

RAIN-2018-G06-R

EPA Requirements for Enrolling in the Automated Standard Application for Payments (ASAP) System and Disbursing EPA Funds Within 5 business Days of Drawdown

Notification Date: September 21, 2018

Revision Date: July 15, 2020

Purpose: This Recipient/Applicant Information Notice (RAIN) informs recipients and applicants of EPA's policy regarding the use of the ASAP system and disbursing funds promptly.

Purpose of Revision: Grants financial transactions are processed by EPA's Research Triangle Park Finance Center since the closure of EPA's Las Vegas Finance Center.

Summary: EPA now requires that recipients of EPA financial assistance participate in the Automated Standard Application for Payments (ASAP) system. EPA also requires that recipients (other than states) disburse substantially all funds within 5 business days of drawing down the funds from EPA.¹ Recipients may not retain more than 5% of the amount drawn down, or \$1,000 whichever is less, 5 business days after drawdown to materially comply with the standard. If a recipient draws down funds in excess of the allowed amount, the recipient must contact EPA's Research Triangle Park Finance Center at rtpfc-grants@epa.gov for instructions on whether to return the funds to EPA. Note that enrolling in ASAP provides recipients with access to their funds even if EPA is not fully operating due to a lapse of EPA appropriations or EPA financial system upgrades and recipients must continue to comply with the 5-business day disbursement requirement in these situations.

Both policy requirements are implemented in [EPA's General Terms and Conditions](#) for new awards as well as supplemental and incremental funding actions on or after October 1, 2018. This requirement does not apply to no-cost actions, direct stipend payments to Fellows under [40 CFR 46.200\(b\)](#), or to recipients exempt from electronic funds transfer payment requirements under [31 CFR 208.4](#).

Applicants or recipients who cannot satisfy one or both requirements may request exceptions to these requirements prior to or after award if they demonstrate that compliance will impose undue administrative or financial management burdens on the recipient or that granting the waiver is otherwise in the public interest.

The exceptions, if granted, will be effective for the life of the assistance agreement(s) covered by the request and may be subject to conditions. To request an exception, please see the Exception Instructions below.

Background: Over 95% of EPA financial assistance recipients are currently enrolled in ASAP - EPA's preferred payment mechanism since 1998. This payment method provides faster distribution of funds and allows recipients to more easily track funds than the manual Automated Clearing House (ACH) Payment method. Recipients enrolled in ASAP may be able to drawdown approved funds when EPA is

¹ For the purposes of this policy, the term "state" includes any state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, U.S. Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and any agency or instrumentality thereof exclusive of local governments.

making upgrades to financial management systems or during lapses of EPA appropriations. Recipients using the ACH or other payment systems are unable to drawdown funds electronically in these situations and must make alternate arrangements that are burdensome for both recipients and EPA.

While the regulations at [2 CFR 200.305\(b\)](#) require that recipients minimize the time elapsing between drawing down EPA funds and disbursing the funds for allowable costs, there have been misunderstandings about this requirement in the context of audits and other reviews. EPA actions to recover funds that were not disbursed in a timely manner can adversely impact recipients. EPA policy sets a nationally consistent 5 business day disbursement standard.

Policy Exception Instructions

Applicants or recipients may request exceptions to the ASAP enrollment or 5-business day from drawdown disbursement requirements described in EPA's General Terms and Conditions if they demonstrate that compliance places an undue administrative or financial management burden or EPA determines that granting the exception is in the public interest.

The exceptions, if granted, will be effective for the life of the assistance agreement(s) covered by the request and may be subject to conditions. Exception requests must be submitted in writing to the National Policy, Training and Compliance Division of EPA's Office of Grants and Debarment (OGD) at OGDWaivers@epa.gov. The email subject should be "ASAP Requirements Exception Request" or "5 Business Day Disbursement Exception Request," depending on the nature of the request, and the body of the email must include the following information:

- Funding Opportunity Number (FON) (if available)
- Organization Name and DUNS/Universal Identifier
- Organization's Contact information
- Explanation of the inability of the organization to utilize the Automated Standard Application for Payments (ASAP) system and/or to disburse EPA funds within 5 business days

OGD will generally respond to the request in writing within 15 calendar days of receipt although a longer response time may be necessary depending on the complexity of the matter and staffing considerations. If the ASAP Policy Waiver Request and/or 5 Business Day Disbursement Policy Waiver Request is granted, the applicant will receive documentation that their waiver is approved and that it applies to the life of the EPA assistance agreement. The applicant should maintain a copy of the waiver approval in their official grant file.