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**UNITED STATES DEPARTMENT OF AGRICULTURE
Rural Utilities Service**

**BULLETIN 1780-32
RD-GD-2000-37**

SUBJECT: Memorandum of Agreement with Appalachian Regional Commission

TO: State Directors, Rural Development

ATTN.: Rural Utilities Program Directors

EFFECTIVE DATE OF MEMORANDUM OF AGREEMENT: August 24, 1998

EFFECTIVE DATE OF BULLETIN: Date of approval of bulletin.

EXPIRATION DATE: Four years from effective date.

OFFICE OF PRIMARY INTEREST: Assistant Administrator,
Water and Environmental Programs

AVAILABILITY: This bulletin is available on the Rural Utilities Service Internet at
<http://www.usda.gov/rus/water/regs.htm>.

PURPOSE: This RUS bulletin provides the Memorandum of Agreement between the Federal Co-Chairman of the Appalachian Regional Commission and the Under Secretary of Rural Development.



Gary J. Morgan
Acting Assistant Administrator
Water and Environmental Programs

9-5-2000

Date

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Exhibit A Memorandum of Agreement

1 Purpose

The purpose of this bulletin is to provide the Memorandum of Agreement between the Appalachian Regional Commission and the Rural Utilities Service.

2 Agreement

The Memorandum of Agreement can be found as Exhibit A to this bulletin.

MEMORANDUM OF AGREEMENT

Between

The Federal Co-Chairman of the Appalachian Regional Commission
and the

Under Secretary of Rural Development
United States Department of Agriculture

1. The Federal Co-Chairman of the Appalachian Regional Commission (hereinafter Commission) and the Under Secretary of Rural Development of the Department of Agriculture (USDA), on behalf of the Administrators of Rural Utilities Service, Rural Housing Service and Rural Business-Cooperative Service (hereinafter the Services), make this agreement in furtherance of the Appalachian Regional Development Act of 1965, as amended (hereinafter the Appalachian Act or ARDA).

2. The Appalachian Act authorizes economic development programs and projects to assist the Appalachian Region to meet its special problems. Section 214 of the ARDA provides authority for grants of Federal financial assistance under the Appalachian Act to supplement grant assistance under other Federal grant-in-aid programs. This assistance can be of two types:

(i). to supplement Federal grants by providing Appalachian Act funds to add on to other Federal grants thereby increasing the Federal contribution above the percentage of Federal share authorized for such grant under the basic program; or

(ii). where sufficient funds are not available under a qualifying Federal grant program, to provide ARDA funds to be used for all or part of the basic grant of Federal financial assistance under such program.

In either case, the total Federal contribution for projects assisted under Section 214 is limited to eighty (80) percent of total project costs.

3. Accordingly, ARC will approve grant assistance pursuant to the general provisions of this agreement and the provisions in Sections 214, 223 and 303 of the Appalachian Act and will make the funds therefor available to the Services, and the Services will award, administer and report to ARC on these grants.

4. The Federal Co-Chairman, subject to such conditions and limitations as he may prescribe, will from time to time make available to the Services funds appropriated to the Commission, to be used to carry out programs and projects pursuant to Section 223 of the ARDA and for the administrative expenses incident thereto.

5. The Commission will inform the Services in writing of each ARC project to be assisted; the amount approved for each; the costs and funding plan on which it premised its approval; and any specific terms, conditions, and limitations thereon not otherwise provided for in this agreement.

6. The Services will inform the Commission promptly of any change in such project costs or funding plan, and the Commission may, as a result, approve an appropriate increase or decrease in the amount of funds available for such project.

7. The Commission may revoke or revise its approval of any program or project if the work intended to be undertaken is not started or placed under contract by the Services within 18 months after the date of the Services' grant agreement or contract.

8. The Services will incorporate in each agreement involving ARC funds appropriate provisions to insure compliance with the ARDA and other applicable Federal laws.

9. The Services will furnish to the Commission (a) a copy of the executed grant agreement, and amendments thereto, for each project involving transferred funds; (b) copies of such information, data, documents, or other materials pertaining to projects as the Commission may require; (c) a final report on the costs of each program or project, in sufficient detail to permit a reasonable review of the expenditures; and (d) such progress and financial reports as may be necessary or required by law or regulation.

10. The parties to this Memorandum of Agreement will follow the implementing procedures [attached] for all administrative actions taken pursuant to this Agreement.

11. Under this Agreement, the Services will be paid a fee by the Appalachian Regional Commission for the administration of projects which do not include any Agriculture/Rural Development funds. The amount of the fee and interval of payment will be determined subsequently by the parties to this Agreement and be incorporated into the implementing procedures attachment.

 /S/
JESSE L. WHITE, JR.
Federal Co-Chairman

 /S/
JILL LONG THOMPSON
Under Secretary

Aug. 6, 1998
Date

Aug.6, 1998
Date