(b) Using funds to undertake any action for the purpose of influencing legislation or governmental action or policy, by local, State, national, and foreign governments, other than recommending to the Secretary amendments to the Order; and
(c) Any activity that is false, misleading, or disparaging to another agricultural commodity.

§ 63.112 Conflict of interest.

(a) In general. Members of the Board shall not vote on any particular matter pending before the Board in which, to the knowledge of the member, an interest is held by the member, any spouse of the member, any child of the member, any partner of the member, any organization in which the member is serving as an officer, director, trustee, partner, or employee; or any person with whom the member is negotiating or has any arrangement concerning prospective employment or with whom the member has a financial interest, except as provided in paragraph (c) of this section.

(b) Validity of action. An action by a member of the Board that violates §63.112(a) shall not impair or otherwise affect the validity of any otherwise lawful action by the Board.

(c) Disclosure. If a member of the Board makes full disclosure of an interest and, prior to any participation by the member, the Board determines, by majority vote, that the interest is too remote or too inconsequential to affect the integrity of any participation by the member, the member may participate in the matter relating to the interest, except as provided in paragraph (d) of this section. A member that discloses an interest under section §63.112(a) shall not vote on a determination of whether the member may participate in the matter relating to the interest.

(d) Remands. The Secretary may vacate and remand to the Board for reconsideration any decision made if the Secretary determines that there has been a violation of this section or any conflict of interest provision of the bylaws of the Board with respect to the decision.

(1) In the case of any violation and remand of a funding decision to the Board, the Secretary shall inform the Board of the reasons for the remand.
(2) If a decision with respect to the matter is remanded to the Board by reason of a conflict of interest faced by a Board member, the member may not participate in any subsequent decision with respect to the matter.

NATIONAL SHEEP INDUSTRY IMPROVEMENT CENTER

§ 63.200 NSIIC establishment and purpose.

(a) There is hereby established a National Sheep Industry Improvement Center. The purpose of the Center shall be to:

(1) Promote strategic development activities and collaborative efforts by private and State entities to maximize the impact of Federal assistance to strengthen and enhance production and marketing of sheep or goat products in the United States;
(2) Optimize the use of available human capital and resources within the sheep or goat industries;
(3) Provide assistance to meet the needs of the sheep or goat industry for infrastructure development, business development, production, resource development, and market and environmental research;
(4) Advance activities that empower and build the capacity of the U.S. sheep or goat industry to design unique responses to the special needs of the sheep or goat industries on both a regional and national basis; and
(5) Adopt flexible and innovative approaches to solving the long-term needs of the United States sheep and goat industry.

(b) The NSIIC shall submit to the Secretary an annual strategic plan for the delivery of financial assistance provided by the NSIIC. A strategic plan shall identify:

(1) Goals, methods, and a benchmark for measuring the success of carrying out the plan and how the plan relates to the national and regional goals of the NSIIC;
(2) The amount and sources of Federal and non-Federal funds that are available for carrying out the plan;
(3) Funding priorities;
(4) Selection criteria for funding; and
(5) A method of distributing funding.
§ 63.300 Establishment.

The NSIIC Revolving Fund established in the Treasury shall be available to the NSIIC, without fiscal year limitation, to carry out the authorized programs and activities of the NSIIC under this part. There shall be deposited in the Fund:

(a) Such amounts as may be appropriated, transferred, or otherwise made available to support programs and activities of the NSIIC;

(b) Payments received from any source for products, services, or property furnished in connection with the activities of the NSIIC;

(c) Fees and royalties collected by the NSIIC from licensing or other arrangements relating to commercialization of products developed through projects funded, in whole or part, by grants or contracts executed by the NSIIC;

(d) Donations or contributions accepted by the NSIIC to support authorized programs and activities. Such contributions shall be free from any encumbrance by the donor and the NSIIC shall retain complete control of their use; and

(e) Any other funds acquired by the NSIIC.

§ 63.301 Use of fund.

The NSIIC shall use the Fund to:

(a) Make grants to eligible entities in accordance with a strategic plan submitted under §63.310 of this part. Specifically, amounts in the Fund may be used to:

(1) Participate with Federal and State agencies in financing activities that are in accordance with the strategic plan, including participation with several States in a regional effort;

(2) Participate with other public and private funding sources in financing activities that are in accordance with the strategic plan, including participation in a regional effort;

(3) Accrue interest;

(4) Serve broad geographic areas and regions of diverse production, to the maximum extent practicable;

(5) Only to supplement and not supplant Federal, State, and private funds expended for rural development;

(6) For administration purposes, with a maximum 3 percent of the NSIIC Fund balance at the beginning of each fiscal year for the administration of the NSIIC; and

(b) Provide funds to eligible entities contingent upon that entity agreeing to account for the amounts using generally accepted accounting principles and to provide access to the Secretary for inspection and audit of such records.

REPORTS, BOOKS, AND RECORDS

§ 63.400 Books and records.

The Board and NSIIC shall:

(a) Maintain such books and records, which shall be made available to the Secretary for inspection and audit as is appropriate for the administration or enforcement of the Act or rules and regulations issued thereunder;

(b) Prepare and submit to the Secretary, from time to time, such reports as the Secretary may prescribe; and

(c) Account for the receipt and disbursement of all funds entrusted to it. The NSIIC shall cause its books and records to be audited by an independent auditor at the end of each fiscal year, and a report of such audit to be submitted to the Secretary.

§ 63.401 Use of information.

Information from records or reports required pursuant to this part shall be made available to the Secretary as is appropriate for the administration or enforcement of the Act or rules and regulation issued thereunder.

§ 63.402 Confidentiality.

All information obtained from books, records, reports, or any other material obtained under the Act and this part, shall be kept confidential by all persons, including employees and former employees of the NSIIC. Nothing in this section shall be deemed to prohibit the issuance of general statements based upon the reports or the statistical data, which statements do not identify the information furnished by any entity.