

## RAIN-2019-G02

### Interim General Budget Development Guidance for Applicants and Recipients of EPA Financial Assistance

**Notification Date:** May 28, 2019

**Purpose:** EPA has issued [Interim General Budget Development Guidance](#) to assist applicants and recipients with properly categorizing costs for object class categories in the [Standard Form 424A](#), “Budget Information for Non-Construction Programs,” when applying for EPA financial assistance. This interim guidance does not supersede requirements contained in regulations, the terms and conditions of EPA financial assistance agreements, or published EPA policies.

**Summary:** This guidance is a tool that may be used by applicants and recipients of EPA funds when preparing proposed work plans, budgets, and budget narratives for EPA assistance agreements for project grants/cooperative agreements and continuing environmental program (CEP) grants except to the extent cost categories are covered by EPA’s:

- [Interim Guidance on Cost Review of Grants/Performance Partnership Grants Awarded under 40 CFR Part 35 Subpart A](#)
- [Grants Policy Issuance 13-02: Streamlining Tribal Grants Management \(40 CFR Part 35 Subpart B Programs\)](#).

This Interim Guidance supplements but does not supersede these Part 35 Subpart A and B guidances. It is not intended for use on State Clean Water and Drinking Water Revolving Loan Fund capitalization grants.

**Background:** Proper categorization of costs is important for effective management of EPA financial assistance awards. EPA conducts pre-award cost reviews for all assistance agreements, except those awarded on a fixed-amount basis. Correctly characterizing costs will make the review process more efficient for both EPA and applicants. Additionally, properly categorized costs are less likely to be questioned by auditors during post-award reviews. The interim guidance provides applicants and recipients with information to ensure that costs are appropriately characterized. Nonetheless, it is important for recipients to consult with their EPA Project Officers and Grant Specialists when considering incurring costs that require prior EPA approval, or seem unusual and are not covered in the Interim Guidance, the [2 CFR Part 200, Subpart E, General Provisions for Selected Items of Cost](#) or EPA’s [Selected Items of Cost Guidance \(RAIN-2018-G01-R\)](#).

#### Related Resources:

[General Budget Development Guidance for Applicants and Recipients of EPA Financial Assistance--- Interim Guidance](#)

[RAIN-2018-G01-R EPA Office of Grants and Debarment Guidance on Selected Items of Cost for Recipients \(Selected Items of Cost Guidance\)](#)