

DEPARTMENT OF DEFENSE**ASSISTANCE LISTING 12.400 MILITARY CONSTRUCTION, NATIONAL GUARD****I. PROGRAM OBJECTIVES**

The National Guard Bureau (NGB) enters into Military Construction Cooperative Agreements (MCCA) with the 50 states, District of Columbia, Commonwealth of Puerto Rico, the Virgin Islands, and Guam (recipients) to provide support to the Army National Guard (ARNG) and Air National Guard (ANG) for the construction of military facilities, real property improvements, design services, and other projects authorized and directed by Congress or the Department of Defense to be performed by the recipients and the NGB.

II. PROGRAM PROCEDURES

The recipients, generally the Adjutant General (TAG) of the state military department, on behalf of the Governor, but could also be a recipient at the local government or Airport Authority level, if it is more beneficial for the National Guard, and the Federal Grant Officer, who is the United States Property & Fiscal Officer (USPFO) are responsible for the execution of the MCCA. Policy and administrative procedures to be followed in the execution and funding of an MCCA are contained in National Guard Regulation turned policy (NGP) 5-1, CNGBI 9101, and the individual National Guard Cooperative Agreement Awards., documents located at the following link: <https://www.ngbpmc.ng.mil/>.

An MCCA consists of four parts: The first part is a signed Cooperative Agreement (CA) which is the main body of the agreement which includes standard terms and conditions applicable to the technical Appendices. The remaining three parts are technical Appendices which contain technical information for the specific project (i.e., scope, design and construction).

The total amount of federal funding for MCCA projects is shown in the applicable cooperative agreement. Reimbursements to a recipient for an MCCA project or projects may not exceed the amount(s) approved by NGB, which includes any authorized/executed modifications to the original project amount.

Source of Governing Requirements

The NGB and recipients are authorized to enter into CAs under (1) 31 USC, Subtitle V, General Assistance Administration, Chapter 63, Using Procurement Contracts and Grant and Cooperative Agreements; [31 USC Ch. 63: Using Procurement Contracts and Grant and Cooperative Agreements](#) (2) 31 USC Subtitle V, General Assistance Administration, Chapter 61, Program Information, and Chapter 65, Intergovernmental Cooperation; [31 USC Ch. 61: Program Information](#) (3) 32 USC National Guard, Chapter 1, Organization; [32 USC Ch. 1: Organization](#) (4) 32 USC 101(19); (5) 10 USC Chapter 18, (6); 32 USC 106 and 107, which authorize NGB to contribute funds for the support of the operation/training of the ARNG/ANG [32 USC Ch. 1: Organization](#).

Regulations, policies, and procedures to be followed for CA Awards are contained in 2 CFR 200, 32 CFR 21&22, and 2 CFR 200 Subtitle B Chapter XI and interpreted through the National Guard Grants and Cooperative Agreements Regulation turned Policy, NGP 5-1, CNBGI 9101, NGB General Terms and Conditions and, for facilities and engineering projects, ANG and ARNG issuances. For any discrepancies between any of the interpretive policies and procedures and 2 CFR 200, 2 CFR 200 will take precedence. For any discrepancies between the NGP 5-1 and the NGB General Terms and Conditions, the NGB General Terms and Conditions shall take precedence. For any discrepancies between NGP 5-1 and CNGBI 9101, CNGBI 9101 shall take precedence.

Federal contribution is authorized by 10 USC 18233 and 18236, and Department of Defense (DoD) Instruction (DoDI) 1225.08 (10 May 2016) Enclosure 5.

Availability of Other Program Information

The National Guard Internal Review Office in each state and territory (which reports to the USPFO) can provide information about risk assessments and audits performed by their office, which may be helpful in planning the audit. Contact, Director of the National Guard Bureau Internal Review Office, at (703) 607-0759, or email ng.ncr.ngb-arng.mbx.ngb-audit-liaison@army.mil for information on the Internal Review Office for a particular state.

III. COMPLIANCE REQUIREMENTS

In developing the audit procedures to test compliance with the requirements for this federal program, the auditor must determine, from the following summary (also included in Part 2, “Matrix of Compliance Requirements”), which of the 12 types of compliance requirements have been identified as subject to the audit (noted with a “Y” in the summary matrix below), and then determine which of the compliance requirements that are subject to the audit are likely to have a direct and material effect on the federal program at the auditee. For each such compliance requirement subject to the audit, the auditor must use Part 3 (which includes generic details about each compliance requirement other than Special Tests and Provisions) and this program supplement (which includes any program-specific requirements) to perform the audit. When a compliance requirement is shown in the summary below as “N,” it has been identified as not being subject to the audit. Auditors are not expected to test requirements that have been noted with an “N.” See the Safe Harbor Status discussion in Part 1 for additional information.

A	B	C	E	F	G	H	I	J	L	M	N
Activities Allowed or Unallowed	Allowable Costs/Cost Principles	Cash Management	Eligibility	Equipment and Real Property Management	Matching, Level of Effort, Earmarking	Period Of Performance	Procurement and Suspension and Debarment	Program Income	Reporting	Subrecipient Monitoring	Special Tests and Provisions
Y	Y	Y	N	N	Y	Y	Y	N	Y	N	N

A. Activities Allowed or Unallowed

Allowable activities are those designated as authorized in the Division II Award Specific Terms and Conditions, Part 5 Cost Principles, Article 1 Allowable Expenses of the Military Construction Cooperative Agreement

B. Allowable Costs/Cost Principles

1. Allowable costs under MCCAs are stated in NGP 5-1, Chapter 5, Paragraph 5-3 and the terms and conditions of the MCCA.
2. Indirect costs are unallowable except as stated in NGP 5-1, Chapter 5, Paragraph 5-3b.

G. Matching, Level of Effort, Earmarking

1. Matching

- a. Recipient match is specified in the project design finance plan section of the ANG MCCA technical appendix and in the project construction budget section of the ARNG MCCA technical appendix.
- b. Whenever the grants officer provides “in-kind” assistance the recipient is still required to provide its required match based on the combined value of the NGB assistance and the value of the in-kind assistance (NGP 5-1, Chapter 9, Paragraph 9-2).

2. Level of Effort

Not Applicable

3. Earmarking

Not Applicable

H. Period of Performance

1. Federal MCCA design and construction funds must be obligated within five years from the date of the appropriation and are available for liquidation for an additional six years after the obligation period inclusive of the close out period.
2. Within 120 days after final completion of the project (execution date of the NGB Form 593-R, Project Inspection Report, by the recipient and the grant officer), or upon termination of the MCCA, whichever comes earlier, the recipient shall promptly deliver to NGB a full and final accounting of liquidating all payments or reimbursements under the MCCA. Costs incurred for performance of the project which are not disclosed by the recipient within 120 days after the period of performance (PoP) may not be eligible for reimbursement. This excludes costs reserved for unliquidated claims or undisbursed obligations arising from the recipient's performance of the MCCA; however, the recipient shall provide a good faith estimate of the total amount of unliquidated claims and undisbursed obligations no later than 110 days after the end of the PoP of the MCCA. At its sole discretion, NGB acting through its grants officer, may extend this 110-day limit for good cause for good cause not to exceed 1 year after the end of the MCCA PoP per 2 CFR 200.
3. An MCCA shall be executed by the grant officer and the recipient prior to any request for reimbursement or advance payment. Pre-award costs may be authorized as provided in the MCCA (General Terms and Conditions, Part 1, Section C "Pre-Award Costs), [\[PART/SUBPART\] OMB Guidelines to Agencies on Governmentwide Debarment and Suspension \(non procurement\)](#).

L. Reporting**1. Financial Reporting**

- a. *SF-270, Request for Advance or Reimbursement* – Applicable
- b. *SF-271, Outlay Report and Request for Reimbursement for Construction Programs* – Not Applicable
- c. *SF-425, Federal Financial Report* –Applicable

2. Performance Reporting

Not Applicable

3. Special Reporting

Not Applicable

4. Special Reporting for Federal Funding Accountability and Transparency Act

See Part 3.L for audit guidance.

DEPARTMENT OF DEFENSE**ASSISTANCE LISTING 12.401 NATIONAL GUARD MILITARY OPERATIONS AND MAINTENANCE (O&M) PROJECTS****I. PROGRAM OBJECTIVES**

The National Guard Bureau (NGB) enters into cooperative agreements (CA) with the 50 states, District of Columbia, Commonwealth of Puerto Rico, the Virgin Islands, and Guam (recipients) to provide support to the Army and Air National Guard (ARNG/ANG) in minor construction, maintenance, repair, or operation of facilities, and mission operational support to be performed by recipients as authorized by NGB through operations and maintenance (O&M) appropriated funding.

II. PROGRAM PROCEDURES

NGB uses a CA as the means of providing Federal financial assistance and other support to recipients for the operation of the NGB program in the recipient's jurisdiction, except for financial assistance and support provided under separate authority (e.g., military and technician pay and the military supply system). Recipients enter into a CA with the NGB. Generally, a CA consists of three parts: (1) Division I- Signed Cover Sheet, (2) Division II- Award Specific Terms and Conditions, and (3) Division III- General Terms and Conditions. Funding for the CA is identified in each CA Award. The total sum of federal reimbursements to the recipient for a CA Award may not exceed the approved funding limits identified in the funding limitation section of the CA Award.

The recipient, generally the Adjutant General (TAG) of the state military department on behalf of the Governor, but could also be a recipient at the local government level or Airport Authority, if it is more beneficial for the National Guard, and the Federal Grant Officer, who is the United States Property & Fiscal Officer (USPFO) are responsible for the execution of the CAs.

Source of Governing Requirements

The NGB and recipients are authorized to enter into CAs under (1) 31 USC, Subtitle V, General Assistance Administration, Chapter 63, Using Procurement Contracts and Grant and Cooperative Agreements [31 USC Ch. 63: Front Matter](#); (2) 31 USC Subtitle V, General Assistance Administration, Chapter 61 [31 USC Ch. 61: Front Matter](#), Program Information, and Chapter 65 [31 USC Ch. 65: Intergovernmental Cooperation](#), Intergovernmental Cooperation; (3) 32 USC National Guard, Chapter 1, Organization [32 USC Ch. 1: Organization](#); (4) 32 USC 101(19) [32 USC 101: Definitions](#); (5) 32 USC 106 and 107 [32 USC 106: Annual appropriations](#), which authorize NGB to contribute funds for the support of the operation/training of the ARNG/ANG.

Regulations, policies and procedures to be followed for CA Awards are 2 CFR 200, 32 CFR 21&22, and 2 CFR 200 Subtitle B Chapter XI as interpreted through the National Guard Grants and Cooperative Agreements Regulation turned Policy, NGP 5-1, CNBGI 9101, NGB General Terms and Conditions and, for facilities and engineering projects, in Air and Army National Guard Issuances. For any discrepancies between any of the interpretive policies and procedures and 2 CFR 200, 2 CFR 200 will take precedence. For any discrepancies between the NGP 5-1 and the NGB General Terms and Conditions, the NGB General Terms and Conditions shall take precedence. For any discrepancies between NGP 5-1 and CNGBI 9101, CNGBI 9101 shall take precedence.

Availability of Other Program Information

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III. COMPLIANCE REQUIREMENTS

In developing the audit procedures to test compliance with the requirements for this federal program, the auditor must determine, from the following summary (also included in Part 2, “Matrix of Compliance Requirements”), which of the 12 types of compliance requirements have been identified as subject to the audit (noted with a “Y” in the summary matrix below), and then determine which of the compliance requirements that are subject to the audit are likely to have a direct and material effect on the federal program at the auditee. For each such compliance requirement subject to the audit, the auditor must use Part 3 (which includes generic details about each compliance requirement other than Special Tests and Provisions) and this program supplement (which includes any program-specific requirements) to perform the audit. When a compliance requirement is shown in the summary below as “N,” it has been identified as not being subject to the audit. Auditors are not expected to test requirements that have been noted with an “N.” See the Safe Harbor Status discussion in Part 1 for additional information.

A	B	C	E	F	G	H	I	J	L	M	N
Activities Allowed or Unallowed	Allowable Costs/Cost Principles	Cash Management	Eligibility	Equipment and Real Property Management	Matching, Level of Effort, Earmarking	Period Of Performance	Procurement and Suspension and Debarment	Program Income	Reporting	Subrecipient Monitoring	Special Tests and Provisions
Y	Y	Y	N	N	Y	Y	N	N	Y	N	N

A. Activities Allowed or Unallowed

1. Allowable activities for each CA Award are those designated as authorized in the template for that CA or for facilities for which support is authorized, as listed in the ANG and ARNG real property plans. Real property plans are not part of the CA Award, but a stand alone document listing all real property and support authorized.
2. Unallowable activities are those listed in the unauthorized activities/charges section of each individual CA Award.

B. Allowable Costs/Cost Principles

1. Indirect costs, except fringe benefits, are unallowable (NGP 5-1, Chapter 5).
2. Individual employee compensation comprises a significant portion of total costs charged to CA Awards. The auditor should give particular attention to the allocability of these costs. The distribution of individual employee compensation to projects must follow applicable federal cost principles, NGP 5-1, and the terms and conditions of the CA Award. The time and effort reporting system should support the distribution of compensation costs (NGP 5-1, Chapter 5).
3. States bill directly for the cost of premiums or self-insurance (e.g., unemployment, workers compensation). The amount billed for “insurance” is based on the proportion of state employees who work under NGB-funded CA Awards. The amount billed for retirement benefits is based on the wages of each employee working under NGB-funded Awards. In each case, those costs are adjusted by the requirement of recipient cost share (e.g., training areas are 100 percent federally supported and do not require cost share, armories require 50 percent cost share by the recipient).

However, for these costs to be reimbursable, all the requirements of NGP 5-1, Chapter 5 have to be met:

- a. The individual cost items have to be reimbursable under the terms of individual CA Awards.
- b. Fringe benefit costs for which the state does not bill the state military department directly shall be reimbursable by applying a fringe benefit rate to the costs of actual salaries paid to employees.
- c. Fringe benefits, which are neither direct costs nor included in the billed central services section of the state’s Central Service Cost Allocation Plan (CSCAP) approved by the Department of Health and Human Services (HHS), are not reimbursable.

G. Matching, Level of Effort, Earmarking**1. Matching**

- a. The recipient's required matching percentage varies by CA Award and is listed in Division II of each CA Award. The Recipient's share of all authorized charges for real property, unless expressly stated elsewhere in the CA Award, is based on the ANG and ARNG real property support code for the facility generating the expenditure. For example, the Recipient cost share is 25% for an employee, repair, supply, equipment, utility, and other costs directly and exclusively associated with a facility that is authorized 75 percent federal support. NGB federal financial assistance for costs generated for facilities authorized at several different support levels will be at a rate that reflects the actual level of effort but not to exceed 25 percent of such costs.
- b. Whenever the grant officer provides "in-kind" assistance, the CA provides the value for that assistance, which is added to NGB funds received to determine the total amount on which the recipient's share is calculated.

2. Level of Effort

Not Applicable

3. Earmarking

Not Applicable

H. Period of Performance

1. NGB O&M CAs are funded with one-year appropriations. Recipients may liquidate funds consistent with the established Period of Performance of the CA Award not to exceed six years inclusive of the final year of close out after the end of the Period of Performance (PoP) 2 CFR 200.344.
2. A CA Award shall be executed by the grant officer and recipient prior to any request for reimbursement or advance payment. The recipient shall also have an approved CA Award covering each functional area for which the reimbursement or an advance is requested. The recipient shall not request reimbursement for any expenditure it made before the date that all required parties execute the CA Award unless the grants officer expressly authorizes expenditures made during the funding period, but prior to the date of final signature, the parties may also agree on a specific start or effective date
3. Within 120 days after the end of the CA Award or upon termination of the CA Award, whichever is earlier, the recipient shall promptly deliver to the grant officer a final accounting of all funding and disbursements under the agreement per 2 CFR 200.344.

4. If unliquidated claims and undisbursed obligations arising from the recipient's performance of the CA Award will remain 120 days after the end of the CA Award PoP, the recipient shall provide a detailed listing of uncleared obligations and a projected timetable for their liquidation and disbursement no later than 110 days after the end of the PoP of the CA Award. The grant officer shall then set an appropriate new timetable for the recipient to submit its final accounting 2 CFR 200 not to exceed one year after the end of the CA Award PoP.
5. Costs incurred during the PoP of the CA Award, which are not disclosed by the recipient within 120 days of the end of the PoP of the CA Award, except costs associated with unliquidated claims and undisbursed obligations arising from the recipient's performance of the CA that the recipient has reported, may not be eligible for reimbursement by NGB. The grant officer may extend the 120-day limit for good cause shown as per 2 CFR 200.

L. Reporting

1. Financial Reporting

- a. *SF-270, Request for Advance or Reimbursement* – Applicable
- b. *SF-271, Outlay Report and Request for Reimbursement for Construction Programs* – Not Applicable
- c. *SF-425, Federal Financial Report* –Applicable

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