

Use of Associated Program Support Costs (APSC) Frequently Asked Questions

1. Under what circumstances would assistance recipients/EPA use APSC?

The Associated Program Support Costs (APSC) authority allows EPA to use funds appropriated in the State and Tribal Assistance Grants account line item for grants for “multi-media or single media pollution prevention, control and abatement and related activities” (environmental program grants), including Section 106 or GAP funds, to support assistance recipients in implementing their environmental programs. In order for EPA to use the APSC authority, the activity must be the inherent responsibility of the state, tribal or local agency recipient(s), the recipient(s) must be the primary beneficiary of the activity, and EPA must obtain approval from the assistance recipients prior to taking funds from the recipient’s allocation.

2. Will EPA initiate use of the APSC authority without the agreement of affected assistance recipients?

No, the Agency must get prior approval from the affected assistance recipients prior to taking funds off the top of a recipient’s allocation.

3. If a state or tribe proposes use of the APSC authority, what is the process for gaining agreement from the other affected assistance recipients?

If a state or tribe intends to request APSC that will include other affected assistance recipients, the recipient should contact EPA to discuss the proposed project to determine whether the proposed activity is consistent with the Agency’s priorities such that it could be funded if proposed. Further, EPA will expect the state(s) or tribe(s) requesting use of the APSC authority to obtain agreement from the other potentially affected assistance recipients prior to making the request. Written agreement from all affected recipient will be required before the Agency will take funds from the allocations of the recipients to support the APSC activity.

EPA is responsible for implementing the APSC authority and the use of that authority is discretionary. It is EPA’s responsibility to ensure that any activity proposed for funding using the APSC authority is funded in a manner consistent with that authority, including the requirement to obtain agreement from affected recipients.

4. Can EPA use the APSC authority to address individual state or tribal grant compliance issues?

No, APSC authority is generally used to promote efficiencies or provide a cost savings to the participants – not to address compliance issues. Grant compliance issues are addressed based on the procedures outlined EPA’s regulations (40 CFR Part 31).

5. How much money is available for APSC?

There are no funds specifically appropriated or otherwise allocated for APSC. The environmental program grants line item funds the continuing environmental program grants for all tribes and states; thus, the Agency would generally decline to expend all or even most of those funds using the APSC authority. Instead, the APSC authority provides the Agency with flexibility to support states and tribes in implementing the continuing environmental programs through mechanisms other than direct grants to the states or tribes.

6. Can funds available for use under the APSC authority be included in a grant? A PPG?

Funds awarded using the APSC authority may be awarded as a grant or contract or transferred to another Federal agency pursuant to an interagency agreement. The funds may be awarded to an entity not normally eligible to receive funding using the environmental program grant authority (e.g. CWA 106 and CAA 105). APS is often used to provide training or to conduct conferences or research on behalf of the participating states and tribes and the environmental program grant authorities are not generally suited to provide assistance to other entities outside the state or tribal area. Instead, EPA often uses the research, demonstration, and training authorities (e.g. CWA 104 and CAA 103) to make APSC awards.

While use of a PPG is not prohibited, the Agency may only include environmental program grant funds and activities in a PPG. See 40 CFR 35.101 (states) and 35.501 (tribes). The Agency may not include funds awarded pursuant to research, demonstration, and training authorities in a PPG. If the APSC is awarded as a grant and the recipient wishes to include APSC funds in a PPG, the recipient should contact EPA to discuss the matter.

7. Can APSC be used to support grantee travel and per diem to participate in a training, conference or meeting?

Use of APSC to support grantee travel and per diem is subject to the rules and requirements inherent in the form of funding used.

Grants: If the APSC funds are used in the form of a grant, then grantee travel and per diem may be allowable expenses if required by the work plan. Other travel (such as a third party) and per diem would be allowable if it meets the eligibility requirements of the grant and is included in the approved work plan.

Contract: Travel under a contract would be determined by the limitations of the particular contract. For example, EPA-sourced contracts typically include a clause **APPROVAL OF CONTRACTOR TRAVEL**. Paragraph (c) of that clause states:

*(c) Travel expenses for Federal employees shall not be an allowable cost under this contract. Travel approval **shall not** be rendered for any personnel (including for example State or local government officials, academicians, etc.) except for employees of the contractor, or an authorized subcontractor or consultant, who are performing a bona fide function to accomplish the Statement of Work.*

Interagency Agreement: The availability of such funding for such costs under an Interagency Agreement would depend on the other agencies rules.

8. Do funds taken from a recipient's allocation and used under the APSC authority have to appear in the work plan or budget for the recipient's environmental program grant?

No, a recipient's workplan for its environmental program grant should not reflect the amount taken off the top and allocated to APSC, and should not include tasks and outcomes directly flowing from the APSC activity.

9. Which assistance recipients must give approval to EPA prior to allocating funds through the APSC vehicle?

The affected assistance recipients are those recipients that will take part in [contribute to] the APSC activity. All affected assistance recipients must provide written agreement before funds allocated to the respective recipients are awarded pursuant to the APSC authority.

10. What if, after agreement has been gained, additional grantees wish to participate?

If additional states or tribes provide written notice that they wish to contribute to the APSC activity, the EPA will determine if there is capacity within the APSC activity to include additional participants.

11. How is APS different from "in-kind services"?

APSC and in-kind services are similar in that both mechanisms may be used to provide support to states and tribes implementing their CWA Section 106 programs. However, EPA is not required to obtain agreement from the recipient prior to using funds to provide in-kind assistance. See EPA Order 5700.1. In addition, in-kind assistance funds are accounted for in the recipients CWA section 106 grant budget and workplan, but the recipient receives goods or services in lieu of money under the CWA Section 106 grant. Because the in-kind assistance funds are included in the CWA section 106 grant, the recipient is required to match the funds.

12. For Tribal 106 programs, how will using APSC affect the 5% match?

Since the funds for the APS activity are not included in the grantee's CWA section 106 grant agreement, the recipient is not required to match the funds.

13. Are APSC considered a Section 106 set-aside?

No. Section 106 funds can be set aside in accordance with a statute, regulation, or if the appropriation process indicates that certain funds should be used for a particular purpose. APSC, on the other hand, is discretionary and used according to terms agreed upon by EPA and affected assistance recipients.