

**U.S. Fish and Wildlife Serv., Interior****§ 81.9****§ 81.6 Project Agreement.**

(a) Subsequent to the establishment of a Cooperative Agreement pursuant to § 81.3, the Secretary may further agree with the States to provide financial assistance in the development and implementation of acceptable projects for the conservation of endangered and threatened species. Financial agreements will consist of an Application for Federal Assistance and a Project Agreement. Such agreements' continued existence, and continued financial assistance under such agreements, shall be contingent upon the continued existence of the Cooperative Agreement described in § 81.3 of this part.

(b) The Application for Federal Assistance will show the need for the project, the objectives, the expected benefits and results, the approach, the period of time necessary to accomplish the objectives, and both the Federal and State costs. All of a State's activities proposed for this Federal grant support will be incorporated in one or more project applications.

(c) To meet the requirements of the Act, the Application for Federal Assistance shall certify that the State agency submitting the project is committed to its execution and that it has been reviewed by the appropriate State officials and is in compliance with other requirements of the Office of Management and Budget Circular No. A-95 (as revised).

(d) The Project Agreement will follow approval of the Application for Federal Assistance by the Secretary. The mutual obligations by the cooperating agencies will be shown in this agreement executed between the State and the Secretary. An agreement shall cover the financing proposed in one project segment and the work items described in the documents supporting it.

(e) The form and content for both the Application for Federal Assistance and the Project Agreement are provided in the Federal Aid Manual.

[40 FR 47509, Oct. 9, 1975, as amended at 44 FR 31581, May 31, 1979]

**§ 81.7 Availability of funds.**

Funds allocated to a State are available for obligation during the fiscal year for which they are allocated and

until the close of the succeeding fiscal year. For the purpose of this section, obligation of allocated funds occurs when a Project Agreement is signed by the Secretary, or his authorized representative, attesting to his approval.

**§ 81.8 Payments.**

The payment of the Federal share of costs incurred in the conduct of activities included under a Project Agreement shall be in accordance with Treasury Circular 1075.

(a) Federal payments under the Act shall not exceed 75 percent of the program costs as stated in the agreement; except, the Federal share may be increased to 90 percent when two or more States having a common interest in one or more endangered or threatened species, the conservation of which may be enhanced by cooperation of such States, enter jointly into an agreement with the Secretary.

(b) The State share of program costs may be in the form of cash or in-kind contributions, including real property, subject to standards established by the Secretary as provided in Office of Management and Budget Circular A-102.

(c) Payments under the Endangered Species Act, including such preliminary costs and expenses as may be incurred in connection with projects, shall not be made unless all documents that may be necessary or required in the administration of this Act shall have first been submitted to and approved by the Secretary. Payments shall be made for expenditures reported and certified by the State agencies. Payments shall be made only to the State office or official designated by the State agency and authorized under the laws of the State to receive public funds of the State.

(d) Vouchers and forms provided by the Secretary and certified as therein prescribed, showing amounts expended and the amount of Federal Aid funds claimed to be due on account thereof, shall be submitted to the Secretary by the State agency.

[40 FR 47509, Oct. 9, 1975, as amended at 44 FR 31581, May 31, 1979; 49 FR 30074, July 26, 1984]

**§ 81.9 Assurances.**

The State must assure and certify that it will comply with all applicable