Fiscal Year 2021 Frequently Asked Questions for Technical Assistance to Brownfields Communities (TAB) Grants (as of 12/16/20)

1. I see that Letters of Support are not required as they were five years ago. In preparation for this RFA we started requesting Support Letters a couple months ago and have amassed quite a few. Can we include them in the attachments despite the fact that they are no longer required?

Answer: EPA will not review the Support Letters even if you include them. As per section IV.C. Content and Form of Application Submission. The only attachments that will be reviewed are Milestones schedule and Documentation of applicant eligibility, if applicable. Any additional documentation submitted with your application will not be reviewed.

2. Page 11 of the RFA states, "EPA reserves the right to reject all applications and make no awards under this announcement, make less awards than expected, not to make awards for each area, or make multiple awards in an area." I'm wondering if you can provide some clarification on the final clause of this statement. If entity A and entity B both apply to be the TAB provider for Region X but entity B makes a better case for providing TA to a specific State in Region X, could the region be subdivided by state between entities A and B?

Answer- No. EPA does not intend to make awards that subdivide the geographic areas listed on pages 6 and 7 of the solicitation among multiple technical assistance providers. EPA anticipates making 11 awards, one for each geographical area including all states in that area. As stated on page 7 of the RFA "Applicants must provide technical assistance to communities throughout their entire geographic area. Please note that the amount of funding provided to selected recipients will be commensurate with the level and amount of technical support being proposed. Those recipients proposing to provide less technical assistance may receive less funding than recipients proposing to provide a greater amount of technical assistance or serving a larger geographic area." And threshold criterion #3 on page 14 that states "Applications must include technical assistance to communities within the entire geographical area that the project addresses."

3. Regarding graphics, will an applicant be penalized if a small number of simple graphics that help illustrate points made in written sections are used, or organization logos on letter head/footers, if we stay within the specified page limits?

Answer: No, using an organization's logo on letter head/footers will not penalize an applicant. Applicants may choose to organize some information in a table, the RFA includes a couple sample tables for various information if you want to use them.

4. It appears that letters of support or commitment (to document leverage, for example) are not to be included in applications. Is that correct?

Answer: Yes. As per section IV.C. Content and Form of Application Submission. The only attachments that will be reviewed are Milestones schedule and Documentation of applicant eligibility, if applicable. Any additional documentation submitted with your application will not be reviewed

5. Do we need to fill out separate federal forms (424, 424a, Key Contacts, etc.) for each regional application? The info would be the same on each. I ask because in reviewing the federal forms we filled out 5 years ago it looks like we only filled out one set of forms. For example, 424a listed Total (g) as \$3,000,000 implying that the one form covered three regional applications.

Answer: As stated in Section I.B. of the RFA, "Applicants wishing to provide technical assistance in multiple geographical areas must submit a **separate** application for each geographic area they plan to serve." Therefore, if you are planning to submit two applications, you will need to submit each application separately in grants.gov and obtain two gants.gov tracking numbers. For each grants.gov submission, you will be required to upload a SF-424, SF-424 A, Key Contacts Form, and EPA Form 4700.

6. Can unrecovered indirect costs in excess of the 5% limit on administrative costs be used for voluntary cost share?

Answer: No. Consistent with 2 CFR 200.306(b)(4) and the definition of *Voluntary* committed cost sharing in 2 CFR 200.1, Section III B. of the TAB Request for Proposals advises that voluntary cost shares may only be met with allowable costs. Unrecovered indirect costs <u>normally</u> may be used to meet cost share requirements, mandatory or voluntary, with prior approval of EPA's Award Official (or GMO post-award) as provided at 2 CFR 200.306(c) and sections 6.0 and 6.5 of EPA's <u>Indirect Cost Rate</u> Policy and implementing <u>Guidance</u>. However, for costs to be allowable as cost share they must conform to any statutory limitations on the allowability of costs as provided in 2 CFR 200.306(b)(4) and 2 CFR 200.408. Indirect costs in excess of the CERCLA 104(k)(5)(E)(i) 5% administrative cost limitation are unallowable.

7. Can unrecovered indirect costs in excess of the 5% limit on administrative costs be counted towards leveraged funding other than voluntary cost share?

Answer: Yes. As stated in Section III B. of the TAB Request for Proposals:

Other leveraged funding/resources that are not identified as a voluntary cost share. This form of leveraging may be met by funding . . . from an applicant's own resources . . This form of leveraging should be discussed in the application but should not be included in the budget narrative or table. Costs covered by this form of leveraging need not be eligible and allowable project costs under the EPA cooperative agreement. While this form of leveraging should not be included in the budget, if selected, the grant work plan should include a statement indicating that the applicant is expected to produce the proposed leveraging consistent with the terms of the announcement and the submitted

application. If applicants propose to provide this form of leveraging, EPA expects them to make the effort to secure the leveraged resources described in their applications. If the proposed leveraging does not materialize during grant performance, then EPA may reconsider the legitimacy of the award and/or take other appropriate action as authorized by 2 CFR Parts 200 or 1500.

Note, however, that the weight EPA gives to proposed leveraged funding from unrecovered indirect costs may be minimal given that all applicants with indirect cost rates that exceed 5% will have unrecovered indirect costs.

ADMINISTRATIVE COSTS

N.1. Are there limits on administrative costs for Brownfield Grants?

Yes. Under CERCLA § 104(k)(5)(E), recipients may use only use up to 5% of the amounts of EPA funds made available under a Brownfields Grant to pay an administrative cost.

N.2. My organization's federally negotiated rate that is greater than 5%. Can we charge more than 5% for indirect costs? 50 We understand that many entities have negotiated indirect rates. However, the statutory authority for the Brownfields competitive grants caps the amount of grant funds that can be spent on administrative costs to 5%. The 5% cap of administrative costs is for all administrative costs, including indirect rates and other administrative expenses. For example, if an entity wants to charge their indirect rate to the grant, and their negotiated indirect rate is more than 5%, then they may charge their full negotiated rate but the total amount of allowable indirect costs is limited to 5% of the amount of the EPA grant. No other administrative expenses may be charged to the grant.

N.3. Does the term "administrative cost" include both direct and indirect costs?

Yes. Administrative costs include certain direct costs of grants administration and all indirect costs. Direct Administrative Costs, including those in the form of salaries, benefits, contractual costs, supplies, and data processing charges, are costs that are not included in the recipient's indirect cost pool and are necessary to comply with the provisions of the Uniform Administrative Requirements for Cost Principles and Audit Requirements for Federal Awards at 2 CFR Parts 200. Indirect Costs are those that are not specifically related to implementing the EPA award and are not readily identified with a specific project or organizational activity but incurred for the joint benefit of both projects and other activities. Overhead costs are a typical example of an indirect cost. Indirect costs are usually grouped into common pools and charged to benefiting objectives through an allocation process/indirect cost rate; 2 CFR § 200.414 and other provisions

of the Uniform Guidance. EPA's interpretation of the term "Administrative Cost" in CERCLA § 104(k)(5)(B) is based on similar limitations on administrative costs contained in sections 119(a)(1), (d)(4) and (d) and 319(h)(12) on the Clean Water Act.

N.4. Does the limit on administrative costs for Brownfield Grants conflict with the requirement in 2 CFR § 200.414(c) for EPA to accept recipients' negotiated indirect cost rate?

No. The regulation states that "[A] Federal awarding agency may use a rate different from the negotiated rate for a class of Federal awards or a single Federal award only when required by Federal statute . . . ". By statute, administrative costs for Brownfield Grants are limited to 5% of the amount of EPA funds made available under a Brownfields Grant.

N.5. What is the difference between an administrative cost and a programmatic cost? Administrative Costs. Administrative costs are direct costs, including those in the form of salaries, benefits, contractual costs, supplies, and data processing charges, incurred to comply with most provisions of the Uniform Administrative Requirements, Cost Principles, And Audit Requirements For Federal Awards contained in 2 CFR Part 200 and 2 CFR Part 200, Subpart E. Administrative costs include indirect costs the recipient incurs under the OMB Cost 51 Principles found at 2 CFR Part 200. Please note that prohibited administrative costs include application preparation costs. Programmatic Costs. EPA has determined that costs for activities that are integral to achieving the purpose of the cooperative agreement are considered as "programmatic" costs; not administrative costs. Direct costs are defined in the applicable OMB Cost Principle Circular. As required by 2 CFR § 200.403(d), recipients must classify administrative costs as direct or indirect consistently and may not classify the same types of cost in both categories. Please review 2 CFR § 200.412, Classifications of Costs, for more information.

N.6. How much of the grant funds can be used for administrative costs?

CERCLA, as amended by the 2018 BUILD Act, allows recipients to charge up to 5% of the total award grant funds for the payment of administrative costs. There is no similar cap on the amount that may be charged for the payment of programmatic costs.

N.7. What are examples of eligible direct administrative costs?

Eligible administrative costs subject to the 5% limitation include direct costs for: Costs incurred to comply with the following provisions of the Uniform Administrative Requirements for Cost Principles and Audit Requirements for Federal Awards at 2 CFR Parts 200 and 1500 other than

those identified as programmatic. i. Record-keeping associated with equipment purchases required under 2 CFR § 200.313; ii. Preparing revisions and changes in the budgets, scopes of work, program plans, and other activities required under 2 CFR § 200.308; iii. Maintaining and operating financial management systems required under 2 CFR § 200.302; iv. Preparing payment requests and handling payments under 2 CFR § 200.305; v. Financial reporting under 2 CFR § 200.327; vi. Non-federal audits required under 2 CFR 200 Subpart F; and vii. Closeout under 2 CFR § 200.343 with the exception of preparing the recipient's final performance report. (Costs for preparing this report are programmatic and are not subject to the 5% limitation on direct administrative costs.)

N.8. Can I meet the required statutory cost share with administrative costs?

Yes. Eligible and allowable expenses may include administrative costs borne by the recipient or a third-party to meet its cost share obligation; including indirect costs, subject to the 5% limit on administrative costs.

- N.9. What are examples of allowable programmatic costs that are not subject to the 5% administrative cap?
- 52 EPA has determined that direct costs for activities that are integral to achieving the purpose of the cooperative agreement are considered as "programmatic" costs; not administrative costs. Direct costs are defined at 2 CFR § 200.413. As required by 2 CFR § 200.403(d), recipients must classify administrative costs as direct or indirect consistently and may not classify the same types of cost in both categories.

Please review 2 CFR § 200.412, Classifications of Costs, for more information. The following are examples of eligible programmatic costs:

- 1. In the case of cooperative agreements for site characterization and assessment, expenses for inventorying, characterizing, assessing, and conducting planning related to brownfield sites.
- 2. In the case Revolving Loan Fund Grants: expenses for making and managing loans; expenses, including financial management expenses, for operating the revolving loan fund; and expenses for making and managing subgrants under CERCLA § 104(k)(3)(B)(ii).

- 3. In the case of cooperative agreements for remediation of brownfield sites under CERCLA § 104(k)(3)(A)(ii), expenses for site remediation activities.
- 4. In the case of a cooperative agreement for the implementation of Brownfields Programs under CERCLA §104(k)(7), expenses for providing training, research, and technical assistance.
- 5. Costs incurred for complying with the procurement standards of 2 CFR §§ 200.317 through 200.326 are considered eligible programmatic costs only if the procurement contract is for services or products that are direct costs for performing eligible programmatic activities under the cooperative agreement 6. Costs for performance and financial reporting required under 2 CFR § 200.328 and 2 CFR § 200.328 are eligible programmatic costs. Performance and financial reporting are essential programmatic tools for both the recipient and EPA to ensure that cooperative agreements are carried out in accordance with statutory and regulatory requirements. Other examples of programmatic costs include: • Expenses for travel, training, equipment, supplies, reference materials, and contractual support if those costs are reasonable and allocable to tasks specified in a grant recipient's EPA-approved workplan. • Salaries and fringe benefits of employees working on eligible activities under the EPA award. • Operation of a public repository associated with the remediation of a site. • Maintenance of the brownfields project website. (This is an allowable community involvement cost.) • Title search. For example, in an RLF Grant, post-award costs for title searches the recipient incurs in connection with making a loan or a subaward. • Legal services. For example, post-award legal services such as reviewing contracts under all types of grants, or subaward agreements (loans or subgrants) or CERCLA § 107 (hazardous substances)/petroleum liability analyses in the RLF Grants. For further information on these prohibitions, contact your Regional Brownfields Contact.