# Module 4 – Accepting a Grant Award

# Welcome

Welcome to the U.S. Environmental Protection Agency (EPA) Office of Grants and Debarment’s (OGD) “Accepting a Grant Award” training module.

This module provides applicants and recipients with information about the process and procedures for accepting an EPA grant award, from the initial notification to the procedures for reviewing and accepting the award documents.

Time needed to complete this module: Approximately 30 minutes.

# What You Will Learn

After you complete this module, you will be better prepared to:

* Review a grant agreement
* Assess terms and conditions
* Accept a grant award

# How to Navigate

Use the Back and Next buttons at the bottom right of the screen to proceed through the module. You will proceed one slide at a time, although you can revisit slides at any time using the Menu pane on the left. If you need to leave the module, the last slide to be completed will be saved, and you will be able to return to that location later.

# Reviewing the Grant Award Agreement

Let’s begin by learning how to review a grant award agreement.

# Grant Award Agreement

Once a grant application is selected for award, EPA prepares a grant award agreement that is signed by the EPA Award Official. The award agreement is then sent to the applicant, generally via e-mail.

The award agreement contains the following components:

* Grant application, incorporated by reference
* Award document, which contains various information about the award, such as contact information for the EPA Project Officer and Grant Specialist, and the amount of award funding
* Administrative and programmatic terms and conditions of the award
* Additional documentation, if applicable

# Reviewing the Grant Agreement

The top of the award document will either state “grant agreement” or “cooperative agreement,” depending on the type of award. The information contained in the award document for both types of agreements is identical.

It is essential that you closely review both the grant agreement and the terms and conditions to confirm that your organization concurs with all of the information in the grant agreement. Make note of any significant concerns, questions, or mistakes in the grant agreement, including the terms and conditions.

For this training, "grants" will be used as a general term to refer to both grants and cooperative agreements.

Let’s review each element of a grant agreement more closely.

# Reviewing the General Project Information

First, it is important to confirm that the general information in the grant award document is correct. Be sure to make note of the following information:

* Grant Number – this unique, eight-digit number (which is preceded by a one or two-character program code) is how your grant will be identified in all documents and communications with EPA.
* EPA Project Officer – this person will be your main point of contact for any questions or communications related to the work being done under the project (including programmatic progress reports)
* EPA Grants Specialist – this person will be your main point of contact for any questions or communications of an administrative nature (which may include questions about forms, the budget, or administrative reports)

Your information is outlined near the top of the award document, including:

* Your organization’s name and address
* Your organization’s primary project manager name, address, and e-mail address
* The project title and description

The next step involves reviewing the project budget and budget period.

# Reviewing the Total Budget

Check the total budget identified in the award document to confirm that the funding matches the amount requested in your application.

Be aware that EPA may have modified the budget during review and approval of your application because:

* Certain costs included in your budget were unallowable
* The budget request may have exceeded the amount of EPA funds available
* The proposed cost share/matching funds were less than required
* Funds may have shifted from one budget category to another

The EPA Project Officer will typically discuss and negotiate any budgetary changes with recipients before awarding a grant. If the budget was revised, review it carefully to ensure that the project can be completed within the revised budget without additional EPA funds.

# Confirming the Cost Share (Matching Funds)

Many EPA programs require grant applicants to provide a cost share (also known as matching funds) of a certain percentage of the total cost of the grant project or a percentage of the Federal share. Note that all grant funds, including a cost share, are treated the same and can be used only for allowable costs in executing the project.

Additional information on cost-sharing requirements is provided in the Office of Management and Budget's (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards regulations at [2 Code of Federal Regulations (CFR) 200.306](https://www.ecfr.gov/cgi-bin/text-idx?SID=c73a53309fb6c68a4fb10da327a7c30d&mc=true&node=se2.1.200_1306&rgn=div8).

# Reviewing the Budget and Project Periods

Generally, the budget period and project period in the grant agreement are the same and should reflect the period identified in the grant application, but, in some cases, the grant award may have been delayed or the EPA Project Officer may have negotiated a change.

Confirm that the period is adequate to complete the project. Factor in the time before award in which you may have incurred costs, known as pre-award costs.

Additional information about pre-award costs can be found at 2 CFR [200.458](https://www.ecfr.gov/cgi-bin/text-idx?SID=dfddd86b059245a04625ed968c5d8ba8&mc=true&node=se2.1.200_1458&rgn=div8).

# Other Budgetary Considerations

Even though EPA approved your grant, it is important to note that this does not mean that EPA will allow all costs associated with activities conducted or purchases made for the grant project.

For example, EPA may disallow costs for activities or purchases that are found to be unnecessary or that do not comply with EPA regulations.

In addition, even if a grant application indicated use of the services of a contractor, EPA may disallow the cost of a contractor if it is determined that the recipient did not obtain the contractor’s services in accordance with EPA’s policies. See EPA’s “[Best Practice Guide for Procuring Services, Supplies, and Equipment Under EPA Assistance Agreements](https://www.epa.gov/grants/best-practice-guide-procuring-services-supplies-and-equipment-under-epa-assistance-agreements)” for more information about procuring contractor services. This topic is also discussed in **Module 5 – Managing a Grant**.

# Reviewing Terms and Conditions

Now let’s discuss the types of terms and conditions that are included in grant award agreements.

# Types of Terms and Conditions

The grant agreement contains various terms and conditions that constitute a legally binding agreement between EPA and the recipient organization.

There are three types of terms and conditions:

* Administrative
* Programmatic
* Specific Conditions

EPA routinely updates its general administrative and programmatic terms and conditions, which are posted on its [Grant Terms and Conditions](https://www.epa.gov/grants/grant-terms-and-conditions) web page.

Next we will review the three types of terms and conditions in more detail.

# Administrative Terms and Conditions

Administrative terms and conditions are based on

* Applicable provisions of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ([2 CFR 200](https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl));
* EPA’s regulations at 2 CFR 1500 that implement and codify 2 CFR 200; and,
* Other pertinent laws, regulations, and EPA policy.

These regulations address such matters as payments, statutory requirements, and required administrative reports.

# Programmatic Terms and Conditions

Programmatic terms and conditions are provided by the EPA program office that supports the grant. They address the timing and content of progress reports and special performance requirements.

Example of a programmatic term and condition:

* The recipient agrees to submit quarterly progress reports to the EPA Project Officer within 30 days after each reporting period.

# Substantial Involvement Terms and Conditions for Cooperative Agreements

Cooperative agreements may also include programmatic “**substantial involvement” terms and conditions** that refer to activities to be performed by EPA, usually the Project Officer.

*Example of a cooperative agreement substantial involvement term and condition:*

* The EPA Project Officer will participate in planning sessions for each phase of the project to provide technical input.

# Specific Terms and Conditions

EPA may evaluate the risk posed by an applicant and impose additional specific award conditions as needed. Specific conditions will correspond to the degree of risk assessed and may be imposed when an applicant or recipient:

* Has a history of failure to comply with the general or specific terms and conditions of an award
* Fails to meet expected performance goals
* Is otherwise considered not responsible

Specific terms and conditions may also be requested by the recipient to cover special circumstances and can be negotiated between the recipient and EPA.

# Accepting the Grant Agreement

Now let’s review the process for accepting the grant agreement

# Resolving Issues with the Grant Agreement

If you have any concerns or questions or you find mistakes in the grant agreement, including the terms and conditions, contact the EPA Project Officer or Grants Specialist as soon as possible.

You must identify and notify EPA about these issues within 21 days of receiving the grant agreement. Contact information for the Project Officer and Grants Specialist is provided in the grant award document.

# Acceptance is Assumed *Unless Objections Are Raised*

EPA does not require recipients to submit a signed Affirmation of Award for new awards or amendments. The Notice of Award section in the grant agreement includes language that allows recipients to demonstrate that they agree with the award terms and conditions and their commitment to carry out an award by either:

* Drawing down EPA funds, or
* Raising no objections to the grant agreement within 21 days of receipt of the grant agreement

If the recipient has any concerns or objects to anything in the grant agreement, they must notify EPA within 21 days of receipt of the agreement and make no drawdowns. After 21 days, if the recipient has not raised any objections, EPA considers the agreement to be accepted, regardless of whether the recipient draws down funds.

# Requesting Payments

Recipients must be enrolled or enroll in the Department of Treasury’s [Automated Standard Application for Payments](https://www.epa.gov/financial/grants) (ASAP) system to receive payments under EPA grants.

There are a few exceptions for enrolling in ASAP, including:

* EPA provides a recipient an exception from this requirement.
* The recipient is exempt from this requirement under [31 CFR 208.4](https://www.ecfr.gov/cgi-bin/text-idx?SID=7fb26e95c8f7b0d6cf26f2ddf320d6f4&node=31:2.1.1.1.7.0.1.4&rgn=div8).
* A fellowship recipient is exempt pursuant to [40 CFR Part 46](https://www.ecfr.gov/cgi-bin/text-idx?SID=105006b6124f512df4f62181e85d4f0b&mc=true&tpl=/ecfrbrowse/Title40/40cfr46_main_02.tpl).

After the award, EPA will provide grant recipients instructions for enrolling in ASAP. EPA will not make payments to recipients until the ASAP enrollment requirement is met unless they are exempt or have obtained an exception.

ASAP is an electronic payment application for federal agencies to quickly and securely disburse funds to recipient organizations. Federal agencies authorize their payments and manage their accounts in ASAP, and recipient organizations then request payments from their pre-authorized account(s).

# Frequency of Payment Requests

Recipients must minimize the time between receiving payment from EPA and disbursing grant funds for allowable costs they have incurred. In other words, recipients may not obtain payments from EPA in excess of their immediate cash needs.

EPA’s General Terms and Conditions require that recipients disburse all of the funds they have received in response to a payment request within 5 business days of EPA’s ASAP transfer of funds to the recipient’s bank account.

# Review of What You Have Learned

You have reached the end of the module, so let’s review what you have learned.

# What You Have Learned

You have reached the end of the “Accepting a Grant Award” training module! You should now understand the procedures to accept an EPA grant award, including how to:

* Review a grant agreement
* Assess terms and conditions
* Accept a grant award

Continue to the next slide to take a brief knowledge check and to receive your module completion certificate.

# Additional Content

Reviewing the Grant Agreement

*“What’s the difference between a grant and cooperative agreement?” pop up text:*

*Depending on the nature of EPA’s involvement in a project, applicants will either receive a “grant agreement” or a “cooperative agreement.”*

*A “grant” is an agreement when EPA is not involved in carrying out project activities.*

*In a cooperative agreement, EPA has substantial involvement in conducting project activities. The responsibilities shared between EPA and the recipient are clearly outlined and accepted before the agreement is awarded. “Substantial involvement” refers to close EPA collaboration with the recipient in executing the project scope of work, and the terms of the cooperative agreement will describe EPA’s anticipated involvement. A cooperative agreement does not give EPA the right to direct the recipient as if it were an EPA contractor providing services to the Agency.*

Confirming the Cost Share (Matching Funds)

*More Information about the Cost Share (Matching Funds) – pop out text:*

*Recipients are not permitted to use funds received under another grant as the cost share for an EPA grant, unless specifically authorized by Federal law. For example, the Department of Housing and Urban Development’s Community Development Block Grant program includes a specific regulation to allow funds to be used to meet cost share requirements on other Federal grants (*[*24 CFR 570.201(g)*](https://www.ecfr.gov/cgi-bin/text-idx?SID=911a244d128b3ee2e85de3c307c0b729&mc=true&node=se24.3.570_1201&rgn=div8)*).*

*In-kind contributions from third parties, which are voluntary contributions of goods or services, may be used to satisfy cost-sharing requirements.*

Reviewing the Budget and Project Periods

*Learn more about pre-award costs – pop out text:*

*Pre-award costs incurred more than 90 days prior to award are allowable only with the prior written approval of EPA and to the extent they would have been allowable if incurred after the effective date of the award.*

*Primarily, pre-award costs are directly related to negotiations between EPA and the recipient incurred in anticipation of an award, and necessary for the efficient and timely performance of the project scope of work. Applicants incur pre-award costs at their own risk.*

*Once the award is made, the budget period listed on the award must encompass the period when the pre-award costs were incurred.*

Administrative Terms and Conditions

*View an example of an administrative term and condition – pop out text*

***Reimbursement Limitation***

*EPA’s financial obligations to the recipient are limited by the amount of federal funding awarded to date as reflected on the award document. If the recipient incurs costs in anticipation of receiving additional funds from EPA, it does so at its own risk. See 2 CFR 1500.8.*

Specific Terms and Conditions

*View examples of specific conditions – pop out text*

*Examples of specific conditions include:*

* *Payment on a reimbursement basis*
* *Prohibiting recipients from proceeding to the next phase of a project until EPA accepts their performance as satisfactory in previous phases*
* *Requiring the recipient to submit more detailed financial reports*
* *Additional monitoring by the EPA Project Officer*

# Thank you!

You have completed this module.

# Acronyms/Terms

Accurate Data:

The actual amount of income for grant project activities must be recorded when received.

Acquisition Cost of Equipment:

The net invoice price of the equipment, including the cost of any modifications, attachments, accessories, or auxiliary apparatus that are necessary to make the equipment usable for a grant project.

Administrative Advanced Monitoring (AAM):

Provides an in-depth assessment of a recipient’s written policies and procedures and includes transaction testing of a sample of drawdowns to ensure the recipient has the proper administrative and financial management systems in place to administer federal funds.

Administrative Baseline Monitoring:

Involves the review of a recipient’s compliance with the financial and administrative requirements and terms and conditions of a grant.

Administrative Capability Questionnaire:

EPA Form 6600-09

Administrative terms and conditions:

Address such matters as payments, statutory requirements, and required administrative reports.

Allocable costs:

The goods or services involved are chargeable or assignable to a cost objective in accordance with the relative benefits the grant receives.

Allowable costs:

Costs necessary and reasonable for the performance of the grant that are consistent with the policies and procedures that apply uniformly to both EPA grant activities and other activities of an organization.

Allowable travel costs:

Travel costs under a grant that are consistent with those normally allowed in like circumstances in an organization’s non-federally funded activities and in accordance with written travel reinforcement policies.

AOR:

Authorized Organization Representative

Appropriations:

Funds devoted to a purpose described in the appropriation act, funding for grants.

ASAP:

Automated Standard Application for Payments

Audits:

In-depth examinations of a grantee’s financial records, management systems, and work progress.

Authority:

Permission to award specific types of grants, described in environmental program statutes.

Authorizations:

Refers to the ability of the recipient’s financial management system to record, track, and document managerial/supervisory approvals, such as for payroll, travel, and purchases.

Awarding agency:

Refers to federal agency that made a specific award.

CFDA:

Catalog of Federal Domestic Assistance, provides detailed information about grant program objectives, types of eligible organizations, and application and award procedures.

CFR:

Code of Federal Regulations

Closeout:

The systematic process EPA uses to determine that a recipient has completed all of the required.

CMIA:

Treasure-State Cash Management Improvement Act

Cognizant agency:

The federal agency with the largest dollar value of awards with an organization.

Competitive Grant Opportunities:

EPA generally invites all eligible applicants to submit applications. EPA reviews and evaluates applications against criteria disclosed in the competitive announcement and makes selections.

Complete Data:

The accounting system must record all transactions, even those that are unallowable under the grant.

Continuing Environmental Program (CEP) Grants:

Allotment of funds is initially made based on factors contained in a statute, regulation, or Agency guidance that provides EPA some discretion in selecting recipients and the amount of funding. Most CEP grants are awarded non-competitively to governmental units each year to support ongoing state, tribal and local environmental programs. Most CEP grants may also be called “categorical grants” because they can only be used for specific purposes authorized by a statute and are funded from a line item in the State and Tribal Assistance Grant appropriation.

Contract:

For the purpose of obtaining goods and services for a non-federal entity's own use, creates a procurement relationship with a contractor.

Contractor:

An individual, organization, or for-profit company that receives grant funding to provide goods or services for the grant recipient’s own use.

Cooperative agreement:

EPA has substantial involvement in conducting project activities. The responsibilities shared between EPA and the recipient are clearly outlined and accepted before the agreement is awarded.

COSO:

Committee of Sponsoring Organizations of the Treadway Commission

Current Data:

All income and costs must be posted in the accounting system at or as near to the time they are incurred as possible.

DBE:

Disadvantaged Business Enterprise

Direct Charges:

Costs that can be assigned to a specific budget category.

Discretionary Grants:

EOA retains considerable authority in selecting the recipient, determining the amount of the award, and/or negotiating and approving the grant work plan.

DUNS:

Data Universal Numbering System (also known as UEI)

EPA:

U.S. Environmental Protection Agency

EPA Grants Specialist:

Main point of contact for any questions or communications of an administrative nature (which may include questions about forms, the budget, or administrative reports).

EPA Project Officer:

Main point of contact for any questions or communications related to the work being done under the project (including programmatic progress reports).

Equipment:

Under a grant, equipment is defined as personal property that has a useful life of more than 1 year and an acquisition cost of $5,000 of greater.

Expenditures:

Amount of money spent under the grant, including payments to subrecipients and contractors.

FAIN:

Federal program and federal award identification

FFR:

425 Federal Financial Report

GAAP:

Generally accepted accounting principles

GCDDO:

EPA’s Grants Competition Disputes Decision Official, an EPA employee who was not involved in the grant competition; he or she works outside of the EPA Program Office that conducted the competition.

GPI:

Grants Policy Issuance

Grant:

A legal instrument of financial assistance between a federal awarding agency and a non-federal entity used to enter into a relationship with the principal purpose of transferring anything of value from the federal awarding agency to a non-federal entity to carry out a public purpose as authorized by United States law.

Grant number:

Unique, eight-digit number (which is preceded by a one or two-character program code), how a grant will be identified in all documents and communications with EPA.

Indirect Costs:

Costs that are not readily identifiable with a particular activity but are necessary to the general operation of the organization and the conduct of the proposed project (such as general administration expenses).

Inputs:

Grant funds, matching funds, efforts of the recipient.

Interim reports:

Sometimes referred to as progress reports, summarize technical progress and activities completed under a grant.

LVFC:

EPA’s Las Vegas Finance Center

MBE:

Minority-owned Business Enterprise, a business concern that is at least 51 percent owned by one or more minority individuals, or, in the case of a publicly owned business, at least 51 percent of the stock is owned by one or more minority individuals, and whose daily business operations are managed and directed by one or more of the minority owners.

MTDC:

Modified total direct costs, refers to all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first $25,000 of each subaward (regardless of the period of performance of the subawards under the award).

Non-Competitive Grant Opportunities:

Made based on statutory, regulatory, or published program guidance allocation funding formulas for continuing environmental program support for units of government; other organizations are not invited to apply.

Non-Discretionary Grants:

Also known as formula grants, awarded primarily to state, tribal, and local governments. Congress directs these grants through an authorizing statute to one of more types of entities that meet the eligibility criteria. The amount of the grant is determined by a formula prescribed by the statute and implementing EPA regulations.

NPTCD:

The National Policy, Training and Compliance Division

Obligations:

When used in connection with a non-federal entity's use of funds under a federal award, refers to orders placed for property and services, contracts and subawards made, and similar transactions during a given period that require payment by the non-federal entity during the same or a future period.

OGD:

EPA’s Office of Grants and Debarment

OIG:

EPA’s Office of Inspector General, periodically examines EPA grants to ensure that grant funds are used efficiently and effectively.

OMB:

Office of Management and Budget

Outcome:

The result, effect, or consequence that will occur as a result of an environmental activity under a grant. Outcomes may be environmental, behavioral, health-related, or programmatic, and may not be necessarily achievable within your grants project period.

Output:

An environmental activity, effort, or associated work products related to an environmental goal or objective that will be produced or provided over a period of time. Outputs may be quantitative or qualitative, but must be measurable during a grant project period.

Participant support costs:

Stipends, travel allowances, and similar funds that support participation of an individual in a grant project.

Pass-through entity:

Primary grant recipient when subawards are made as part of a grant.

Personal Property:

Property of any kind, except real property, that has a physical existence (including equipment and supplies).

PI:

Program income, non-federal gross income that is directly generated by a grant-related activity and received by a recipient.

PII:

Personally identifiable information, PII means information that can be used to distinguish or trace an individual's identity, either alone or when combined with other personal or identifying information that is linked or linkable to a specific individual.

Procurement contractor:

An individual consultant, instructor or other expert who is not an employee of the recipient that receives grant funding to provide commercially available goods or services.

Programmatic Advanced Monitoring:

Provides an in-depth assessment of a grant’s programmatic and technical progress and management and how well the project is meeting expectations.

Programmatic Baseline Monitoring:

Involves the periodic review of a recipient’s progress in and compliance with, the scope of work, terms and conditions, and regulatory requirements of a specific award.

Programmatic terms and conditions:

Address the timing and content of progress reports and special performance requirements.

Prudence:

Exercising sound business judgment given a recipient’s responsibility to use federal funds efficiently.

RAIN:

Recipient/Applicant Information Notice

Reasonable costs:

In its nature or amount, it does not exceed what a prudent person would pay under the circumstances prevailing at the time the decision was made to incur the cost.

SAM:

Federal government’s System for Awards Management

SF:

Standard form

Single audit:

When an independent certified public accountant examines an organization’s entire operations, including ensuring that financial statements are presented in accordance with generally accepted accounting principles; assessing if internal controls are adequate to minimize risk of noncompliance; and verifying adherence to federal statutes, regulations, and the award terms and conditions.

Source documentation:

Invoices, receipts, bills. Online transaction confirmations, and other items.

Subaward:

When an organization receives an award of financial assistance from the pass-through entity to carry out part of the pass-through entity’s grant project.

Subrecipients:

Recipients of subawards.

Substantial involvement:

Refers to close EPA collaboration with the recipient in executing the project scope of work, and the terms of the cooperative agreement will describe EPA’s anticipated involvement.

Substantial involvement terms and conditions:

Refer to activities to be performed by EPA, usually the project officer.

Terms and Conditions:

Legal requirements imposed on a recipient by statute, regulation, program guidance, or the grant award itself. These conditions may apply to all grants or certain classes of grans, or they may be tailored for an individual award.

UEI:

Unique Entity Identifier (also known as DUNS)

Unallowable costs:

Those that EPA will not reimburse as part of a grant.

Uniform Grants Guidance:

OMB’s regulations at 2 CFR 200 and EPA’s specific regulations at 2 CFR 1500. Provides useful information about grant requirements, such as standards for financial and program management and how to identify allowable costs.

Unit cost data:

An estimate of how much it costs an organization to complete a single activity when that activity recurs regularly.

Unobligated balances:

The total federal funds authorized under a grant minus the grant expenditures and any unliquidated obligations, which are obligations incurred, but not yet paid (including amounts due to subrecipients and contractors).

WBE:

Women-owned Business Enterprise

Workspace:

The online, cloud-based environment used by Grants.gov to manage the application process.