

EPA Grants Developing a Budget Webinar, May 5, 2022 Frequently Asked Questions (FAQ)

Q1: Can a subaward, if awarded to an LLC for-profit organization, still receive the 10% indirect rate?

A1: EPA does not have a direct relationship with the prime awardee/recipient. The subrecipient needs to work directly with the prime recipient to negotiate indirect costs. It is the prime recipient's discretion to allow/not allow the use of the 10% de minimis rate.

Q2: I can't find the indirect cost training on the website. Can you please share the link?

A2: Indirect Costs is Module 4 of the How to Develop a Budget Training. Here is the link to all modules: <https://www.epa.gov/grants/how-develop-budget>. Click on the launch button to start the module: https://www3.epa.gov/grants-training/how_to_develop_a_budget_module_4_indirect_costs/story.html.

Q3: Are there funding opportunities to upgrade an older administrative municipal building that needs expansion for public meetings and greater workforce when the building has asbestos or other safety concerns?

A3: All EPA funding opportunity notices are published on Grants.gov along with all other federal agencies. You can search all grant opportunities by key words and filter by agency. Some EPA grant programs are listed at: <https://www.epa.gov/grants/specific-epa-grant-programs>.

Q4: Do you submit the non-construction or construction SF-424, or do you have to submit both?

A4: You will submit the SF-424A or the SF-424C for EPA grant programs. Most EPA grant programs utilize the SF-424A (Budget for Non-Construction). The specific application forms are always specified in the specific grant funding opportunity notice.

Q5: What is the difference between a direct and indirect cost?

A5: Please take the How to Develop a Budget Course at: <https://www.epa.gov/grants/how-develop-budget>. Module 2 discusses Direct Costs and Module 4 discusses Indirect Costs. Definitions of these terms are also in [2 CFR 200.1](#).

Q6: If using a 10% indirect rate, what can it be 10% of? Subcontractors? Labor if the labor is being used as a match?

A6: Please review EPA's Indirect Cost Policy for Recipients at: <https://www.epa.gov/sites/default/files/2021-04/documents/indirect-cost-policy-for-recipients-of-epa-assistance-agreements.pdf>. The de minimis rate is explained in more detail in Section 6.3 and in the regulations at 2 CFR 200.414.

Q7: Since certain conferences can be anywhere in the country, how should you estimate and show travel costs?

A7: Costs need to be reasonable, allocable, and allowable. Your SF-424A will detail the budget you are proposing. It is the applicant's responsibility to research costs.

Q8: Is the Project Officer or Grant Specialist assigned to the application or could a municipal agency have a Project Officer or Grants Specialist who helps walk through the process?

A8: An EPA Project Officer and Grants Specialist are not assigned to an application. If you have questions about the application process, please consider attending a future Competition Process Webinar or view the [recently recorded webinar here](#) to learn about what EPA can and can't do regarding assistance to applicants. If you are interested in a particular grant program, please contact the agency contacts in the posted Notice of Funding Opportunity.

Q9: Can I charge a grant an indirect cost without having an approved indirect cost rate?

A9: Organizations must work with their federal cognizant agency to negotiate indirect costs rate, or the 10% de minimis rate is available. The award budget must reflect indirect costs in order for them to be incurred. You can view Section 6.3 of EPA's Indirect Cost Policy for Recipient of EPA Assistance Agreements at: <https://www.epa.gov/sites/default/files/2021-04/documents/indirect-cost-policy-for-recipients-of-epa-assistance-agreements.pdf>.

Q10: Could you give examples of typical pre-award costs? And can you please repeat the time window prior to award approval that pre-award costs qualify?

A10: Please see the definition of Pre-Award Costs at 2 CFR 200.458: <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-E/subject-group-ECFRed1f39f9b3d4e72/section-200.458>.

Q11: Does the EPA define what it considers to be permit fees that aren't to be included in program income?

A11: EPA's supplemental regulations at 2 CFR 1500.8 discuss program income and governmental revenues (such as permit fees). Each grant program will outline permit fees. Please contact the agency contact in the funding opportunity if you have questions about a specific grant funding opportunity.

Q12: Does EPA have guidance showing how to complete the SF-424A? If not, please consider making a training video to show applicants the correct way to fill out the form.

A12: EPA has a How to Develop a Budget Training that will help you fill out the SF-424A. It is available at: <https://www.epa.gov/grants/how-develop-budget>. We also have General Budget Development Guidance: <https://www.epa.gov/grants/rain-2019-g02>.

Q13: Please share more examples of the correct options to use the requested funds.

A13: Each grant program will include specific goals and objectives of EPA's Strategic Plan and the associated environmental outcomes and outputs. Costs are completely dependent on the specific grant program.

Q14: What would trigger the need for a post-award budget revision?

A14: It depends. If you have questions regarding a post award budget revision, contact your Grants Specialist. One example is if an activity (such as putting on a conference) was planned and included in the budget of the award but then the pandemic hit and the

conference had to be cancelled. If the grant recipient wants to use the funds that were approved for the conference for other activities instead, it is likely that a post-award budget revision would be necessary. Depending on the proposed new activities, a change to the workplan could also be required, and EPA would likely need to amend the grant.

Q15: Are there any training or webinars for developing the actual budget table and where to find accurate rates?

A15: EPA has a How to Develop a Budget Training that will help you fill out the SF-424A. It is available at: <https://www.epa.gov/grants/how-develop-budget>, particularly modules 2 – 4. We also have General Budget Development Guidance: <https://www.epa.gov/grants/rain-2019-g02>.

Q16: We provide stipends to residents involved in sampling. What type of cost would this be?

A16: It depends on your organization and how you categorize your employees. If you have specific questions, please reach out to the EPA grant program contact. EPA's Budget Development Guidance can also assist with more detailed questions: <https://www.epa.gov/sites/default/files/2019-05/documents/applicant-budget-development-guidance.pdf>

Q17: Are all grants reimbursable?

A17: This will be outlined in your grant terms and conditions, and we suggest checking out the recording of EPA's [Financial Management Webinar](#) for more information on how to obtain and manage your EPA funds after award. If you have questions about the award, talk to your Grants Specialist. Most grants allow recipients to draw down funds as needed, however, there are some options EPA may utilize to remedy non-compliance (2 CFR 200). For example, recipients with a history of improper payments may be required to submit documentation (invoices, receipts, etc.) to EPA for review and approval, prior to being able to draw down funds. We can't speak to other federal agencies.

Q18: Where can the budget tool be found for dividing time on multiple projects?

A18: EPA does not have a tool for dividing time on multiple projects; however, there may be some accounting or payroll programs that include this feature. Grant recipients are required to have systems in place to manage these aspects of the grant(s).