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shall charge a fee for facilitating an export sale. For the purposes of this paragraph, "affiliate" means any partnership, association, company, corporation, trust, or any other such party in which the Cooperator has an investment, other than a mutual fund. A Cooperator may collect check-off funds and membership fees that are required for membership in the Cooperator's organization.

(c) The Cooperator shall not use program activities or program funds to promote private self interests or conduct private business, except as members of sales teams.

(d) A Cooperator shall select U.S. agricultural industry representatives to participate in activities such as trade teams or trade fairs based on criteria that ensure participation on an equitable basis by a broad cross section of the U.S. industry. If requested, a Cooperator shall submit such selection criteria to FAS for approval.

(e) All Cooperators should endeavor to ensure fair and accurate fact-based advertising. Deceptive or misleading promotions may result in cancellation or termination of a project agreement.

(f) The Cooperator must report any actions or circumstances that have a bearing on the propriety of program activities to the Attache/Counselor and the Cooperator's U.S. office shall report such actions in writing to the appropriate Division Director.

§ 1484.35 Must Cooperators follow specific contracting procedures?

(a) Cooperators have full and sole responsibility for the legal sufficiency of all contracts and assume financial liability for any costs or claims resulting from suits, challenges, or other disputes based on contracts entered into by the Cooperator. Neither FAS nor any other agency of the United States Government or any official or employee of FAS or the United States Government has any obligation or responsibility with respect to Cooperator contracts with third parties.

(b) Cooperators are responsible for ensuring to the extent possible that the terms, conditions, and costs of contracts constitute the most economical and effective use of project funds.

(c) All fees for professional and consulting services paid in any part with project funds must be covered by written contracts.

(d) A Cooperator shall:

(1) Ensure that all expenditures for goods and services in excess of \$25.00, which are reimbursed with project funds, are documented by a purchase order, invoice, or contract;

(2) Ensure that no employee or officer participates in the selection or award of a contract in which such employee or officer, or the employee's or officer's family or partners has a financial interest;

(3) Conduct all contracting in an open manner. Individuals who develop or draft specifications, requirements, statements of work, invitations for bids, or requests for proposals for procurement of any goods or services shall be excluded from competition for such procurement;

(4) Base each solicitation for professional or consulting services on a clear and accurate description of the requirements for the services to be procured;

(5) Perform some form of price or cost analysis, such as a comparison of price quotations to market prices or other price indicia, to determine the reasonableness of the offered prices; and

(6) Document the decision-making process.

[64 FR 52630, Sept. 30, 1999. Redesignated and amended at 65 FR 9995, Feb. 25, 2000]

§ 1484.36 How do Cooperators dispose of disposable property?

(a) Property purchased by the Cooperator, and for which the Cooperator is reimbursed with project funds, that is unusable, unserviceable, or no longer needed for project purposes shall be disposed of in one of the following ways. The Cooperator may:

(1) Exchange or sell the property, provided that it applies any exchange allowance, insurance proceeds, or sales proceeds toward the purchase of other property needed in the project;

(2) With FAS approval, transfer the goods to other Cooperators for their activities, or to a foreign third party; or

(3) Upon Attache/Counselor approval, donate the goods to a local charity, or

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convey the goods to the Attache/Counselor, along with an itemized inventory list and any documents of title.

(b) A Cooperator shall maintain an inventory of all property valued at \$500 or more which was acquired in furtherance of program activities. The inventory shall list and number each item and include the date of purchase or acquisition, cost of purchase, replacement value, serial number, make, model, and electrical requirements.

(c) The Cooperator shall insure all property which was acquired with program funds and safeguard such property against theft, damage, and unauthorized use. The Cooperator shall promptly report any loss, theft, or damage of such property to the insurance company.

(d) The Cooperator is responsible for reimbursing FAS for the value of any uninsured property at the time of the loss or theft of the property.

[64 FR 52630, Sept. 30, 1999. Redesignated and amended at 65 FR 9995, 9996, Feb. 25, 2000]

§ 1484.37 Must Cooperators adhere to Federal Travel Regulations?

Travel shall conform to the U.S. Federal Travel Regulation (41 CFR Chapters 300 through 304) and air travel shall conform to the requirements of the "Fly America Act" (49 U.S.C. 1517). The Cooperator shall notify the Attache/Counselor in the destination countries in writing in advance of any proposed travel. The timing of such notice should be far enough in advance to enable the Attache/Counselor to schedule appointments, make preparations, or otherwise provide any assistance being requested. Failure to provide advance notification of travel may result in disallowance of the expenses related to the travel.

§ 1484.38 Can a Cooperator keep proceeds generated from an activity?

Any income or refunds generated from an activity, *i.e.*, participation fees, proceeds of sales, refunds of value added taxes (VAT), the expenditures for which have been wholly or partially reimbursed, shall be repaid by submitting a check payable to Commodity Credit Corporation or by offsetting the

Cooperator's next reimbursement claim.

[64 FR 52630, Sept. 30, 1999. Redesignated and amended at 65 FR 9995, 9996, Feb. 25, 2000]

Subpart D—Contributions and Reimbursements

§ 1484.50 What cost share contributions are eligible?

(a) The Cooperator shall pay all costs necessary for the operation of the Cooperator's U.S. office.

(b) In calculating the amount of contributions that it will make, and the contributions it will receive from a U.S. industry or a State agency, a Cooperator program applicant may include the costs (or such prorated costs) listed under paragraph (c) of this section if:

(1) Expenditures will be made in furtherance of the Cooperator's overall foreign market development program;

(2) The contributor has not been or will not be reimbursed by any other source for such costs; and

(3) The contribution is made during the period covered by the project agreement.

(c) Subject to paragraph (b) of this section, eligible contributions are:

- (1) Cash;
- (2) Compensation paid to personnel;
- (3) The cost of acquiring materials, supplies, or services;
- (4) The cost of office space;
- (5) A reasonable and justifiable proportion of general administrative costs and overhead;
- (6) Payments for indemnity and fidelity bond expenses;
- (7) The cost of business cards;
- (8) The cost of seasonal greeting cards;
- (9) Fees for office parking;
- (10) The cost of subscriptions to publications;
- (11) The cost of activities conducted overseas;
- (12) Credit card fees;
- (13) The cost of any independent evaluation or audit that is not required by FAS to ensure compliance with program requirements;
- (14) The cost of giveaways, awards, prizes and gifts;
- (15) The cost of product samples;