

Attachment 3

New Requirements and Reminders

EPA Policies for EPA Grant Recipients

EPA has compiled its policies and guidance documents for grant recipients on a single webpage for easy reference: <https://www.epa.gov/grants/epa-policies-epa-grant-recipients>. While we notify our recipients of new policies via email, we encourage you to visit this page periodically to review any new guidance or policies that have been posted.

EPA General Terms and Conditions

As a reminder, the EPA repository for the general terms and conditions by year can be found at <https://www.epa.gov/grants/grant-terms-and-conditions>. These conditions are referenced in the award document along with the grant-specific administrative and programmatic terms and conditions that are applicable to your assistance agreement.

Interim Best Practice Guide for Procuring Services, Supplies, and Equipment Under EPA Assistance Agreements

The Office of Grants and Debarment (OGD) issued an [Interim Procurement Guidance](#), effective August 25, 2017, to assist recipients in complying with new procurement requirements. Specifically, the implementation of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Grants Guidance or UGG) of 2 CFR Part 200 revised the [Procurement Standards](#). Additionally, EPA's [Subaward Policy and related guidance](#) refined and clarified EPA's position on the distinction between procurement contracts and subawards. OGD will finalize the Interim Procurement Guide following completion of tribal consultation.

Participant Support Costs

The implementation of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Grants Guidance or UGG) of 2 CFR 200 changed the treatment of Participant Support Costs (PSC). Specifically, recipients must exclude PSC from Modified Total Direct Costs (MTDC) for distribution of indirect costs. The UGG also established more stringent requirements for subrecipient monitoring and management, highlighting the importance of properly differentiating between subawards and PSC.

The UGG at [2 CFR 200.75](#) defines PSC as: direct costs for items such as stipends or subsistence allowances, travel allowances and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with conferences, or training projects.

Important Regulations affecting Participant Support Costs include:

1. Under [2 CFR 200.456](#), "**Participant support costs**," recipients must obtain prior written approval from EPA's Award Official or another official authorized to make regulatory decisions

to use Agency funds for PSC. The recipient's budget narrative and work plan must describe the type of PSC the recipient will provide and specify an amount for PSC. Alternatively, if the recipient did not anticipate PSC in its proposal, the recipient may make a post-award request that an Authorized EPA Official approve the use of assistance agreement funds for PSC. The recipient must submit a revised budget specifying the amount of PSC.

2. Under [2 CFR 200.308\(c\)\(1\)\(v\)](#), “**Revision of budget and program plans,**” recipients must obtain approval from an Authorized EPA Official to transfer funds budgeted for participant support costs to other categories of expense. It is important that the recipient's budget narrative specifies the amount of PSC in a separate line item. A recipient's failure to obtain prior EPA approval for transferring funds from PSC to other direct cost categories may be subject to cost disallowance or other enforcement action unless the OGD grants an exception to the regulation under 2 CFR 1500.3.

3. As required by [2 CFR 200.68](#), **Modified Total Direct Cost, (MTDC)**, the recipient must exclude PSC from its distribution of indirect costs if the recipient's approved indirect cost rate uses MTDC as its base. Note that this requirement reflects a modification of Federal policy that previously provided that PSC should “generally” be excluded from MTDC.

4. Participant support costs are subject to the “Basic Considerations” for the allowability of costs described in 2 CFR Part 200, Subpart E. The costs must be reasonable, incurred within the project period and otherwise allocable to the EPA assistance agreement and adequately supported by accounting records. For example, recipients should develop a documented allocation methodology for program participant travel that accomplishes multiple purposes that include activities outside of the scope of work for the EPA assistance agreement. Recipients should obtain receipts for training or community meeting attendance stipends particularly if the payments are made in cash.

Subaward Policy

The revised Subaward Policy, effective March 29, 2016, implements the new requirements for subrecipient oversight and management contained in the Uniform Grants Guidance (see [2 CFR 200.330 - 200.331](#)). The UGG requirements are substantially more stringent than those found at 40 CFR Parts 30 and 31.

The Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Grant Guidance or UGG) codifies standards for distinguishing between subawards and contracts at 2 CFR 200.330 and this Subaward Policy provides additional guidance consistent with that regulation.

Under 2 CFR 200.331, pass-through entities must include a number of provisions in subaward agreements and implement effective systems to monitor and guide subrecipient performance; this Subaward Policy provides guidance on how EPA will oversee compliance with those requirements.

This policy applies to all financial assistance agreements awarded to pass-through entities on or after March 29, 2016 including new agreements and incremental or supplemental amendments to existing agreements. The Subaward Policy does not apply to collaborative relationships, including those documented in a written agreement, between recipients and a third parties that do not involve the transfer of assistance funds or property purchased with assistance funds. The

Agency may apply the Subaward Policy, or selected provisions of it, to other financial assistance agreements with the consent of the pass-through entity.

[EPA's Subaward Training for EPA Assistance Agreement Recipients](https://www3.epa.gov/grants-training/epa_subaward_policy_training_for_epa_assistance_agreement_recipients/story.html) can be accessed via the following URL: https://www3.epa.gov/grants-training/epa_subaward_policy_training_for_epa_assistance_agreement_recipients/story.html

Submittal of Electronic Grant Documents

Starting January 1, 2018, applicants are required to apply through Grants.gov using the [Workspace](#) submission method. Grants.gov expects this change will benefit applicants in a number of ways due to the features it offers. Workspace allows a grant team to simultaneously access and edit different forms within an application. Plus, applicants have the option to fill out online webforms or the offline PDF versions of the forms. Grants.gov no longer supports the legacy submission method and applicants are now required to apply using Workspace.

Please continue to submit signed pdf copies of the following documents through EPA Region 2's dedicated email in-box, Region2_GrantApplicationBox@epa.gov:

- Revised forms and documents for financial assistance applications that have already been submitted through Grants.gov. Only scanned pdf documents with signatures will be accepted as valid applications. Documents submitted in other file formats will not be accepted.
- Applications for supplemental funding amendments;
- Requests for award amendments that do not involve additional funding, including requests to rebudget funds and to extend the budget and/or project periods of the award;
- Indirect Cost Rate agreements and proposals;
- Courtesy copies of [Federal Financial Reports](#) (FFRs; Standard Form 425s) that you submit to the EPA Las Vegas Finance Center;
- [EPA Form 5700-52A, "MBE/WBE Utilization Under Federal Grants, Cooperative Agreements and Interagency Agreements."](#)
- Updates to recipient information, including email addresses, changes in contact information or changes in authorized representatives.

Again, all initial assistance applications for grants and supplemental funding applications for CEPs must go through Grants.gov. We will continue to receive non-CEP supplemental funding amendment applications, extension requests and rebudgeting requests through our Region 2 email inbox.

Grants Management Webinars

In an effort to keep EPA grant applicants and recipients informed, EPA's Office of Grants and Debarment periodically hosts informational Webinars on various grants management topics. Whether you are applying for an EPA grant, or are currently managing an EPA grant we encourage you to attend these Webinars. To obtain information about upcoming Webinars and to view/listen to previous Webinars, please visit the following website:

[Recipient Training Requirements And Opportunities](#)

Grants Management for Tribal and Territorial Organizations

EPA's Office of Grants and Debarment (OGD) worked with the national Partnership for Environmental Technology Education (NPETE) to develop training materials. While OGD is no longer able to offer in-person training classes, the training materials, including the training manuals and webinar recordings, are available for download at [Grants Management Training Materials for Tribal Organizations](#).