



U.S. Fish and Wildlife Service

Frequently Asked Questions (FAQs)

The Cooperative Ecosystem Studies Units (CESU) Network

Contents

1. CESU Background	3
What is the Cooperative Ecosystem Studies Units (CESU) Network?.....	3
What is the mission of the CESU Network?	3
How was the CESU Network established?	3
What benefits do CESUs provide to the Service and other federal agencies?	3
What benefits do CESUs provide non-federal partners?.....	4
Are CESUs a new source of funding?	4
How do Landscape Conservation Cooperatives and CESUs work together?.....	4
2. CESU Network	5
Who is part of the CESU Network?	5
Who coordinates the CESU Network?	5
Who coordinates Service involvement in the CESU Network?.....	6
What are the responsibilities of the CESU Technical Representatives and Administrative Representatives?.....	6
What is the role of the CESU Network Council?	7
Where are CESUs located?.....	7
How were the CESU host universities and partners selected?.....	8
What are the responsibilities of host universities?	8
How is support provided to host universities?	9
How do additional partners join?	9
Does CESU membership expire?.....	10

3. CESU Projects	10
Who can set up CESU projects?	10
What kinds of projects qualify as CESU projects?.....	10
<i>What does it mean that CESU projects must “stimulate or support a public purpose?”</i>	<i>11</i>
<i>What does it mean that CESU projects must have “substantial federal involvement?”</i>	<i>11</i>
Can CESU projects be “product-oriented?”	12
What are the overhead or indirect costs for CESU projects?	13
How does the 2014 OMB Uniform Guidance affect CESU indirect cost rates?	13
Who is authorized to negotiate a reduced indirect cost rate and how long is it effective?	14
How many CESU projects have been completed?.....	14
How many CESU projects has the Service done?	14
What challenges does the Service have in working with the CESU Network?	14
4. CESU Project Awards	14
What Authorities govern the use of CESU project awards?	14
<i>What other laws, rules, and regulations apply?</i>	<i>15</i>
<i>What are the funding instruments to be used for CESU project awards?</i>	<i>15</i>
<i>Are CESU project awards just like other cooperative agreements?.....</i>	<i>16</i>
<i>Can CESU project awards be awarded as “single source awards”?.....</i>	<i>16</i>
<i>Can CESU project awards use Task Order forms instead of cooperative agreements?.....</i>	<i>17</i>
<i>Can CESU project awards be funded as contracts?.....</i>	<i>17</i>
<i>Can we set up a CESU project as a joint venture agreement?</i>	<i>17</i>
Do CESU project awards alter other cooperative agreements between partners?	17
Can CESU project awards be used to transfer funds to other federal agencies?	18
How can multiple agencies be signatories to the same cooperative agreement?.....	18
Is solicitor review or approval needed for CESU project awards?.....	18
How does the CESU Network differ from the USGS Cooperative Fish and Wildlife Research Unit system?	18
5. CESU Announcements.....	19
Do CESU project announcements have to be posted to grants.gov?	19
What CFDA number should be used?	20
Do announcements need to specify that projects will be conducted as CESU projects, including utilizing the reduced overhead rate?.....	20
Are there any other requirements for reporting, deliverables, etc.?	21

1. CESU Background

What is the Cooperative Ecosystem Studies Units (CESU) Network?

The Cooperative Ecosystem Studies Units (CESU) Network is a national, collaborative consortium of federal agencies, tribes, universities, state and local governments, and other partners that provide scientific research, technical assistance, and education on natural and cultural resource issues to federal land management, environmental, and research agencies. There are 17 CESUs throughout the country. Each is comprised of a host university, multiple federal agencies, and additional academic and non-federal partners. Further background information on the national CESU system can be obtained at the [CESU website](#).

What is the mission of the CESU Network?

The mission of the CESU Network is to promote, conduct, and provide research, studies, assessments, monitoring, technical assistance, and educational services nationwide in support of the missions of participating federal agencies and their partners concerning natural and cultural resource management on public and/or private lands and waters, and management of public trust resources. Specifically, the CESU Network:

- Provides usable knowledge to support informed decision making;
- Ensures the independence and objectivity of research;
- Creates and maintain effective partnerships among the federal agencies and universities to share resources and expertise;
- Benefits faculty and students by providing research and career opportunities;
- Encourages professional development of current and future federal scientists, resource managers, and environmental leaders; and
- Manages federal resources effectively.

How was the CESU Network established?

The CESU program was created in response to legislation passed in 1998. The National Parks Omnibus Management Act (P.L. 105-391 §203) directed the Secretary of the Interior to establish a network of “cooperative study units” with academic institutions and other non-federal partners to provide research, technical assistance, and education related to the resources of National Park Service units and their larger regions. In 1999, federal agency administrators signed a Memorandum of Understanding (MOU) establishing the CESU Council and initiating the selection process for the first five CESUs, as well as the application and partner renewal processes. The signatory agencies agreed to fully support and work to expand the CESU Network within the missions and authorities of participating federal agencies.

What benefits do CESUs provide to the Service and other federal agencies?

Federal agencies participate in CESUs within the scope of their respective missions and administrative structure. CESUs provide a broad range of biological, physical, social, and cultural science expertise needed to address resource management and other needs at multiple scales and in an ecosystem

context. CESUs provide the Fish and Wildlife Service (the Service) and other federal agency resource managers with high-quality scientific research, ensure the independence and objectivity of scientific activities, and link students and university researchers directly with the Service and its own science-based resources. Overall, CESUs provide a number of key benefits to federal agencies:

- CESUs help meet our needs for high quality, objective scientific research;
- CESUs provide an additional avenue to engage universities;
- CESUs save money through a reduced, capped indirect cost rate currently of 17.5%; and
- CESUs are (intended to be) administratively simple, due to established processes and procedures.

What benefits do CESUs provide non-federal partners?

University faculty and institutional experts benefit by close professional collaboration with federal employees and increased opportunities for interdisciplinary, multi-agency research projects related to federal resource management issues. Similarly, graduate students benefit from increased research, fieldwork, and employment opportunities; exposure to contemporary federal resource management issues; and additional faculty, courses, and seminars. In addition, the time spent reviewing and approving the agreement is significantly reduced because the standard terms and conditions have already been approved under the CESU's overarching Memorandum of Understanding (also known as a "Master Cooperative Agreement" or simply as a "Cooperative and Joint Venture Agreement").

Are CESUs a new source of funding?

No. The CESU Network is an opportunity for the Service to collaborate with universities and other partners, but does not provide a new source of funding. However, the Network does allow for projects to be completed under favorable negotiated terms. The savings that the CESU indirect cost rate provides often means that more federal dollars are going to actual project costs incurred by the researcher and students during the project such as salaries, travel to the field site, supplies, printing, and mailing.

How do Landscape Conservation Cooperatives and CESUs work together?

Landscape Conservation Cooperatives (LCCs) coordinate across various programs and initiatives to jointly identify science and management priorities. Partner agencies coordinate with each other while working within their existing authorities and jurisdictions. The collaborative structure and multi-disciplinary focus of CESUs is a good fit for meeting LCC needs, allowing LCCs to leverage the resources of a network of federal agencies and universities to provide science and outreach that will guide landscape scale conservation planning, design, and implementation. As the boundaries of LCCs and CESUs differ, most LCCs fall within the geographic area of several CESUs. LCCs are able to set up projects with any appropriate CESU or CESUs through their federal agency partners.

Many LCCs have close working relationships with the local CESUs, and work with them to conduct scientific research and other projects. For example, the North Atlantic LCC has worked collaboratively with the Southern Appalachians CESU and Virginia Tech University on a project to predict the impacts of sea level rise and increased storminess on piping plovers. In addition, the Gulf Coast Prairie LCC has partnered with the Gulf Coast CESU to facilitate conservation science, develop partnerships, and enhance communication among partners in setting common goals and assessing shared science needs.

2. CESU Network

Who is part of the CESU Network?

Each CESU is structured as a working collaborative with participation from numerous federal and non-federal institutional partners. The CESU Network includes more than 300 partners, among them almost 250 universities, 14 federal agencies, and other non-federal partners such as tribes and tribal organizations, state agencies, museums, aquariums and arboretums, and nonprofit conservation organizations. Federal agencies participate in the CESU Network through a Memorandum of Understanding (MOU) and by joining individual CESUs. The Service joined the Network in 2000, and has been a partner to all 17 CESUs since 2011.

Current federal partners are:

1. Bureau of Land Management
2. U.S. Fish and Wildlife Service
3. U.S. Geological Survey
4. National Park Service
5. Bureau of Reclamation
6. Minerals Management Service
7. Natural Resources Conservation Service
8. U.S. Forest Service
9. Agricultural Research Service
10. Farm Service Agency
11. National Oceanic and Atmospheric Administration
12. National Aeronautics and Space Administration
13. U.S. Army Corps of Engineers
14. Department of Defense (Installations & Environment)

[Visit the CESU website for more information on partners.](#)

Who coordinates the CESU Network?

The CESU Network is coordinated by the CESU Network Council that includes representatives of the federal agency partners who have signed a [Memorandum of Understanding](#). The National CESU coordinator is [Dr. Tom Fish](#), based at the Department of the Interior and administratively hosted by the National Park Service. The National CESU Coordinator serves as chair of the CESU Network Council. Individual CESUs are administered at the field/regional level.

CESUs are guided by a Federal Managers Committee composed of field managers and additional representatives from participating federal agencies, including agency Technical Representatives to each CESU. The Committee provides advice and guidance on science priorities and CESU activities to the CESU Network Council, reviews strategic and annual work plans provided by the host universities, and assists

in evaluating CESU performance. A primary role of the Committee is providing recommendations regarding host university renewals to the CESU Council.

Who coordinates Service involvement in the CESU Network?

The Service’s Assistant Director for Science Applications serves as the Service CESU Council Representative. In addition, the Headquarters Science Applications office helps to coordinate and support the CESU Network and CESU projects (see Table 1).

Table 1: National Contacts

National CESU Coordinator	Dr. Thomas E. Fish National Coordinator - CESU Network U.S. Department of the Interior Tom_Fish@nps.gov
FWS Council Representative	Seth Mott Deputy Assistant Director -- Science Applications U.S. Fish and Wildlife Service Seth_Mott@fws.gov
FWS Council Representative Alternate	Kate Freund Science Policy Specialist Science Applications U.S. Fish and Wildlife Service Kate_Freund@fws.gov
FWS CESU Support on Cooperative Agreements	Anna-Marie York Grants Management Specialist Science Applications U.S. Fish and Wildlife Service anna-marie_york@fws.gov

Each of the 17 CESUs has a designated Technical Representative, as well as an Administrative & Cooperative Agreements Representative.

What are the responsibilities of the CESU Technical Representatives and Administrative Representatives?

The Service Technical Representative acts a facilitator of CESU projects in support of Service science needs and priorities, and work with the Administrative Representatives to facilitate financial assistance agreements with the CESU.

Technical Representatives:

- Serve as the principal liaison with the CESU universities and partner agencies;
- Promote, build awareness and generate support for the CESU program in the Region;

- Assist with identifying priority science and other research needs that could be met by CESU projects;
- Help develop and facilitate CESU projects including soliciting, reviewing and writing research proposals as appropriate, reviewing work plans and federal involvement, etc.;
- Support the Administrative Representative in coordinating CESU agreements as needed;
- Participate in coordination meetings and oversee renewal process;
- Review potential non-federal partners;
- Communicate with the CESU Network National Office staff, as needed;
- Actively contribute to CESU strategic plan and annual reports; and
- Disseminate CESU information and research results.

CESU Administrative/Cooperative Agreements Representatives:

- Prepare cooperative agreements in accordance with Service policy and each CESU Memorandum of Understanding (also known as a “Master Cooperative Agreement”);
- Manage the individual CESU project cooperative agreement awards as initiated and/or, as necessary, on behalf of a designated grants officer/specialist; and
- Provide support to CESU Technical Representatives on individual CESU awards.

What is the role of the CESU Network Council?

The CESU Network is coordinated by the CESU Network Council (hereafter CESU Council) comprised of representatives of the federal agency partners. The National CESU Coordinator serves as chair of the CESU Council. The CESU Council representatives:

- Serve as the official liaison between the CESU Network and the Council members’ agencies;
- Are responsible for coordinating and communicating with the agency’s CESU Technical and Administrative representatives in support of effective interaction with the CESU Network;
- Establish, maintain, and revise CESU guidance, policies and procedures, including negotiate the indirect cost rate;
- Implement CESU membership selection and renewal procedures, including approve the addition of new federal agencies into the CESU Network, select host universities for new CESUs, evaluate existing CESUs, and approve CESU renewals;
- Develop and support CESU Network initiatives;
- Appoint and evaluate the CESU national coordinator;
- Form Working Groups to assist the CESU Council as described below; and
- Conduct additional activities appropriate to the Council.

Where are CESUs located?

CESUs are based at host universities and focused on a particular biogeographic region of the country.

The 17 CESUs and host universities are:

1. Californian – University of California System
2. Chesapeake Watershed – University System of Maryland

3. Colorado Plateau – Northern Arizona University
4. Desert Southwest – University of Arizona
5. Great Basin – University of Nevada
6. Great Lakes-Northern Forest – University of Minnesota
7. Great Plains – University of Nebraska
8. Great Rivers – University of Missouri
9. Gulf Coast – Texas A&M University
10. Hawaii-Pacific Islands – University of Hawaii System
11. North & West Alaska – University of Alaska System
12. North Atlantic Coast – University of Rhode Island
13. Piedmont-South Atlantic Coast – University of Georgia
14. Pacific Northwest – University of Washington
15. Rocky Mountains – University of Montana
16. South Florida-Caribbean – University of Miami
17. Southern Appalachian Mountains – University of Tennessee

[Visit the CESU website for a map](#) of the CESUs and host universities.

How were the CESU host universities and partners selected?

Each of the 17 CESUs in the Network was formed by a prescribed round of competitive solicitations to universities, state agencies, tribes, and nonprofit organizations.

Between fiscal years 1999 and 2003, the CESU Network Council conducted five rounds of formal competition to establish the seventeen CESUs. The competitive process was developed by the CESU Network Council of interagency representatives and was approved by the Department of Interior Solicitor's Office (a letter is on file at the National CESU office). For each CESU, a formal Program Announcement and Request for Proposals (RFP) was distributed to the states within each CESU biogeographical area. The RFP was published for 10 days in *Commerce Business Daily* as well as posted on the [CESU website](#). Proposals received by the assigned due date were technically evaluated according to criteria described in the RFP. Site visits to the applicants were organized and conducted. The CESU Network Council of interagency representatives selected, by majority vote, the host and partners within each CESU. The [process for competition is described further here](#).

What are the responsibilities of host universities?

Each host university assigns a CESU Director to oversee the CESU. Though each CESU varies slightly in its execution, the host university is responsible for coordinating the federal and nonfederal partners, the number of which varies from unit to unit. These responsibilities are outlined in the cooperative and joint venture agreement and include:

1. Conduct, with participating Federal Agencies and Partner Institutions, a program of research, technical assistance, and education related to the CESU objectives;
2. Allow and encourage its faculty to engage in participating Federal Agencies' research, technical assistance and education activities related to the CESU objectives, as appropriate;

3. Provide basic administrative and clerical support for CESU agreements with the Partner Institutions and Federal Agency partners, as appropriate;
4. Provide access for CESU Federal Agency staff to campus facilities, including library, laboratories, computer facilities on the same basis or costs as other faculty members of the Host University to the maximum extent allowable under state laws and regulations;
5. Provide suitable office space, furniture and laboratory space, utilities, computer network access and basic telephone service for CESU Federal Agency staff to be located at the Host University, as appropriate;
6. Offer educational and training opportunities to participating Federal Agency employees, in accordance with the respective policies of the Federal Agencies and the Host University;
7. Encourage its students to participate in the activities of the CESU;
8. Coordinate activities, as appropriate, with the Partner Institutions and develop administrative policies for such coordination; and
9. Maintain a CESU Manager's Committee and convene a meeting of this committee, at least annually, to provide advice and guidance, review of the annual work and multi-year strategic plans, and assist in evaluation the CESU.

How is support provided to host universities?

Until 2015, the administrative and other tasks of the host universities were supported by a one-time fee each federal agency paid to that unit upon joining the network.

The CESU Council has been working to find more sustainable financial support for the host universities. In early 2015, the Council agreed that going forward, every federal agency will provide annual financial support to the host universities of each unit in which they are a member. Service contributions are currently being made at the HQ level directly to the CESU Network National Office, so no additional Regional costs are expected at this time. More details about the new host support agreement will be shared once they are finalized.

How do additional partners join?

Tribal, state, and local governments, academic institutions, nongovernmental (non-profit) conservation organizations, and other non-federal organizations are eligible to apply to become partners in any individual CESU, to participate in collaborative activities aligned with the mission and goals of the CESU Network and individual CESU.

A potential partner submits an application package to the CESU's host university representative expressing its interest in joining and outlining the competencies and expertise they would bring to the group, as well as past experience working with federal agencies. Applications may be received at any point during the five-year life of the CESU agreement. Nonfederal applicants must also document past experience working with federal agencies. Additionally, the CESU director may invite an applicant to attend the annual CESU partner meeting for an in-person presentation and interview as part of the application process to provide more information.

The application package is distributed for consideration to the existing partners, where it is evaluated based on existing criteria. If approved by the group, the CESU Network National Office drafts an amendment adding the new partner and circulates it for signature. Under the policy of the CESU National Council, once the signature period of 45-days is past the new partner can actively participate.

Visit the CESU website for more information about [joining the CESU Network](#) or about [new member application and approval](#).

Does CESU membership expire?

Each CESU has established renewable cooperative agreements with a 5-year duration. Agreements with the CESU host university are renewed every 5-years based on mutual consent, self-assessment, federal agency assessment, and independent external review, by reviewers chosen by the federal managers.

The CESU Network Council coordinates the review through the host university and the Federal Managers Committee (made up of representatives from federal agency partners). This review includes four key elements:

1. The host university prepares a letter of interest describing the intent of the host university and each of its non-federal partners to renew the CESU.
2. The host university, working with its non-federal partners, prepares a CESU self-assessment of the host university, according to a standard format provided by the CESU Council.
3. The CESU Federal Managers Committee (including the Service Technical Representative) prepares a brief review and specific recommendation to the CESU Council concerning renewal.
4. The CESU Federal Managers Committee appoints two to three external reviewers, who prepare an independent assessment of the CESU.

After the CESU Council examines the review materials, it decides on the renewal of each CESU in late March or early April. Visit the CESU website for more information about the [renewal process](#).

However, there is no expiration on federal membership, and so the Service (and other federal agencies) does not need to renew membership. If an organization wishes to withdrawal from the CESU, the partner must submit a written request.

3. CESU Projects

Who can set up CESU projects?

Anyone in the Service from any region can set up a CESU project under the existing MOU (also known as a “Master Cooperative Agreement” or simply as a “Cooperative and Joint Venture Agreement”), for any CESU for which the Service is a partner. The Service is currently a partner in all 17 CESUs.

What kinds of projects qualify as CESU projects?

CESU projects can be research, technical assistance, or education, but in practice, most CESU projects are either research or technical assistance, and focus on natural science or cultural resources. Many

projects will qualify under this program, though not all. CESU projects can be funded only as cooperative agreements (financial assistance instruments, NOT contracts) and must meet three criteria:

1. Partners must be approved partners of the CESU Network (see [partner application and approval process](#));
2. The project should be to support or stimulate a public purpose (financial assistance) rather than for the exclusive direct benefit of the Government (procurement); and
3. Substantial involvement is expected between the executive agency and the award recipient.

Cooperative agreements must not be used to circumvent federal acquisition laws and regulations or to supplement staffing (see 2008 Departmental of the Interior Department Manual Part 505, Chapter 2: [Procurement Contracts, Grant and Cooperative Agreements](#)).

What does it mean that CESU projects must “stimulate or support a public purpose?”

A basic requirement for CESU projects is that their primary function must be to carry out a public purpose and provide benefit for the greater community, rather than for the federal government or the Service alone. For example, the results of the project should be made available to a wide audience (including non-federal entities), and the universities or other partners participating in the project should benefit from or gain expertise and/or professional development through participation in the project.

Meeting this criterion allows CESU projects to be administered as a distinct and standalone financial assistance awards in the form of cooperative agreements. If the principal purpose of a project is to acquire services for the exclusive direct benefit or use of the federal government, then a procurement contract should be used, and the project would not be eligible to be administered as a CESU project.

For more details, review the Service’s [Selection of Funding Instrument Decision Diagram](#).

What does it mean that CESU projects must have “substantial federal involvement?”

As specified in the 2008 DOI [Departmental Manual Chapter 505 \(DM 2.9\)](#), substantial involvement is expected between agencies and funding recipients in all cooperative agreements. Federal agencies must be “substantially involved” in CESU activities, working closely with host universities and/or partner institutions. In contrast to grants, where funding is generally provided to the grantee and the grantee assumes sole responsibility for the daily management and success of the project, cooperative agreements involve substantial involvement from the Service. Some projects have much more substantial involvement than others.

Substantial involvement could include working with a researcher to develop a proposal, selecting trainees, securing permits and other approval, participating with the recipients in the development and review of project plans, offering technical advice at key points in the project, working cooperatively in accomplishing the objectives of the project (such as through field work, data analysis, etc.), approving the completion of one phase before the recipient moves to the next phase of the project, or monitoring specific kinds of work in order to direct or redirect the progress of the project. Monitoring project compliance is not considered substantial involvement.

[505 DM 2 states:](#)

*Section cooperative agreements will be used as legal instruments when the relationship between the bureau or office and a State, local government, or other recipient has as its principal purpose the transfer of a thing of value to State or local government or other recipient to carry out a public purpose of support or stimulation authorized by a law of the United States **and substantial involvement is expected between the bureau or office and the State, local government, or other recipient** when carrying out the activity contemplated in the agreement. (505 DM 2, Section 2.6)*

*Anticipated substantial federal involvement is a relative rather than an absolute concept. In general, when the terms of an assistance instrument indicate the recipient can expect to perform the project without bureau or office collaboration, participation, or intervention (as long as performance is in accordance with the terms of the assistance instrument) substantial involvement is not anticipated. **When the assistance instrument indicates the recipient can expect bureau or office collaboration or participation in the management or performance of the project, substantial federal involvement is anticipated.** (505 DM 2, Section 2.9)*

A bureau, office or organizational unit may anticipate substantial involvement when it (Section 2.9-B-3a):

- (i) participates and collaborates jointly with the recipient partner, volunteer, scientist, technician or other personnel, in carrying out the scope of work, trains recipient personnel, or details federal personnel to work on the project effort;*
- (ii) reviews and approves one stage of work before the next stage can begin;*
- (iii) reviews and approves proposed modifications or sub-grants, prior to the award;*
- (iv) helps select project staff or trainees;*
- (v) directs or redirects the work because of interrelationships with other projects;*
- (vi) has power to halt immediately an activity if detailed performance specifications are not met; and*
- (vii) limits recipient discretion with respect to scope of work, organizational structure, staffing, mode of operations and other management processes, coupled with close monitoring or operational involvement during performance.*

For more details, review the Service's [Selection of Funding Instrument Decision Diagram](#).

Can CESU projects be “product-oriented?”

Yes. US Code 16 Section 5933, states:

“(a) Cooperative study units. The Secretary is authorized and directed to enter into cooperative agreements with colleges and universities, including but not limited to land grant schools, in partnership with other federal and State agencies, to establish cooperative study units to conduct multi-disciplinary research and develop integrated information products”

What are the overhead or indirect costs for CESU projects?

Federal agencies are required to manage their scientific resources to minimize cost and maximize value to managers, scientists, Congress, and the public. Federal agencies pay an indirect cost to cover the non-federal partner's facilities and administrative costs; it is not a profit. Indirect costs include things like facilities operations and maintenance, equipment use, clerical staff salaries, supplies, and student administrative services (also called overhead costs).

As established in each CESU's overarching MOU (also known as a "Master Cooperative Agreement" or simply as a "Cooperative and Joint Venture Agreement"), all CESU university partners and institutional partners have agreed to an indirect cost rate [not to exceed 17.5%](#) (increased from 15% in 2004), negotiated by the CESU National Council. For comparison, the average overhead rate across top U.S. research institutions (public and private) is around 50%.

As a federal partner to the CESU Network, the Service (and other CESU federal partners) can establish projects with host universities or other institutional partners under these favorable negotiated terms. Unless an alternative rate has been negotiated with the CESU partner, the reduced and fixed indirect (or overhead) cost rate is charged by all university partners and other partners for all CESU cooperative agreements, and must be incorporated in the total cost of the project.

Note that this rate only applies to projects specifically set up as CESU projects from inception. It is important that project announcements and requests for proposals clearly indicate if projects are to be conducted under an existing CESU agreement, including an expectation of utilizing the reduced indirect cost rate. If an open funding opportunity states an allowable indirect cost rate higher than the CESU rate, the Service cannot later require that the successful non-federal applicant lower the indirect cost rate to 17.5%, even if the non-federal applicant is a partner to the CESU.

The [2003 CESU Council memo](#) documenting the negotiated current indirect cost rate (17.5%) can be used as a justification for the use of the 17.5% rate, and should be maintained in the official award file.

Visit the CESU website for more information about the [CESU indirect cost rate](#) or the 2003 [CESU Council Memo establishing the current rate](#).

How does the 2014 OMB Uniform Guidance affect CESU indirect cost rates?

OMB issued a Uniform Guidance ([2 CFR Part 200](#), known as the "Omni-Circular") at the end of 2014, requiring federal agencies to accept federally negotiated indirect cost rates. Just prior to the release of the Uniform Guidance, DOI [issued a new memorandum](#) on indirect costs to clarify that the CESU program is specifically "approved for deviation," and thus approved to use an indirect cost rate that deviates from the federally negotiated indirect cost rate. This effectively means no changes are necessary to indirect cost rates associated with CESU projects, and this memo can be used to justify the use of the reduced rate if needed.

Who is authorized to negotiate a reduced indirect cost rate and how long is it effective?

Typically, the director of sponsored programs at the partner institution is authorized to accept the lower rate, though the signatory might also be the university president, solicitor, sponsored programs director, or department head, depending on the university's policy (the principal investigator may not be authorized to sign such an agreement personally). The rate is effective for the length of the project.

How many CESU projects have been completed?

CESUs have been engaged in over 8,000 cooperative research, technical assistance, and education projects since 1999, estimated at more than \$800 million. Topics are wide-ranging – from the discovery of a lost 19th-century city to bird habitat management plans to Geographic Information Systems-based automated coastal change analysis tools.

Visit the CESU website for [examples of CESU projects](#).

How many CESU projects has the Service done?

The Service is engaged in dozens of CESU projects every year, all across the CESU system with a wide variety of universities and partners. For example, from 2008-2013 the Service funded 49 projects through the California CESU, including over \$3.3 million in funding. Engagement varies from year to year due to funding availability and research needs and priorities.

What challenges does the Service have in working with the CESU Network?

In some cases, agreements may take longer than expected to be processed; processing of CESU cooperative agreements is not uniform across Service regions, and some offices are more familiar with CESU procedures than others. There is still some inconsistency in how cooperative agreements are processed and how policies and authorities are interpreted. The Service is currently working across regions to better share information, streamline the agreement process, promote consistent policy and procedures, and support engagement with CESUs all across the agency.

For the latest Service policy on financial assistance, visit the internal [Branch of Financial Assistance Policy and Oversight](#).

4. CESU Project Awards

What Authorities govern the use of CESU project awards?

Primarily the CESU program is authorized under The National Parks Omnibus Management Act of 1998 (16 U.S.C. 5933, P.L. 105-391) in which the Secretary of the Interior is directed to establish a network of “cooperative study units” with academic and other non-federal partners to provide research, technical assistance, and education related to the resources of National Park Service units and regions.

CESU financial assistance projects are funded under several other legislative authorities. In accordance with the Fish and Wildlife Coordination Act ([16 U.S.C. § 661, 16 U.S.C. § 742(f), and 16 U.S.C. § 753(a)],

the Service is authorized to cooperate with other agencies to assist in providing research, technical assistance, and education.

16 USC 5933, P.L. 105-391, Sec. 203—Cooperative Agreements: (a) COOPERATIVE STUDY UNITS.--The Secretary is authorized and directed to enter into cooperative agreements with colleges and universities, including but not limited to land grant schools, in partnership with other federal and state agencies, to establish cooperative study units to conduct multi-disciplinary research and develop integrated information products on the resources of the National Park System, or the larger region of which parks are a part. [emphasis added]

What other laws, rules, and regulations apply?

In accordance with 16 U.S.C. § 661, 16 U.S.C. § 742(f), and 16 U.S.C. § 753(a), the Service is authorized to cooperate with other agencies to assist in providing research, technical assistance, and education.

Awards must be administered in accordance with the Federal Grant and Cooperative Agreement Act of 1977, 31 USC 6301-6308, Federal Financial Assistance Act of 1999 (P.L. 106-107), Office of Management and Budget (OMB) Circulars, Executive Orders (E.O.), Comptroller General Decisions, and other Department of the Interior (DOI) regulations and policies, and administered consistent with the Department of the Interior implementing regulations, 43 CFR 12, and the implementing regulations of additional participating federal agencies.

In addition, all cooperative agreements issued for funding individual projects are subject to federal rules and regulations applying to assistance and to the policies of the 2008 DOI Departmental Manual Chapter (505 DM 2), which includes policies regarding procurement contracts, grants and cooperative agreements, and Service policy.

Visit these links for more details on [authorities](#) and [allowable direct costs](#) under CESU cooperative agreements.

What are the funding instruments to be used for CESU project awards?

The Service's participation in an individual CESU is based on a Memorandum of Understanding (MOU) (also known as a "Master Cooperative Agreement" or simply as a "Cooperative and Joint Venture Agreement"). These overarching agreements provide a framework for mutually-accepted expectations among federal agencies and non-federal partners participating in a CESU. MOUs typically last for five years. They are all available on the [CESU website](#).

These MOUs are not typical cooperative agreements since they do not provide a mechanism to receive or provide funds. However, DOI bureaus including the Service are asked to treat these as cooperative agreements in the FBMS system, transferring \$0.

In the Service, each individual CESU project is administered as a distinct and standalone financial assistance award in the form of a cooperative agreement. This award references the MOU to encompass the stated roles, responsibilities, terms, conditions, and provisions, including the prevailing reduced overhead rate.

Are CESU project awards just like other cooperative agreements?

When federal funds are awarded to a CESU, the Service treats the CESU cooperative agreement like any other cooperative agreement our agency has with a university or partner institution. CESU project awards must comply with the same criteria, policies, and procedures. In addition, CESU project awards must reference the MOU (also known as a “Master Cooperative Agreement” or simply as a “Cooperative and Joint Venture Agreement”) of the relevant CESU.

Can CESU project awards be awarded as “single source awards”?

While competition is encouraged in the awarding of (all) cooperative agreements, it is not required (31 USC 6305(2)). Similarly, the 2008 DM Chapter on cooperative agreements states that competition in making awards through cooperative agreements is encouraged (Section 2.13) but does not require competition. According to the DM Chapter, “Decisions to transfer funds under a cooperative agreement to a single source without engaging in competition must be able to withstand scrutiny, should protect the public interest, and should comport with management priorities, objectives and statutory requirements.” (505 DM 2, Section 2.14)

In the Service, some CESU project awards are competed and some are determined as single source awards. Any CESU project awards that will be issued without competition (single source awards) must be documented and justified according to Service policy and the Department policy (505 DM 2, Section 2.14 and new Service policy 516 FW 6). This means projects must meet one or more of the following criteria:

- **Unsolicited proposal:** The proposed award is the result of an unsolicited assistance application that represents a unique or innovative idea, method, or approach which is not the subject of a current or planned contract or assistance award, but that is deemed advantageous to the program objectives.
- **Continuation:** The activity we will fund is necessary for the satisfactory completion of, or is a continuation of an activity presently being funded, and for which competition would have a significant adverse effect on the continuity or completion of the activity.
- **Legislative intent:** The language in the applicable authorizing legislation or legislative history clearly indicates the intent of Congress to restrict award to a particular recipient or purpose.
- **Unique qualifications:** The applicant is uniquely qualified to perform the activity based on a variety of demonstrable factors such as location, property ownership, voluntary support capacity, cost-sharing ability, if applicable, technical expertise, or other such unique qualifications.
- **Emergencies:** Program/award where there is insufficient time available (due to a compelling and unusual urgency, or substantial danger to health or safety) for adequate competitive procedures to be followed.

A notice of intent to award a single source without competition must be posted on grants.gov for five days before the agreement is signed, indicating which criteria for awarding a single source award was met. For example, the "unique qualifications" of a particular researcher or lab could be cited if specialized skills, expertise, qualifications or capabilities are found only at one university or partner.

Additional criteria such as "continuation," "emergency," or "unsolicited proposal" may be appropriate in some circumstances.

In addition, awards should note that each CESU host university was selected only after a broad announcement and competition. Additional competition or legal review of tasks under each CESU is not required. The process for competition is [described further here](#).

Can CESU project awards use Task Order forms instead of cooperative agreements?

Since CESU projects are funded through financial assistance and not contracts, CESU projects should not be initiated and funded through supplemental agreements or amendments modifications or task orders. All cooperative agreements must comply with the steps outlined in the "[Issuing a New Financial Assistance Award Guidance](#)" released on May 11, 2012.

Can CESU project awards be funded as contracts?

No, CESU projects are not funded via contracts under federal contracting and procurement law. Rather, CESU activities are funded through financial assistance via cooperative agreements pursuant to the Federal Grant and Cooperative Agreement Act (31 USC 6301 et seq.) and the specific OMB circulars (A-21, A-87, A-102, A-110, A-122, and A-133), agency regulations (e.g., 43 CFR 12 for the Department of the Interior), and agency policies (e.g., D.O. 20 for the National Park Service) that implement this Act.

This distinction is important as it applies a different suite of laws, regulations, and policies to administer federal funds at CESUs. One of the most significant distinctions between cooperative agreements and contracts is that "substantial involvement" of federal agency employees is required under cooperative agreements (31 USC 6305(2)). That is why each CESU has a managers committee made up of representatives from the participating federal agencies to collaborate with its partners in achieving the objectives of the CESU. This affords a greater degree of collaboration between federal scientists and managers with their non-federal counterparts. For additional information about the differences between contracts and cooperative agreements, refer to 31 USC 6303-6305 and 505 DM 2.

Can we set up a CESU project as a joint venture agreement?

No. Because of U.S. Forest Service policy and cooperative agreement authority, the term "joint-venture agreement" is included in the CESU agreements where the U.S. Forest Service is a federal agency partner. This applies only to the U.S. Forest Service. Joint-venture agreements are managed similarly to cooperative agreements for the U.S. Forest Service (7 USC 3318(b); USFS Manual Sec. 1580.13 and 1587). For all other agencies the term joint venture is not applicable.

Do CESU project awards alter other cooperative agreements between partners?

No. Federal agency participation in a CESU does not alter or supersede previous arrangements or cooperative agreements. In addition, involvement in a CESU does not restrict or preclude the continuation or development of new projects with other public and private agencies, organizations, and individuals through existing or alternative funding mechanisms, including agreements with universities that are partners to the CESU Network.

Can CESU project awards be used to transfer funds to other federal agencies?

No. CESU federal partners can obligate project funds to their university partners and partner institutions through CESU cooperative agreements, but cannot transfer funds directly to other federal agencies using these agreements (funds can only be transferred to other federal agencies through intra- or inter-agency agreements).

How can multiple agencies be signatories to the same cooperative agreement?

The structure of the CESU MOU (also known as a “Master Cooperative Agreement” or simply as a “Cooperative and Joint Venture Agreement”) combines separate cooperative agreement language for each federal agency into a single document. For accounting purposes, each agency has its own agreement number. Most importantly, in Article II of each of the CESU MOUs, it is specified that each agency must follow its appropriate laws, regulations, and policy regarding administration of cooperative agreements. The advantage of having a multi-agency cooperative agreement is the common commitment to the objectives of the CESU, increased efficiency in working with universities, and a greater ability to leverage funds and work cooperatively with other federal agencies.

Is solicitor review or approval needed for CESU project awards?

No. The 2008 Departmental Chapter states that cooperative agreements issued under well-established programs do not require solicitor review, unless requested (505 DM 2, Section 2.8). However, if the project involves intellectual property, potential conflicts of interest, considerable levels of complexity, or considerable degrees of novelty, then it may require solicitor review.

The CESU Network Council sought legal review early in the development of the CESU cooperative agreements with the Department of the Interior Office of the Solicitor, which found that the final version of the CESU cooperative agreements met legal sufficiency and full compliance with the Federal Grant and Cooperate Agreement Act (letter on file). In addition, each participating agency separately reviewed and approved the CESU’s MOUs through their own internal administrative and legal review processes prior to signing the existing CESU agreements.

How does the CESU Network differ from the USGS Cooperative Fish and Wildlife Research Unit system?

The Cooperative Research Unit (coop unit) program is a national university-based program was established in 1935 to enhance graduate education in fisheries and wildlife sciences and to facilitate research between natural resource agencies and universities on topics of mutual concern. The Cooperative Units Act (P.L. 86-686) was passed by Congress in 1960, which authorized the unit program as a separate budget item within the Fish and Wildlife Service. This act also established cooperative fishery units. The program has evolved over the years, including the addition of several new units, combining disparate wildlife and fisheries programs into single units in the 1970s, and moving the unit program from the U.S. Fish and Wildlife Service to the U.S. Geological Survey in the 1990s.

There are 40 Cooperative Research Units in 38 states. Each unit is a partnership among the U.S. Geological Survey, a State natural resource agency, a host university, and the Wildlife Management

Institute. The Fish and Wildlife Service is a “cooperator” to the system. Unlike the CESUs, coop units are staffed by federal personnel and receive funding directly from USGS – though they do include university researchers and graduate students. Similar to the CESUs, they conduct research on renewable natural resource questions, participate in the education of graduate students, provide technical assistance and consultation on natural resource issues, and provide continuing education for natural resource professionals.

The coop units provide another opportunity for the Service to take advantage of scientific capacity available outside of the Service through research, education, and technical assistance projects including modeling, statistics, decisions, genetics, invasive species, endangered species, contaminants, climate change, botany, and aquatics. Similar to the CESU Network, projects are established by a cooperative agreement, and a reduced indirect cost rate has been negotiated.

For more information visit the [Coop Unit website](#).

5. CESU Announcements

Do CESU project announcements have to be posted to grants.gov?

In order to provide the public opportunity to view potential funding opportunities thereby maintaining transparency consistent with the customer service mandates prescribed in P.L. 106-107, cooperative agreement and discretionary grant funding opportunities must be posted to Grants.gov. All discretionary financial assistance opportunities funded by the Service must be posted to Grants.gov if the agreement is \$25K or greater. Generally, the office offering the opportunity is responsible for posting on Grants.gov. Funding opportunities for CESU projects posted on [www.grants.gov](#) may incorporate the following language in order to provide appropriate transparency to the public:

“This financial assistance opportunity is being issued under a Cooperative Ecosystem Studies Units (CESU) program. CESUs are partnerships that provide research, technical assistance, and education.”

In addition, as for other cooperative agreements, the funding opportunity synopsis description field must include a description of the expected substantial Service involvement as follows:

“Substantial involvement on the part of the USFWS is anticipated for the successful completion of the activities to be funded. In particular, the USFWS will be responsible for the following...”

In the Service, some CESU projects are competed and some are administered as single source awards. See 505 DM 2 and Service Guidance for [Issuing a New Financial Assistance Award](#) for more details.

Single source awards: Single source awards are funding opportunities specifically directed to a known recipient, determined to be an appropriate partner based on demonstrable criteria, such as unique expertise or capacity. All discretionary financial assistance opportunities funded by the Service (including single source awards for \$25,000 or more) must still be posted to Grants.gov. Any CESU project awards that will be issued without competition (also known as single source awards) must be documented and justified according to Department policy (505 DM 2, Section 2.14) and Service policy (516 FW 6). A

notice of intent to award a single source without competition must be posted on grants.gov before the agreement is signed, indicating which criteria for awarding a single source award was met (for example, the "unique qualifications" of a particular researcher or lab, such as if specialized skills, expertise, qualifications or capabilities are found only at one university or partner). In addition, awards should note that each CESU was selected only after a broad announcement and competition. See 505 DM 2, Sec 2.14 and 516 FW 6 (Issuing Discretionary Grant and Cooperative Agreement Awards without Competition) for more details.

Open announcements: When a particular partner has not been identified, an open funding opportunity can be posted. Discretionary programs are required to publicize their application review criteria and detail their review and selection process to Grants.gov. Any open funding opportunity announcement intended to limit eligibility to CESU partners should be clearly indicated, including an expectation of utilizing the reduced indirect cost rate. If an open funding opportunity states an allowable indirect cost rate higher than the CESU rate (currently 17.5%), the Service cannot later require that the successful applicant lower the rate to 17.5%, even if the applicant is a partner to the CESU. Applications received as a result of an open announcement, regardless of whether the applicant is a partner to a CESU, must be impartially reviewed and evaluated against the evaluation criteria set forth within the announcement.

What CFDA number should be used?

Catalog of Federal Domestic Assistance (CFDA) is a U.S. Government publication of federal programs, projects, services, and activities that provide assistance or benefits to the public. The primary purpose of the CFDA is to help the public obtain general information on federal assistance programs. The program office must identify the Service CFDA program profile under which the award is being funded. As the Service does not currently have a designated CFDA number for CESU projects, select the CFDA most appropriate to the funding source and/or the activity to be funded. Note: The Service may develop a new CFDA number specifically for CESU projects in the future.

The Service's CFDA program descriptions are available at [the CFDA website](#). If your program does not have a CFDA, select the general Service CFDA program that most closely matches the award activities. General Service CFDA programs are:

- 15.649 for training and technical assistance projects
- 15.650 for research projects

Do announcements need to specify that projects will be conducted as CESU projects, including utilizing the reduced overhead rate?

Yes, it is important that project announcements and requests for proposals clearly indicate if projects are to be conducted under an existing CESU agreement, including an expectation of utilizing the reduced indirect cost rate. If an open funding opportunity states an allowable indirect cost rate higher than the CESU rate (currently 17.5%), the Service cannot later require that the successful non-federal applicant lower the indirect cost rate to 17.5%, even if the non-federal is partner to the CESU.

In addition, the 2008 DM Chapter on cooperative agreements states that "Public notices, solicitations, or requests for applications should indicate the type of relationship contemplated (procurement or

assistance), the instrument to be used, and for cooperative agreements, an explicit statement of federal programmatic involvement.” (505 DM 2, Section 2.8)

Are there any other requirements for reporting, deliverables, etc.?

Reporting requirements are the same as for other cooperative agreements (see 516 FW 1 and 2).