

Requests for funding of concept proposals are required to provide an estimate of total costs of research and development. The Federal Crop Insurance Board of Directors (Board) takes seriously those cost estimates in its consideration of concept proposals and submissions. The Board is concerned because it has received requests for research and development of the approved submission where the costs claimed greatly exceed the total cost estimates provided with the concept proposals. To address those concerns the Board will develop procedures to improve estimates, including notice and justification of cost overruns.

The Board has also expressed concerns regarding the amount of hours claimed in the concept proposals and requests for reimbursement for research and development. The Board will also be developing procedures to assist it in determining the reasonableness of the hours claimed and information that may be required to justify the hours.