE		
ORIGINAL—SUBMIT TO FINANCIAL INSTITUTION			

IF RECEIVED FROM OTHER BANK
Prescribed by Dept. of the Treasury
1784-1-80

Form FD-702 (Rev. 8-80)
1784-01-00-0130
5010-101

REPORTING GRANT AND COOPERATIVE AGREEMENT
INFORMATION TO THE STATES

1-145-00	Purpose
10	Background
20	State Central Information Reception Agencies (SCIRA)
30	Definitions
40	Applicability
50	Reporting Requirements
60	Program Baseline

1-145-00 PURPOSE

This chapter establishes policy and procedures for reporting information on Federal grants-in-aid and other types of financial assistance awarded in the various States in accordance with Section 201 of the Intergovernmental Cooperation Act of 1968.

1-145-10 BACKGROUND

- A. Section 201 of the Intergovernmental Cooperation Act of 1968 requires Federal agencies to provide information on Federal grants to the executive and legislative branches of State government. The content, format, and procedures for reporting of such information were originally contained in revised Treasury Circular No. 1082 adopted January 14, 1976.
- B. The Federal Assistance Award Data System (FAADS) has replaced Treasury Circular 1082 as the means of notifying the States of Federal Assistance Awards. FAADS is an Automatic Data Processing (ADP) based system that provides information on assistance awards, including grants, on a quarterly basis. The reports are distributed to the States and meet the objective of Section 201 of the Intergovernmental Cooperation Act of 1968.
- C. Under Executive Order 12372, agencies are required to notify each State and clearinghouse that reviewed a given application, of major actions taken on that application. In most, but not all States, the State Clearinghouse and the State Central Information Reception Agency are the same office.

REPORTING GRANT AND COOPERATIVE AGREEMENT
INFORMATION TO THE STATES

PAGE 2

1-145-20 STATE CENTRAL INFORMATION RECEPTION AGENCIES

The State Central Information Reception Agency is responsible for distributing the award information to the Governor, the State legislature, or other officials designated by either.

1-145-30 DEFINITIONS

- A. "State" means any of the several States of the United States, the District of Columbia, Puerto Rico, any territory or possession of the United States, or any instrumentality of a State, including State institutions of higher education and hospitals but not including the governments of the political subdivisions of a State.
- B. "Political subdivision or local government" means a local government, including, specifically, a county, municipality, city, town, township, school or other special district created by or pursuant to State law, and any agency or instrumentality of a local government, including institutions of higher education and hospitals.
- C. "Grant or grant-in-aid" means Federal assistance in the form of money, or property in lieu of money, paid or furnished by the United States under a fixed annual or aggregate authorization to: (a) a State; or (b) a potential subdivision of a State; or (c) any agency, institution, or organization.

1-145-40 APPLICABILITY

- A. The basic reporting requirements of this chapter apply to all OSMRE grants and cooperative agreements awarded to a State or a political subdivision of a State as defined in Section 1-145-30.
- B. The following types of actions are reported with the FAADS;
 - 1. Award of a grant or cooperative agreement.
 - 2. Increase or decrease in awarded funds.
 - 3. Cancellation or closeout of a grant or cooperative agreement.
 - 4. Changes to the period for which the funds awarded are available.

REPORTING GRANT AND COOPERATIVE AGREEMENT
INFORMATION TO THE STATES

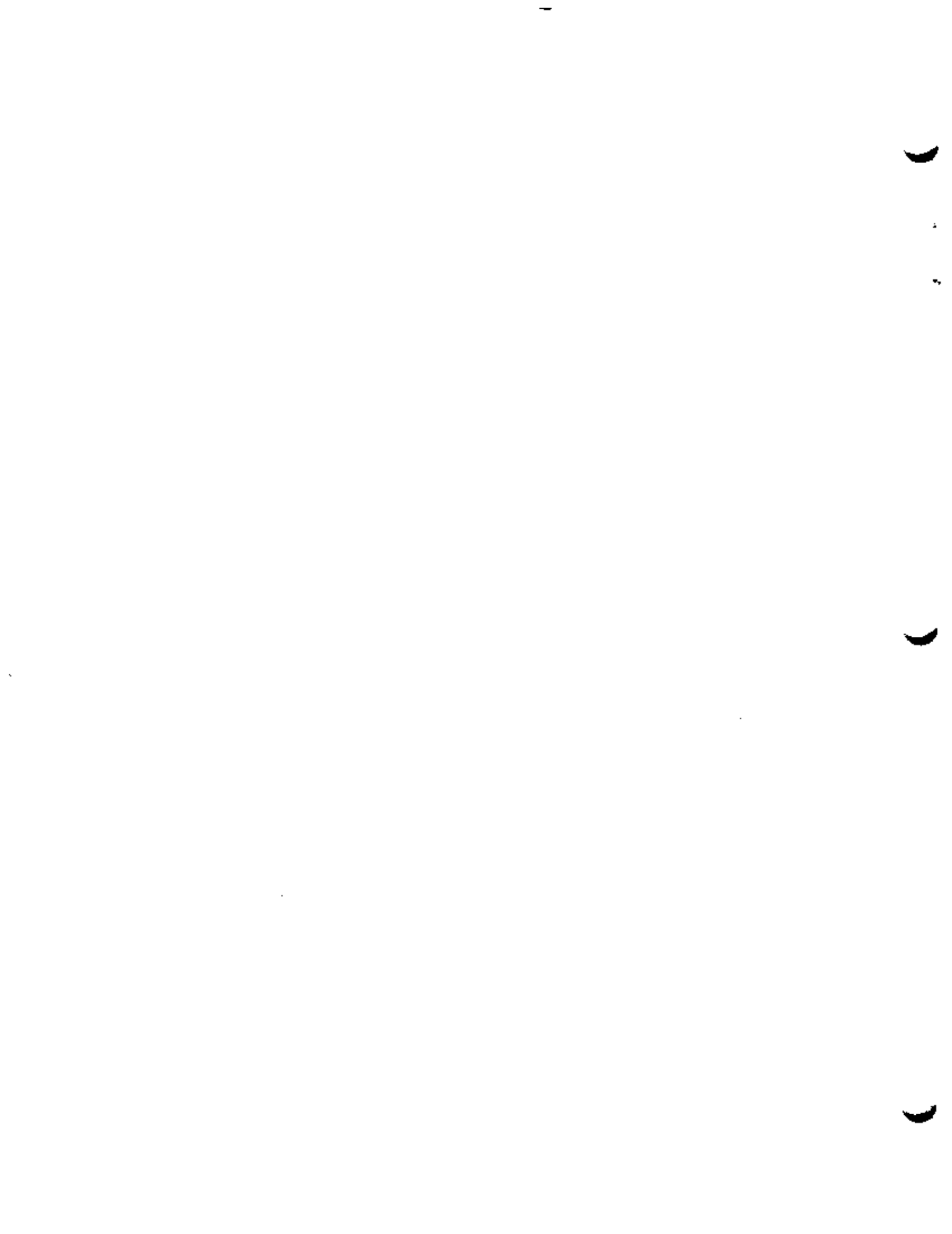
PAGE 3

1-145-50 REPORTING REQUIREMENTS

DOI distributes information on OSMRE assistance activities through the FAADS reporting system. (See Chapter 5-90 for specific reporting procedures.) The AD-FOs transmits data (i.e., SF-424's) to the Division of Acquisition and Grants, which is under the Assistant Secretary, Policy, Budget and Administration. Reports from the Department are distributed on a machine readable tape and each State can obtain access to the data to obtain desired information on any specific type of assistance.

1-145-60 PROGRAM BASELINE

The Division of Regulatory Programs will maintain a current master list of programs which identifies by Catalog of Federal Domestic Assistance (CFDA) program number and title, those programs for which reporting is applicable.



CHAPTER 3-01
REGULATORY PROGRAMS OVERVIEW

- 3-01-00 Background
 - 01 Responsibilities
 - 02 Allocation of Funds

3-01-00 BACKGROUND

- A. Section 102 of the Surface Mining Control and Reclamation Act (SMCRA) establishes that one of the purposes of SMCRA is to "assist the States in developing and implementing a program to achieve the purposes of this Act...". To do that, Section 705 authorizes the Secretary to provide assistance to States in developing, administering and enforcing State programs. When a State elects to administer an approved program on Federal lands, through a cooperative agreement, the Secretary is authorized to increase the amount of financial assistance to cover costs the Department would otherwise incur in regulating coal mining on those lands.
- B. The Federal regulations implementing SMCRA established programs to encourage and assist State agency implementation of Title V. 30 CFR Chapter VII funds the initial regulatory program through interim grants; the development of a permanent program through program development grants; the administration and implementation of the Small Operator Assistance Program (SOAP) through SOAP administration and SOAP operational grants; the implementation of an approved permanent program through administration and enforcement grants; and funds cooperative agreements if a State elects to regulate coal mining and reclamation operations on Federal lands.

3-01-01 RESPONSIBILITIES

- A. Headquarters is responsible for developing and maintaining national policies and uniform procedures, developing and adjusting State/Tribe grant allocations, transmitting allocation information to the AD-FOs, providing technical assistance to the AD-FOs and Field Offices, and participating in evaluation of AD-FO and Field Office operations.

REGULATORY PROGRAMS

PAGE 2

3-01-01 (Continued)

- B. The AD-FOs are responsible for coordinating the operational activities associated with the grant programs, including disseminating information about grant applications and awards, processing obligation documents, reviewing performance reports, conducting oversight of the States/Tribes and Field Offices and providing policy guidance to the Field Offices. The AD-FOs are not responsible for conducting pre-award reviews of grant applications.
- C. The Field Offices are responsible for day-to-day management of the grants programs. These responsibilities include assisting the States/Tribes in preparing grant applications, reviewing grant applications, awarding grants, administering the grants, implementing policies and procedures and conducting oversight of the States/Tribes.

3-01-02 ALLOCATION OF FUNDS

- A. Each Federal fiscal year, the applicant shall submit to the appropriate Field Office Director eighteen (18) months prior to the Federal fiscal year for which a grant will be requested, a projection of its program budget (personnel and fringe benefits, travel, equipment and supplies, contractual, indirect charges and other) including the costs of administering State-Federal cooperative agreements and any aircraft which the agency proposes to acquire. (When the Federal fiscal year begins on October 1, the budget projection must be submitted by April 1.) The Director will use these budget summaries in preparing Federal budget estimates.
- B. Each applicant shall submit to the appropriate Field Office Director three (3) months prior to the Federal fiscal year for which a grant will be requested, a current program budget, including the above mentioned categories. (When the Federal fiscal year begins on October 1, the budget information must be submitted by July 1.)
- C. The Director shall allocate to the States the full amount requested and approved in the States' revised or actual budgets provided that the amount available in the Federal budget is sufficient.
- D. If the funds available to the Director for grants are insufficient to cover the total grant needs of all States, including cooperative agreements, the Director shall allocate funds according to the proportion of each agency's requested and approved budget to the total of all agencies' requested and approved budgets.

3-01-02 (Continued)

- E. Allocation of a specific amount of funds to an agency does not assure that grants for that amount will be approved. Each agency must apply to OSMRE and secure approval for grants in accordance with the requirements set forth in the Act, 30 CFR Chapter VII, and this Manual.
- F. The Director shall reallocate any funds which are not requested by agencies and approved as of June 1 of that year. Such funds shall be allocated primarily to those agencies which have received less than the allowable percentage of their eligible costs.
- G. Agencies which are allocated such additional funds should submit by August 15 new or revised grant applications for the additional amounts.

CHAPTER 3-06
CHARACTERISTICS OF INTERIM GRANTS

3-06-00	Eligibility
05	Amount of Grants
10	Allowable Costs
15	Unallowable Costs
20	Grant Period

3-06-00 ELIGIBILITY

To be eligible for a grant under the interim grant program, a State must agree to assume responsibility for enforcement of the initial regulatory program. The Governor of a State shall designate in writing one agency to submit grant applications and receive and administer grants.

3-06-05 AMOUNT OF GRANTS

The State may receive up to 100% reimbursement costs in excess of its base program for administering and enforcing the performance standards during the initial regulatory program.

3-06-10 ALLOWABLE COSTS

- A. Costs to perform the functions or purchase the items listed below are eligible for reimbursement:
1. All functions necessary to comply with the permit requirements of the initial regulatory program.
 2. Additional inspections required to enforce the interim performance standards.
 3. Inspections that are more detailed than those conducted before the interim regulatory program.
 4. Responses to complaints related to interim performance standards.
 5. Enforcement actions required to secure compliance with the interim performance standards.
 6. Additional administrative activities and supporting costs related to hiring additional personnel, revising permits, conducting inspections, preparing, copying, and submitting reports required by OSM, and submitting applications for reimbursement grants.

CHARACTERISTICS OF INTERIM GRANTS

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7. Additional equipment required for inspection or inspection-related activities.
- B. To be allowable, all costs must be in accordance with the principles set forth in the Office of Management and Budget Circular A-87, "Cost Principles Applicable to Grants and Contracts with State and Local Governments. (See under "Cost Principles" Part 6.)
- C. Recipients may purchase equipment with grant funds where recovery of use charges (i.e., rental fees) is prohibited, made impractical or more costly than purchase by existing State laws or procedures, or where use charges exceed purchase costs. Acquisition of real property must be in compliance with the Uniform Relocation and Real Property Acquisitions Policy Act. See Chapter 1-410.

3-06-15 UNALLOWABLE COSTS

In addition to the unallowable costs stated in OMB Circular A-87, interim grant funds may not be used for costs attributable to program development activities or costs associated with an increase in staffing, equipment, etc., beyond that necessary for the initial regulatory program.

3-06-20 GRANT PERIOD

Grants shall normally be for a period of one year with continuing programs to be funded by consecutive annual grants.

CHAPTER 3-07
CHARACTERISTICS OF PROGRAM DEVELOPMENT GRANTS

- 3-07-00 Eligibility
 - 01 Amount of Grants
 - 02 Allowable Costs
 - 03 Unallowable Costs
 - 04 Grant Period

3-07-00 ELIGIBILITY

- A. Eligibility - Any State with active or anticipated surface coal mining may apply for a grant to assist in developing a regulatory program in order to obtain primacy in regulating surface mining and reclamation operations. In order to receive a program development grant, the Governor of a State shall designate in writing one agency to submit grant applications and to receive and administer grants. An agency may apply for a program development grant for any period for which it does not have an approved State program. This includes periods devoted to:
1. The initial development of a State program.
 2. The revision of a State program that has been disapproved by the Secretary.
 3. The revision of a State program from which the Secretary has withdrawn approval.

3-07-01 AMOUNT OF GRANTS

For the first year of a program development grant the State may receive not more than 80 percent of the total costs. The second year of a program development grant will be limited to 60 percent of the total costs. The third year and each year thereafter it will be limited to 50 percent of the total costs. A State may request termination of its grant at any point and, if the request is approved by OSM, reserve the remaining percentage to be applied to an administration and enforcement grant. Example: If a State operates its first year of a program development grant at 80 percent and has approval to terminate after ten months, it is eligible for two months of 80 percent Federal support during the first year that an administration and enforcement grant is awarded.

3-07-02 ALLOWABLE COSTS

- A. A program development grant may be used to reimburse the State for the development, revision or expansion of the following activities:

CHARACTERISTICS OF PROGRAM DEVELOPMENT GRANTS

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1. State laws, regulations and procedures.
 2. Inspection systems.
 3. Training programs for inspectors and other personnel.
 4. Organizational structures.
 5. Information and communication systems, including data processing systems.
 6. Planning process, including a data base and information system to receive and act upon petitions to designate lands unsuitable for coal mining.
 7. An application for the initial administration and enforcement grant to the extent not covered by indirect costs of the other cost items.
 8. Components necessary to obtain an approved state regulatory program as mutually agreed upon by the Director and the recipient.
- B. Acquisition of real property must be in compliance with the Real Property Acquisitions Policy Act (P.L. 91-646). See Chapter 1-535 for details.

3-07-03 UNALLOWABLE COSTS

Grants will not be approved to cover costs incurred prior to August 3, 1977. No equipment purchases or costs for implementing training programs will be allowed under this grant other than those needed for development of the state program submission.

3-07-04 GRANT PERIOD

Grants shall normally be for a period of one year with the continuing program to be funded by consecutive annual grants.

CHAPTER 3-08
CHARACTERISTICS OF ADMINISTRATION AND ENFORCEMENT GRANTS

3-08-00	Eligibility
05	Amount of Grants
10	Allowable Costs
15	Unallowable Costs
20	Program Income
25	Grant Period

3-08-00 ELIGIBILITY

- A. Administration and Enforcement (A&E) grants are available to assist the States in administering regulatory programs approved under Section 503 of the Act.
- B. To be eligible for an A&E grant a State must:
 - 1. Have an approved State program
 - 2. Have a single State agency designated in writing by the Governor to receive and administer grants.

3-08-05 AMOUNT OF GRANTS

- A. If no program development grant has been awarded, OSM may approve the first administration and enforcement grant applicable to nonfederal/non-Indian lands for not more than 80 percent of the agreed upon total costs for administration and enforcement of the program. If a program development grant has been awarded for only one year, OSM may approve an administration and enforcement grant for not more than 60 percent of the agreed total costs.
- B. If a program development grant has been awarded for more than one year but less than two years, OSM may approve the first administration and enforcement grant applicable to nonfederal/non-Indian lands for 60 percent for that proportion remaining in the second year and for 50 percent for the proportion allocated for the third year.
- C. For the third and following years, OSM may approve administration and enforcement grants applicable to nonfederal/non-Indian lands for 50 percent of the agreed total costs for administration and enforcement of the program.
- D. Costs incurred for work relating to Federal lands may be reimbursed to 100 percent of the agreed total costs. (See "Cooperative Agreements," Chapter 3-10.)

CHARACTERISTICS OF ADMINISTRATION AND ENFORCEMENT GRANTS

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3-08-10 ALLOWABLE COSTS

- A. Costs necessary to administer and enforce the approved State program are eligible to the extent that they are:
1. Incurred for items identified directly in the State program.
 2. Identifiable as support costs to the items directly listed in the State program. This would include such items as equipment and support services.
 3. For the development of an amendment to the State program.
 4. In accord with Circulars OMB A-87, OMB A-102, and Treasury Circular 1075.
- B. Acquisition of real property must be in compliance with the Uniform Relocation and Real Property Acquisition Policy Act. See Chapter 1-410 for details.

3-08-15 UNALLOWABLE COSTS

- A. Costs which are not related to the administration and enforcement of the permanent program are unallowable. Unallowable costs include those that:
1. Are not in accord with OMB Circular A-87, (formerly FMC 74-4), OMB Circular A-102, and Treasury Circular 1075.
 2. Have the effect of giving financial assistance to operators other than authorized under SQAP or provided as general technical assistance.
 3. Are for activities constituting significant deviations from those identified in the approved state program.

3-08-20 PROGRAM INCOME

- A. Recipients must account for all income earned from grant supported activities. Such income may be used to finance the nonfederal share of the grant or for other related coal program activities not included in the grant. Amounts collected above the nonfederal share normally will be deducted from the Federal share of costs. Program income includes, but is not limited to, such items as:

1. Permit application fees.

3-08-25 GRANT PERIOD

Grants shall normally be for a period of one year with the continuing program to be funded by consecutive annual grants.

CHAPTER 3-09
CHARACTERISTICS OF THE SMALL OPERATOR ASSISTANCE PROGRAM (SOAP) GRANTS

- 3-09-00 Types of SOAP Grants
 - 01 Eligibility
 - 02 Amount of Grants
 - 03 Allowable Costs
 - 04 Unallowable Costs

3-09-00 TYPES OF SOAP GRANTS

- A. During the initial regulatory program phase, two types of SOAP grants are available to States - Administration and Operational. The SOAP Administration grant provides funds to the State to administer the SOAP program prior to the time a permanent State program is approved. The SOAP Operational grant enables the State to fund qualified laboratories to collect, analyze, and interpret hydrologic and geologic data and produce technical reports for small operators.
- B. After approval of a State program, operational costs will continue to be funded through the award of operational grants to the State. The administrative functions will be funded as part of the overall Administration and Enforcement grant.

3-09-01 ELIGIBILITY

The State must be administering an initial regulatory or an approved permanent program to receive a SOAP operational grant. During the initial regulatory program, a State may apply for an interim SOAP administration grant. The award of this interim administration grant will be contingent upon the availability of funding. The interim SOAP administration grant will terminate when the permanent regulatory program is approved.

3-09-02 AMOUNT OF GRANTS

The State may be reimbursed for up to 100% for the allowable costs listed below.

3-09-03 ALLOWABLE COSTS

- A. SOAP Administration Grants
 - 1. All costs necessary to implement and administer the program such as expenses for personnel to develop and implement processes and procedures, data base management, lab qualification,

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ASSISTANCE PROGRAM (SOAP) GRANTS

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contracting and contract monitoring, small operator outreach, small operator eligibility determinations, and other program functions. Functions may be subcontracted provided that they are identified in the grant application and approved as part of the grant.

B. SOAP Operational Grants

1. Expenditures by either State personnel or qualified laboratories to provide planning services are allowable. Planning services are limited to background data searches and work statement development, both directly related to individual assistance mining sites. Furthermore, all expenditures by qualified laboratories to collect field data and prepare reports necessary for the determination of probable hydrologic consequences and the statement of the results of test borings or core sampling required in the permanent program mining application are allowable. Ground water observation well drilling is authorized as necessary on a case by case basis. Unallowable costs are listed in Chapter 3-09-04 below.
2. To be allowable, all costs must be in accord with the principles set forth in OMB Circular A-87 (formerly FMC 74-4), "Cost Principles Applicable to Grants and Contracts with State and Local Governments." See Chapter 6-00 for details.

3-09-04 UNALLOWABLE COSTS

A. SOAP Administration Grants

1. Recipients may not use these funds in lieu of a program development grant for the development of a part of the permanent program submission.

B. SOAP Operational Grants

1. Grant funds cannot be used to pay for exploratory test borings, core drilling or observation well drilling that may be required as part of the statement of work.
2. Interest penalties associated with late payments for contractual work with laboratories is unallowable.

CHAPTER 3-10
STATE/FEDERAL COOPERATIVE AGREEMENTS FOR REGULATION ON FEDERAL LANDS

- 3-10-00 Eligibility
 - 01 Grant Amount
 - 02 Operating Procedures
 - 03 Allowable Costs
 - 04 Unallowable Costs
 - 05 Grant Period

3-10-00 ELIGIBILITY

According to Section 523(c) of SMCRA, any State with an approved State program may elect to enter into a State/Federal Cooperative Agreement with the Secretary to provide for State regulation of surface coal mining and reclamation operations on Federal lands within the State, provided the Secretary determines in writing that such State has the necessary personnel and funding to fully implement such an agreement in accordance with the provisions of SMCRA.

3-10-01 GRANT AMOUNT

The State will receive an amount up to that which the Secretary determines is approximately equal to the amount the Federal Government would have expended for such regulation.

3-10-02 OPERATING PROCEDURES

- A. Applications for grants to States under Section 705(c) of SMCRA are made as follows:
 - 1. OSM will advise each State about preparation of its application for the funds to administer and enforce a State/Federal cooperative agreement. Such funds will be awarded as part of the administration and enforcement grant used to fund the State's regulatory program (refer to Chapter 3-08 of this "Federal Assistance Manual" and Action Transmittal No. 80-3.)
 - 2. OSM and each State that applies for funds to administer a State/Federal cooperative agreement must determine in advance of the grant period the method that will be used to determine the Federal lands costs. See Appendix 112.
 - 3. OSM will estimate the expense to perform the work on Federal lands in each State as provided according to preceding Item 2 by following procedures in Appendix 112.

STATE-FEDERAL COOPERATIVE AGREEMENT FOR REGULATION ON FEDERAL LANDS

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4. OSM will negotiate with each State on the amount to fund the administration and enforcement of the State/Federal cooperative agreement.
- B. For monitoring the expenditures, the State and OSM will follow the approved reporting system for OSM Administrative and Enforcement Grants. Refer to Action Transmittal No. 80-4 (Revised).

3-10-03 ALLOWABLE COSTS

The cost for work performed on Federal lands only can be included in the request for funds to administer and enforce the State/Federal cooperative agreement except as indicated in Appendix 112. Costs for work listed in Appendix 112 are eligible for reimbursement.

3-10-04 UNALLOWABLE COSTS

- A. The cost for work performed on nonfederal lands cannot be included in the request for funds to administer and enforce the State/Federal cooperative agreement except as indicated in Appendix 112.
- B. OSM will not pay expenses for litigation, which is the responsibility of the Department's Office of the Solicitor.
- C. Expenses already funded under Section 705(a) and (b) of SMCRA are not eligible for reimbursement with funds provided to administer and enforce the State/Federal cooperative agreement.

3-10-05 GRANT PERIOD

The period shall normally be the same as for the State's administration and enforcement grant with the continuing program to be funded by consecutive annual grants.

CHAPTER 4-06
CHARACTERISTICS OF AMLR FEDERAL ASSISTANCE

4-06-00	Types of AMLR Federal Assistance
10	Eligibility
20	Extraction of Coal as an Incidental Part of an AML Reclamation Project
30	Site Eligibility for AMLR Projects
40	Allowable Costs
50	Unallowable Costs
60	Grant/Cooperative Agreement Periods
70	Overtime Compensation on Federally- Assisted Construction Contracts

4-06-00 TYPES OF AMLR FEDERAL ASSISTANCE

States and Indian tribes may apply for AMLR Federal assistance under two types of agreements dependent upon the level of anticipated Federal involvement, as specified in this chapter.

4-06-10 ELIGIBILITY

Lands and water eligible for reclamation or drainage abatement expenditures under AMLR are those which were mined for coal or which were affected by such mining, wastebanks, coal processing, or other coal mining processes, and abandoned or left in an inadequate reclamation status prior to August 3, 1977, and for which there is no continuing reclamation responsibility under State or Federal laws. Refer to section 409 of SMCRA for non-coal eligibility. Reclamation of eligible lands and water may be funded in one of two ways.

A. Cooperative Agreements

1. Any State/Indian tribe with eligible abandoned mine lands may apply for cooperative agreements to prepare reclamation plans and annual work plans for the preparation of the projects prior to the approval of the respective applicant's reclamation plan.

B. Grants

1. Any State/Indian tribe with eligible abandoned mine lands, and an approved Regulatory Program and Reclamation Plan may apply for a grant to support the respective applicant's reclamation program.

CHARACTERISTICS OF AMLR FEDERAL ASSISTANCE

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4-06-20 EXTRACTION OF COAL AS AN INCIDENTAL PART OF AN AML RECLAMATION PROJECT

- A. Background. Removing coal incidental to an AML reclamation project has been recognized as a means of ensuring that sites reclaimed with moneys from the AML Fund will not be re-mined after reclamation. Moreover, coal removal rather than coal burial minimizes the possibility of future environmental degradation due to problems associated with combustion or formation of acid mine drainage. In addition, it can be more cost effective for the reclamation agency (State/Tribe or Federal) to remove the accessible coal during reclamation, dispose of it (use or sell), and thereby offset part of the costs of reclamation.
- B. Policy. The policy of OSMRE regarding this issue is addressed in the Abandoned Mine Land Reclamation Program "Final Guidelines for Reclamation Programs and Projects" (45 Federal Register 14810-14819, March 6, 1980 (Appendix 63B)). These guidelines require that the administering agency determine whether coal removal in conjunction with an AML project is exempt from Title V regulations under the provisions of Section 528 of SMCRA and 30 CFR Part 707. If coal recovery is not incidental to the AML reclamation, then the necessary permits must be obtained before reclamation activities begin.
- C. Responsibilities. The administering agency must determine whether coal extracted incidental to an AML reclamation project is exempt from Title V regulation. When the administering agency is separate from the regulatory authority, the above determination will be made by the administering agency in conjunction with the regulatory authority. If the exemption applies, the administering agency will prepare a finding, as part of the project narrative, to be submitted with the grant application package or in the briefing paper if the project is conducted under OSMRE's Federal Reclamation Program (FRP).
- D. Procedures. Where it is anticipated that coal will be extracted incidental to an AML-financed construction project, the project narrative (in the case of a State/Tribal grant application) or the briefing paper (in the case of an FRP project) will include, in addition to any other required documentation, the following information regarding the proposed project:
1. That the administering agency has made a finding and determination that the coal to be recovered in conjunction with the proposed AML-financed construction project is an incidental part of the reclamation project and is integral to the construction to be accomplished.

4-06-20.D (Continued)

2. That the primary purpose of the project is to reclaim eligible abandoned mine lands which utilize available funds in an effective manner.
3. That the revenues to be received from the sale of coal or the market value of the coal, if it is to be used and not sold, are less than the total cost of the reclamation project, including the costs of coal recovery activities.
4. That the consents clearly authorize extraction of coal and that if the mineral estate is severed from the surface estate, the administering agency has the consent of the surface coal owner for right of entry and the consent of the mineral owner for extraction of the coal, except for the entry by exercise of police powers. The administering agency has the responsibility to ensure that the reclamation work, including the extraction of coal, is not initiated without such consents.
5. That the coal recovery project(s) proceeds will be returned to the AML Fund or used to offset the cost of the project.

4-06-30 SITE ELIGIBILITY FOR AMLR PROJECTS

A. Policy. It is OSMRE's policy that eligibility determinations are the primary responsibility of the State/Tribe under an approved AMLR Plan. (Note: If an ineligible project is funded, the appropriate procedures will apply to recover such funds.) Eligibility determinations shall be prepared as part of each State grant application according to the procedures set forth in the State AMLR Plan. The following policies are set forth to assist the Field Offices in reviewing specific eligibility issues.

1. Active Mining. Whenever it is necessary, as part of an AML reclamation project, to gain access across or to affect property which has been used or affected by mining after August 3, 1977, reclamation on these sites will be confined to repairing the damage caused by the use of these sites to support AML reclamation activities.

If further reclamation activities are necessary to repair damages caused by accessing an eligible site, such activities must be fully documented and justified in the project narrative prior to the authorization of funds.

CHARACTERISTICS OF AMLR FEDERAL ASSISTANCE

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2. Bond Forfeiture. Pre-SMCRA State/Tribal reclamation bonds will render a site ineligible only if the amount forfeited is sufficient to pay the total cost of the necessary reclamation. In cases where the the forfeited bond is insufficient to pay the total cost of reclamation, additional monies from the AML Fund may be sought. (See Preamble to 30 CFR Part 870.)

When assets have been recovered or obtained from all parties responsible for the reclamation, and the assets obtained are insufficient to meet all reclamation costs, the property in question will remain eligible for reclamation to the extent that additional funds are required.

When all assets of the responsible parties are identified and legal proceedings instituted to recover such assets, and the monies, if recovered, are not sufficient to cover all the reclamation costs, the properties will remain eligible as long as the administering agency enters into a binding contract with the State/Tribal Attorney General's Office or appropriate State/Tribal office, providing that any recovered funds will be turned over to the appropriate AMLR account.

3. Eligible Sites Reaffected by Post-SMCRA Activities. When a site (e.g., coal refuse pile, slurry pond or wildcat) meets the eligibility criteria in Section 404 of SMCRA, and has been reaffected by mining after August 3, 1977, this site will remain eligible for AMLR funding despite such post-SMCRA mining if the following conditions are met:
 - a. The post-SMCRA mining did not substantially increase or alter the environmental damage presented by the pre-SMCRA mining;
 - b. The total costs of the reclamation activities are not increased by the post-SMCRA mining; and
 - c. There is no known responsible party, or, if the responsible party is known, monies that are or may be recovered are insufficient to pay the total cost of reclamation.

Recovered monies, where and when available, must either be used as part of the reclamation activities or be deposited in the appropriate AMLR account.