



# At a Glance

## Why We Did This Review

We conducted this review to determine whether the U.S. Environmental Protection Agency (EPA) benefited from research under reimbursable agreements, and how those benefits supported the EPA's mission.

EPA's Office of Research and Development (ORD) provides research services to other entities—federal and state agencies, non-governmental organizations, and the public sector—using reimbursable funds provided through interagency agreements (IAs) and cooperative research and development agreements (CRADAs). These reimbursable agreements are mechanisms that allow ORD to collaborate with other entities to accomplish a shared objective and achieve efficiencies while doing business together. From October 1, 2009, through March 31, 2015, ORD received about \$42.8 million from other entities to conduct research.

**This report addresses the following EPA goal or cross-agency strategy:**

- *Embracing EPA as a high-performing organization.*

Send all inquiries to our public affairs office at (202) 566-2391 or visit [www.epa.gov/oig](http://www.epa.gov/oig).

Listing of [OIG reports](#).

## ***EPA Achieved Scientific Benefits When Using Reimbursable Research Agreements, but Better Estimating of In-Kind Costs Is Needed***

### What We Found

ORD conducted research under reimbursable agreements that provided benefits to the EPA and was consistent with the EPA's goals and mission. For example, benefits to the EPA from research included establishing and supporting regulation standards setting, increasing climate modeling capabilities, developing predictive lab toxicology testing, and improving consumer tools for environmental management.

**Partnering on research with other entities using reimbursable agreements has benefits that support the EPA mission, but developing more reliable cost estimates for in-kind contributions can better reflect the EPA's research contributions.**

ORD did not completely or consistently develop cost estimates for its in-kind contributions prior to entering into the reimbursable agreements we reviewed. In-kind contributions are a part of project costs and consist of non-monetary supplies and services, such as personnel, equipment or facilities. ORD managers said they were unaware of any specific guidance for developing in-kind contribution estimates. Neither the EPA IA manual nor EPA CRADA guidance contained detailed information for developing in-kind contribution estimates. As a result, ORD was unable to reliably estimate how much it actually spends on reimbursable research projects, costs are likely misstated, and decision makers could approve projects that are not cost effective. Also, ORD was unable to provide reliable and required financial information to other federal agencies that partner with the EPA on research projects.

### Recommendations and Planned Agency Corrective Actions

We recommended that the Director, Office of Grants and Debarment, Office of Administration and Resources Management, develop and issue guidance for estimating in-kind contributions for IAs and CRADAs. In addition, we recommended that the Assistant Administrator for Research and Development direct ORD project managers and staff to use guidance issued by the Office of Grants and Debarment for estimating in-kind contributions, and provide training.

The EPA agreed with all recommendations and provided planned corrective actions and completion dates. We made the EPA's suggested technical edits where appropriate. All recommendations are resolved and open pending completion.