

(2) Must be one of the following:

- (i) State agricultural experiment station;
- (ii) College or university;
- (iii) University research foundation;
- (iv) Other research institution or organization;
- (v) Federal agency;
- (vi) National laboratory;
- (vii) Private organization or corporation;
- (viii) Individual; or
- (ix) Any group consisting of 2 or more entities described in paragraphs (b)(2)(i) through (viii) of this section.

(c) *Ineligibility.* A Center or Subcenter will be ineligible for funding under the Sun Grant Program if NIFA determines on the basis of an audit or a review of a report submitted under § 3430.1009 that the Center or Subcenter has not complied with the requirements of section 7526 of the FCEA (7 U.S.C. 8114). A Center or Subcenter determined to be ineligible pursuant to this paragraph will remain ineligible for such period of time as deemed appropriate by NIFA. This ineligibility requirement is in addition to the enforcement actions that NIFA may take pursuant to § 3430.60.

§ 3430.1004 Project types and priorities.

(a) *Project types.* The Sun Grant Program provides funds for two distinct project types. Subject to paragraph (b), of the funds provided by NIFA to the Centers and Subcenter, the required use of funds by each of the Centers and the Subcenter is as follows:

(1) *Regional competitive research, extension, and education grant programs.* Seventy-five percent must be used for regional competitively awarded research, extension, and education subgrants to eligible entities (described in § 3430.1003(b)) to conduct, in a manner consistent with the purposes described in § 3430.1001, multi-institutional and multistate research, extension, and education programs on technology development and multi-institutional and multistate integrated research, extension, and education programs on technology implementation. Regional competitive grants programs will target specific elements of the purposes described in § 3430.1001, implementing na-

tional priorities in the context of regional scale biogeographic and climatic conditions.

(i) *Requests for applications.* The Centers and Subcenter must develop regional requests for applications (RFAs) utilizing guidance from regional advisory panels created and administered by the Centers and Subcenter for purposes of addressing region-specific issues, and which include representation from academia, the national laboratories, Federal and State agencies, the private sector, and public interest groups. Advisory panel members will have appropriate expertise and experience in the areas of biomass and bioenergy.

(ii) *Peer review of proposals.* Each region will announce RFAs and solicit proposals. These proposals must be peer reviewed by panels in a manner similar to the system of peer review required by section 103 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7613), and may include representation from Federal and State laboratories, the national laboratories, and private and public interest groups, as appropriate. The Centers and Subcenter may use implementing regulations found in §§ 3430.31 through 3430.37 as a guideline for appropriate peer review standards. Additional guidance may be provided by NIFA. To ensure consistency across the regions, prior to announcing the regional RFAs that will be used to solicit proposals, the Centers and Subcenter must provide NIFA the RFAs for approval by the designated NIFA program contact, as identified in the NIFA program solicitation. The Centers and Subcenter shall award subgrants on the basis of merit, quality, and relevance to advancing the purposes of the Sun Grant Program.

(2) *Research, extension, and education activities conducted at the Centers and Subcenter.* Except for funds available for administrative expenses as provided in § 3430.1005(b), the remainder of the funds must be used for multi-institutional and multistate research, extension, and education programs on technology development and multi-institutional and multistate integrated research, extension, and education programs on technology implementation,

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in a manner consistent with the purposes described in § 3430.1001.

(b) *Special provisions for the Western Center and Western Insular Pacific Subcenter.* Funds provided by NIFA to the Western Insular Pacific Subcenter shall come from an allocation of a portion of the funds received by the Western Center, as directed by NIFA in the program solicitation, rather than directly from NIFA. For the Center, the phrase “funds provided by NIFA” in paragraph (a) of this section refers to those funds provided by NIFA for the Sun Grant Program that are not allocated to the Subcenter. For the Subcenter, the phrase “funds provided by NIFA” in paragraph (a) of this section refers to those funds that are allocated to the Subcenter.

(c) *Priorities.* For the regional competitive grants program under paragraph (a)(1) of this section, the Centers and Subcenter shall use the plan approved by NIFA under § 3430.1007 in making subawards and shall give a higher priority to proposals that are consistent with the plan.

§ 3430.1005 Funding restrictions.

(a) *Facility costs.* Funds made available under the Sun Grant Program shall not be used for the construction of a new building or facility or the acquisition, expansion, remodeling, or alteration of an existing building or facility (including site grading and improvement, and architect fees).

(b) *Indirect cost provisions for regional competitive research, extension, and education grant programs.* Funds provided by NIFA to the Centers and Subcenter for the regional competitive grants program under § 3430.1004(a)(1) may not be used for the indirect costs of awarding the competitive grants. However, up to 4 percent of the total funds provided by NIFA to each of the five Centers and the Subcenter under § 3430.1004 for the Sun Grant Program may be budgeted for administrative costs incurred in awarding the competitive grants.

(c) *Indirect cost provisions for research, extension, and education activities conducted at the Centers and Subcenter.* Subject to § 3430.54, indirect costs are allowable for the funds provided by NIFA to the Centers and the Subcenter

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for the research, extension, and education programs under § 3430.1004(a)(2).

(d) *Required allocations.* Each Center and Subcenter must fund subgrants in a proportion that is a minimum 30 percent for conducting multi-institutional and multistate research, extension, and education programs on technology development; and a minimum 30 percent for conducting integrated multi-institutional and multistate research, extension, and education programs on technology implementation. Each Sun Grant Center must clearly demonstrate a common procedure for ensuring the required allocations are met, and for maintaining documentation of these required percentages for audit purposes.

§ 3430.1006 Matching requirements.

(a) *Matching provisions for the Centers and Subcenter.* The Centers and the Subcenter are not required to match Federal funds.

(b) *Matching provisions for subawards.* For subawards made by the Centers or Subcenter through the competitive grants process, not less than 20 percent of the cost of an activity must be matched with funds, including in-kind contributions, from a non-Federal source, by the subawardee.

(1) *Exception for fundamental research.* This matching requirement does not apply to fundamental research (as defined in § 3430.2).

(2) *Special matching provisions for applied research.* With prior approval by the NIFA authorized departmental officer (ADO), the Center or Subcenter may reduce or eliminate the matching requirement for applied research (as defined in § 3430.2) if the Center or Subcenter determines that the reduction is necessary and appropriate pursuant to guidance issued by NIFA.

§ 3430.1007 Planning activities.

(a) *Required plan.* The Centers and Subcenter shall jointly develop and submit to NIFA for approval a plan for addressing the bioenergy, biomass, and gasification research priorities of the Department and the Department of Energy at the State and regional levels. To comply with this requirement, NIFA requires that the proposals from each of the five Centers be of similar