

FAQs – The Environmental Justice Thriving Communities Grantmaking Program (EJ TCGM)

The Request for Application was Amended March 19. These FAQs have been updated to reflect the changes made in the RFA.

FAQ SECTIONS

[Eligibility](#)

[Partnerships](#)

[Application Preparation](#)

[Subgrant Procedures](#)

[Administrative](#)

[Fiscal/ Grant Expenditures](#)

Eligibility

1) Who is eligible to apply to be a Grantmaker?

Eligible Grantmaker entities include:

- a) a community-based nonprofit organization (includes philanthropic organizations and community foundations); or
- b) a partnership of community-based nonprofit organizations
- c) a partnership between— a federally recognized tribal government and a community-based nonprofit organization
- d) a partnership between— an institution of higher education and a community-based nonprofit organization;

Ineligible Grantmaker applicants: States and local governments; quasi governmental entities; US Territories; hospitals; for profits; international organizations; individuals. Institutions of Higher Education may only apply for funding in statutory partnership with one or more community-based nonprofit organizations. For-profit colleges, universities, trade schools, and hospitals are ineligible

Eligible Subgrantee entities include:

- Nonprofit organizations
- **Community-based** and grassroots nonprofit organizations (Having 501(c)(3) tax exempt status is one means of documenting that an entity is a *Nonprofit organization* under 2 CFR 200.1 for the purposes of eligibility. Incorporation as a nonprofit organization under state laws or having 501(c)(6) tax exempt status as a trade association is also an acceptable means for an entity to document that it is a nonprofit organization.)
- Philanthropic and civic organizations with nonprofit status
- Tribal governments (both federally recognized and state-recognized) and intertribal consortia
- Native American Organizations (**includes Indian groups, cooperatives, nonprofit corporations, partnerships, and associations that have the authority to enter into legally binding agreements**)
- **Local governments (as defined by 2 CFR 200.1 – includes cities, towns, municipalities, and counties, public housing authorities and councils of government) ☐**
- **Institutions of higher education (e.g., private and public universities and colleges, including community colleges)**

- Puerto Rico
- US Territories
- Freely Associated States (FAS)

Ineligible subrecipients include: Individuals, For profit businesses, State governments

- 2) **Does a national nonprofit organization that works with multiple populations/communities (not any one focused group/community) qualify? Yes,** A nonprofit organization is eligible to apply if the organization supports and/or represents a community or communities and/or certain populations within a community or communities through engagement, education, and other related services provided to residents and stakeholders within the target community. A “community” or communities can be characterized by a particular geographic area and/or by the relationships among members with similar interests and can be characterized as part of a broader national or regional community where organizations can be focused on the needs of urban, rural, and/or tribal areas, farmworkers, displaced workers, children with high levels of lead, people with asthma, subsistence fishers, and other similar groups.
- 3) **Are state-recognized tribal governments eligible to apply for this opportunity?** No. State-recognized tribal governments are not eligible to apply as Grantmakers to this opportunity. However, they are eligible subrecipients who can receive EJ thriving Communities Subgrants from a Grantmaker.
- 4) **What is the eligibility designation between a nonprofit organization and a community-based nonprofit organization (CBO)?** Not all nonprofit organizations qualify as CBOs. A nonprofit organization as defined by 2 CFR 200.1 is any “corporation, trust, association, cooperative, or other organization that is operated mainly for scientific, educational, service, charitable, or similar purpose in the public interest and is not organized primarily for profit”. CBOs are defined as public or private nonprofit organizations that support and/or represent a community and/or certain populations within a community through engagement, education, and other related services provided to individual community residents and community stakeholders.

For this RFA, the EJ Grants program defines a “community-based nonprofit organization” (CBO) as a public or private nonprofit organization that supports and/or represents a community and/or certain populations within a community through engagement, education, and other related services provided to individual community residents and community stakeholders. A “community” can be characterized by a particular geographic area and/or by the relationships among members with similar interests and can be characterized as part of a broader national or regional community where organizations can be focused on the needs of urban, rural, and/or tribal areas, farmworkers, displaced workers, children with high levels of lead, people with asthma, subsistence fishers, and other similar groups.

- 5) **Are development organizations based in USA, but with both domestic and international projects eligible to apply?** Yes, qualifying CBOs incorporated in under the laws of an U.S. state which conduct both domestic and international work are eligible to apply to be a Grantmaker.

An ineligible “International organization” is defined as a public international organization entitled to enjoy privileges, exemptions, and immunities as an international organization under the International Organizations Immunities Act (22 U.S.C. 288–288f). These organizations are usually made up of governments or other international organizations. There is a [list of Public International Organizations](#), which consists of entities that would be ineligible to apply to be a Grantmaker.

- 6) It appears rural communities are considered disadvantaged communities. What defines "rural"?** Rural areas are defined in our “Government to Government” Notice of Funding Opportunity (EPA-R-OEJECR-OCS-23-02) as one of the following:
- a. Local areas with populations of 50,000 or less that have limited access to public or private resources commonly found in metropolitan areas
 - b. Community Network areas selected by the Rural Partners Network (See [rural.gov](#) for a complete list of communities)
 - c. Coal and Energy Communities (See [energycommunities.gov](#) for a complete list of communities)

Partnerships & Roles

- 1) Can a community-based nonprofit organization (CBO) partner with a for profit community driven organization?** No, if by “partner” you are referring to a non-competitive sole source procurement contact with a for profit firm in excess of the \$10,000 micro-purchase limit in 2 CFR 200.320. CBOs and for-profit firms and consultants can enter into competitive contracts under the “procurement relationship” guidance in the Grantmaker RFA. These relationships must be established in compliance with the competitive requirements in 2 CFR Part 200 and 2 CFR Part 1500 as interpreted in the [Best Practice Guide for Procuring Services, Supplies, and Equipment Under EPA Assistance Agreements](#).
- 2) Can higher education institutions partner with multiple community-based nonprofit organizations (CBOs)?** Yes. An institution of higher education can partner with CBOs under a “Statutory Partnership”. Institutes of higher education must provide a subaward to CBOs to be eligible to receive a Grantmaker award. This must be documented with the signed Letter of Commitment from the CBO.
- 3) If a statutory partner (not the lead applicant) operates as a fiscal sponsor to many grassroots groups would their fiscal sponsees be ineligible to apply for the Thriving Community Subawards?** EPA does not recognize the “fiscal sponsor” concept. If a nonprofit that considers itself to be a fiscal sponsor qualifies as a community based non-profit organization as a statutory partner, that CBO may have an impermissible organizational conflict of interest when making decisions regarding subaward/subgrant to the grassroots groups with which it has financial relationships. Note: Unincorporated groups lack the legal capacity to enter into subaward/subgrant agreements. For additional information on the EPA views on fiscal sponsorship see questions **A.50 and A. 51** of the EPA Subaward Policy Frequent Questions address this and are available at the link below.
https://www.epa.gov/system/files/documents/2023-04/epa_subaward_policy_frequent_questions.pdf
- 4) If a statutory partner provides financial management and grant management support for the Grantmaker, would the Grantmaker be able to transfer the award to the statutory partner to handle financial management functions for them? Example: as is standard practice for community**

foundations, we are listed as the grantor for our philanthropic pooled funds, while the Grantmaker would be the fund manager determining who receives grants based on their process. Does that work here? No, EPA will award the cooperative agreement to a single eligible entity. That entity may provide subawards to its statutory partners provided the partnership requirements in the RFA are met. The cooperative agreement recipient may not transfer the award to a different entity without EPA terminating the cooperative agreement through a “novation” process which would lead to the transfer of the award to a different eligible entity. Only the entity that receives the cooperative agreement may draw down federal funds and that entity is responsible for financial and grant management. However, as part of the statutory partner agreement, another entity that receives a subaward may provide support to the cooperative agreement recipient for financial or grants management purposes.

- 5) If Grantmakers partner with CBOs for the governance framework or through a statutory partnership, will those CBOs then be prevented from applying to the EJ Thriving Communities Subgrants program?** Organizations that are part of the decision-making regarding a Grantmaker award process (e.g., reviewing applications, scoring applications, making recommendations regarding which applications to fund) MUST recuse themselves from also applying for subgrant funding for an EJ project from the Grantmaker. A Grantmaker could work with a set of CBO partners to design the application and grant monitoring process as part of an initial, timebound Advisory Committee, but not involve this committee in running the competition or scoring the applications. For example, if a particular CBO is serving on an advisory board that is working to set up the rubric for evaluating applications (which would be made public for all applicants) then they MAY still apply for an EJTCM Subgrant. These and other scenarios can be found in the Participatory Governance resource on the TCGM webpage.
- 6) Can a single application include multiple statutory partnering organizations (such as two HBCUs and/or an HBCU and one or more partnering CBOs) for the performance of the EJ TCGM grant award?** Yes, as long as one partner is a CBO multiple partners are allowed (and encouraged) to serve collectively as a Grantmaker.
- 7) With a more decentralized approach where there would be one lead and multiple CBOS making grants “mini-grantmakers” (as directed and memorialized in a Statutory Partnership agreement), would these "statutory partnerships" serving as mini-grantmakers be subject to the same compliance and audit requirements and more that the "lead/prime" is? Or are they somewhat insulated since their agreement is with the Lead rather than with the EPA directly?** All statutory partners who receive subawards from the lead applicant are subject to the same statutory, regulatory and programmatic requirements specified in the “prime” (aka the “pass-through entity) recipient’s cooperative agreement with EPA. Under 2 CFR 200.332(a)(2) the subaward agreement must specify “[A]ll requirements imposed by the pass-through entity on the subrecipient so that the Federal award is used in accordance with Federal statutes, regulations and the terms and conditions of the Federal award.” Two key examples of statutory “flow down” requirements in addition to Title VI of the Civil Rights Act are Davis Bacon and Build America Buy America which apply to any construction projects the statutory CBO partners would fund through their subgrant program. The 2 CFR Parts 200 and 1500 Procurement Standards flow down as do the subrecipient monitoring requirements in 2 CFR 200.332. **Note:** audit requirements may not apply to smaller Community Based Nonprofit Organization partners based on the coverage threshold. As provided in 2 CFR 200.501(a) only CBOs that expend \$750,000 or

more in Federal funds (e.g. subawards, direct grant funding from Federal agencies) during the CBO's fiscal year are subject to the Single Audit Act requirements described in 2 CFR Part 200, Subpart F.

- 8) Does the National Grantmaker need to establish its own application and proposal management system or could this process flow through the Regional Grantmakers' guidelines?** Yes, the National Grantmaker does need to have a process to establish their own application and proposal management process. A system/process that has the capability of coordinating with the regional Grantmakers' system is reasonable.
- 9) Will Grantmakers be required to impose the same federal rules on the grantees that EPA would require if they were granting the money directly?** Yes, the federal regulations on federal grantees flow down to their subrecipients as provided in 2 CFR 200.332.
- 10) Will the ultimate subgrantee (the EJ community) be required to meet all of OMB's rules and conditions in 2 CFR 200?** Yes, the federal regulations on federal grantees flow down to their subrecipients as provided in 2 CFR 200.332. Note that not all of the provisions in 2 CFR 200 apply to subgrantees. Additionally, EPA expects to reduce the federal requirements of section 9.0 of the EPA's [Subaward Policy](#) which describes types of fixed amount subawards that EPA will approve. The Grantmakers as the pass-through entity or "prime" recipient are responsible for ensuring that their subrecipients understand and comply with all regulations. The Grantmakers are expected to provide technical oversight to their subrecipients, including making clear all regulations that must be complied with based on the terms of 2 CFR 200 and 1500 as well as statutory requirements such as the Davis-Bacon Act for construction projects as well as Title VI of the 1964 Civil Rights Act.
- 11) The RFA cites that applicants cannot apply for more than two applications. Does this only apply to the lead applicant?** Yes, this only applies to lead applicants. An organization can be listed as a subrecipient on as many applications as it wants. However, it can only apply as the lead on two applications.
- 12) Does being a subaward partner require any organizational reporting to EPA?** No. We expect quarterly reporting from each Grantmaker, so it will probably be a comparable reporting frequency for the subaward partner to report to the Grantmaker.
- 13) Project management/reporting process for subrecipients. Since the communities will be subrecipients of a federal grant, will the reporting requirements be solely those of the Grantmakers, or will there be federal requirements as well?** Subrecipients will be subject to reporting requirements that are described in their subaward agreement with the Grantmaker. As provided in 2CFR 200.332(a)(2) and (3) subrecipients will be subject to requirements that stem from the Grantmakers federal award as well as the Grantmakers own requirements that will ensure that federal requirements are met which may include any financial and performance reports. Quarterly reporting from each Grantmaker is expected by the EPA, so it will probably be a comparable reporting frequency for the subrecipients. Some more helpful detail can be found in section C. applicant/Grantmaker reporting this progress to the EPA's project manager via quarterly progress reports for each 12-month reporting period throughout the duration of the agreement.

- 14) How does funding flow between EPA and Grantmaker?** We assume this question relates to the timing of the award of EPA funding rather than the process for drawing down funds. For answers to questions regarding draw-down please see section “Fiscal/ Grant Expenditures”.

TCGM will be funded incrementally so Grantmakers will have access to ~\$16.5m each year of funding [p 22 solicitation]. For application submission purposes, applicants should prepare budgets for up to \$50 million over three years with up to approximately \$16.5 million budgeted for each year. The amount of incremental funding available in subsequent years will depend on funding availability, satisfactory progress, and other applicable considerations with the understanding that EPA’s Project Officer will negotiate the amount of the final budget based on these considerations.

- 15) Partner Eligibility: Is partnering with a non-profit law center, as long as they are not providing legal services, but aiding in a role that includes outreach and steering committee involvement and eligible partnership?** Yes. If a “partner” meaning “statutory partnership” or “collaborative pass-through relationship” is involved in a role that does not include legal services, then a non-profit law center would be eligible to receive a subaward from the Grantmaker receiving direct funding from EPA. Note that a Grantmaker could have a “collaborative in-kind relationship” with a non-profit law center that does not involve transfers of EPA funds that includes the center providing legal services to complement the EPA funded activities. Please refer to pp. 25 and 26 of the Grantmaker Notice of Funding Opportunity.

Application Preparation

- 1) **How many awards will be funded for this opportunity?** EPA anticipates making up to 11 cooperative agreement awards under this opportunity. There is expected to be one award for each regional geographic area, found in section I.D.4 of the RFA, and one award for a National Grantmaker.
- 2) **How much geography of a program area does a Grantmaker need to cover to be eligible?** If awarded, Grantmakers should ensure that Subgrants are available to Eligible Subrecipients throughout the entire geographic area they are applying under, including to rural and remote areas.
- 3) **Could you expand on the purpose and rationale for the "National Grantmaker" allotment, and what EPA hopes to accomplish with it?** The EPA expects the National Grantmaker to provide coordination between the Regional Grantmakers in addition to subaward capabilities where gaps in coverage may exist as well as “common services” such as analytical tools that can be used by Regional Grantmakers. Grantmakers through specified coordination will have additional access to Regional and/or National Environmental Justice Thriving Communities Technical Assistance Centers (TCTACs), Brownfields Technical Assistance Centers, and EPA Environmental Finance Centers as it relates to outreach and communications
- 4) **Does the minimum of 80% of the total funds proposed to be awarded to the Regional Grantmaker pass through to Eligible Subrecipients apply to all phases?** Yes. The 80% requirement applies to all

three phases (Phase I, Phase II, and Phase III) of subgrant projects awarded. The make-up of how many Phase I vs Phase II vs Phase III projects awarded depends on the applications received from communities, the needs of communities, and is at the discretion of the Grantmaker in collaboration with EPA.

5) a. If an organization is invited to apply for more than one phase of funding, as a way to reduce barriers to applying, can a multi-year award be made to the organization (\$400,000 for Phase I and II) upfront or do we need to give them grants for each phase, each year?

Yes, a Grantmaker may design a competition to allow potential subrecipients to apply for funding for multiple phases of a project. The RFA, however, states on p. 15 1. d. "Grantmakers should put policies in place that limit the number of times a particular Eligible Subrecipient can receive an EJ Thriving Communities Subgrant within a certain period of time. For example, a pass-through entity may decide that an Eligible Small Subrecipient may not receive more than two EJ Thriving Communities Subgrants within the 3-year period of performance for the Grantmaker or a shorter interval as deemed appropriate by the pass-through entity".

b. Is there a max and minimum subgrant amount? The maximum amounts for subgrants are described on page 9 of the RFA. There are no minimum amounts.

c. Will reporting need to be done for Phase I to then release Phase II dollars (250K)?

Yes. EPA expects Grantmakers to ensure that a subgrantee successfully completed Phase I of an Environmental and Climate Justice project before releasing funds for Phase II.

6) In accordance with 2 CFR 200.414(f), recipients that do not have a current negotiated indirect cost rate under 10% are eligible for a de minimis rate of 10% of modified total direct costs for all Federal awards. Please confirm that the remaining 20% assumes up to 10% for indirect costs and 10% for direct costs. For Regional Grantmaker applicants, 80% of total funds awarded (i.e., \$40 million) must pass through to communities as subgrants. Applicant indirect cost rates can be charged against the remaining 20% of funds (i.e., \$10 million) to calculate indirect and overhead costs. EPA does not anticipate that this approach will require pass-through entities to recover less than their full authorized indirect cost rates.

7) What percentage of grants would you expect the National Grantmaker to disburse? National Grantmakers are afforded flexibility in how they allocate their funding. There is no expectation on the percentage of grants to be disbursed in the form of subgrants. However, the application should detail a plan justifying their use of funds for coordination services amongst all regional Grantmakers, as well as providing a number of subgrants to fill gaps. Potential areas of concern include remote areas of Alaska, rural areas of the U.S. Territories, areas along the US-Mexico Border, and remote parts of the contiguous United States.

8) Does the application need to detail how many grants, Phase 1-3 are expected to be awarded per month/year? In general, yes. Applications should detail a plan and estimates/expectations regarding the number of subgrants the Grantmaker has the capacity to issue out and how many applications the

Grantmaker believes they can process (i.e., score, evaluate, and award). The applicant should also have some general estimates/target metrics related to the needs of communities in their target geographic area regarding the number of Phase I, Phase II, and Phase III subgrants. Where possible, specific target metrics or estimates for deliverables are encouraged.

- 9) **Will the applications be evaluated based on the collective experience of all partners (in a partnership situation) or just the applying organization?** The application will be evaluated on how well an applicant can demonstrate that they can effectively and efficiently perform the project and operate the pass-through subaward program on their own, or with partners. If partnerships are involved, then the application will be evaluated on the planned roles of each partner listed, how they contribute to the effectiveness of the project, and resources and expertise that the partner brings to the project. The quality of the letters of commitment will also be evaluated. For the Past Performance criteria (Criteria V), The focus of this criterion is on the applicant's past performance, not that of any partners, subrecipients, contractors, etc. who may be assisting the applicant with performance of the project as a Grantmaker.
- 10) **Do organizations who want to be subgrantees need to participate in the lead applicant's application to the EPA?** No.
- 11) **For applicants applying to be a National Grantmaker, is there separate evaluation criteria that the National Grantmakers will be evaluated on?** No. National Grantmakers will be evaluated on the exact same evaluation criteria in Section V of the RFA as the Regional Grantmakers. National Grantmakers should: 1) have the ability to make subgrants to fill gaps where Regional Grantmakers may have an inability and/or conflict of interest in providing subgrants to certain Eligible Subrecipients and 2) develop a national evaluation and tracking system compatible with the Regional Grantmaker systems that tracks and organizes all Grantmaking program data nationwide. Both of these National Grantmaker activities fall within the context of the current Evaluation Criteria in Section V of the RFA, e.g., Criteria I.A (Program Design: Community Application Intake and Evaluation Processes), Criteria I.B (Outreach...throughout the Geographic Area), Criteria II (Project Activities / Milestone Schedule / Detailed Itemized Budget Sheet and Budget Narrative), and Criteria III (Environmental Justice Results—Outputs, Outcomes, and Performance Measurement Plan). All National Grantmaker applications will be evaluated in a separate track, i.e., National Grantmaker applicants will not compete against Regional Grantmaker applicants or vice versa.

Subgrant Procedures

- 1) **Does the Grantmaker have flexibility in setting up and managing subgrants (i.e., providing awards on a rolling basis, managing competition, timeline for awarding subgrants etc.) or does EPA provide guidelines on these?** The Grantmakers will design and manage the new EJ Thriving Communities Subgrants program. As this is a cooperative agreement, the Grantmaker will collaborate with EPA to design and build their own processes to receive and evaluate competitive community project applications from communities. However, the final decisions on the submission, evaluation process/criteria, and selection of subrecipients will be made by the passthrough entity, rather than by

EPA, provided statutory, regulatory, and Subaward Policy requirements are met including the statutory 3 year performance period limitation.

- 2) **Would EPA allow an applicant to regrant the 80% funds dedicated to subgrants directly to partners to competitively re-grant to other regional EJ community-based nonprofit organizations (CBOs) with less capacity than the partners?** No. Lead applicants must distribute the subgrants, as the cooperative agreement exists between the grantee and the EPA.
- 3) **How does the EPA define severely constrained CBOs?** For purposes of the application, the determination of how the Grantmaker defines “severely” capacity-constrained is at the applicant’s discretion. Capacity-constrained subrecipients in one geographic area might have different capacity levels and acute issues impacting them than capacity-constrained subrecipients in another geographic area.
- 4) **If an institution were the selected Grantmaker and budgeted operational funds (from the \$10 million) to hub community-based organization (CBO) partners (to help regrant), would the hub partners ALSO be eligible to "compete" for funds from the \$40 million as grantees?** Probably not. Such an arrangement would be a conflict of interest although EPA would consider a very stringent COI mitigation plan to ensure that the hub CBOs would not have an unfair competitive advantage. There is no guarantee that EPA will approve the COI mitigation plan.
- 5) **Are sub-grantees required to spend all the money within the same 3-year period as the Grantmakers?** Yes. The Grantmakers should develop an efficient subgrant process to make funds available to selected applicants ensuring that all funds received by the pass-through entities are expended within the 3-year project period per the requirements of section 138(b)(1) of the CAA.
- 6) **How closely does EPA want the grantmaking program to align with the goals of/types of projects funded by the EJ Small Grants program?** The Grantmaker should be awarding subgrants for the three distinct phases of community-readiness projects as listed in the RFA. The Grantmakers have flexibility in which projects get awarded and how those projects are managed, but the goal should align with the goals of the EJ Small Grants Program, which are to address the needs of communities through the provision of direct funding to address local environmental and/or public health issues impacting communities. The subgrants are meant to provide funding for the three distinct phases to communities for the initial development of their EJ projects.
- 7) **Are local governments eligible to receive subgrants?** Yes. EPA amended the RFA on May 19, 2023, to clarify that local governments are eligible for subgrants. However, the primary purpose of the EJ TCGM program is to alleviate burden on those organizations who are the most vulnerable and limited in their capacity to access federal grant funds. With that in mind, if an applicant believes that local governments and/or local institutions of higher education are positioned to significantly address the needs of underserved communities in the target geographic area, then the applicant can provide statements to that effect in their workplan. EPA will then evaluate the merits of the proposal.
- 8) **Can an unincorporated fiscally sponsored community group receive subgrants from the Thriving Communities Grantmaker subgrants program?** No. An organization must be incorporated under state

or tribal law in a manner that provides the legal capacity to enter into binding contractual agreements in order to receive EPA grant funding as a subgrantee. EPA does not recognize the “fiscal sponsor” concept. An incorporated organization that calls itself a fiscal sponsor could receive a subgrant and use those funds to work with an unincorporated community group but the incorporated organization will be accountable to the Grantmaker, and the Grantmaker to EPA, for proper use of the subgrant funds. Members of an un-incorporated community group can contract with the subgrantee in their personal capacities or another capacity (e.g. a small business owner) or receive reasonable participant support cost stipends. For more information on fiscal sponsorship please see: Questions **A.50 and A. 51** of the EPA Subaward Policy Frequent Questions address this and are available at the link below.

[https://www.epa.gov/system/files/documents/2023-](https://www.epa.gov/system/files/documents/2023-04/epa_subaward_policy_frequent_questions.pdf)

[04/epa_subaward_policy_frequent_questions.pdf](https://www.epa.gov/system/files/documents/2023-04/epa_subaward_policy_frequent_questions.pdf)

- a. Example – community-based unincorporated group EJ XYZ that is doing environmental planning and clean-up projects in a neighborhood, raising funds on an individual basis through ioby rather than as an incorporated organization. It is a community-based organization in one sense but not incorporated as a nonprofit, with a board etc. Through fiscal sponsorship agreement with Environment Fiscal Sponsor (EFS), an incorporated nonprofit, EJ XYZ has access to funds in a bank account and one part time staff member who has a consulting contract with EFS and a bunch of community volunteers. **Would this community group be an eligible subgrantee?** **No.** EJ XYZ does not have the legal capacity to enter into a binding subgrant agreement with the Grantmaker. **Could EFS apply for subgrant funding from a Grantmaker for a community cleanup project that volunteers from EJ XYZ would carry out?** **Yes.** EFS could purchase the supplies for the cleanup project, rent the equipment, pay its consultant, and provide participant support stipends to EJ XYZ. The EJ XYZ volunteers could promote the cleanup project using their own name and logo, issue press releases or conduct outreach.

- 9) **We normally have to do subrecipient risk assessments before making subawards with federal funds. What will EPA require prime recipients to do for subrecipient risk assessment in this award?** Yes, EPA has subrecipient risk assessment requirements. Refer to 2CFR 200.332 which describes the passthrough entity requirements for pass through entities, these are also listed in our general terms and conditions. This subrecipient risk assessment process will only be needed if EPA awards grant funds to your organization.

- 10) **Is there a process for making sure prospective subgrantees are informed at the earliest possible date of opportunities?** The Grantmaker is responsible for the development of a communications plan and for conducting outreach materials to reach all disadvantaged and underserved communities and ensure subgrantees are informed as soon as possible of opportunities. There is no single process to do this, and Grantmakers are encouraged to leverage their partners, EPA staff, and the Regional and/or national EJ Thriving Communities Technical Assistance Centers (TCTAC) to ensure maximum outreach. Section I.D.2. of the RFA lists communications and outreach activities that may be included in the plan.

- 11) **Are subgrants required to be expended as well as awarded within the 3-year performance period?** Yes. The Grantmaker must make all subawards and draw down EPA funds to pay the subrecipients

during the statutory 3-year performance periods for CAA 138 grants. Congress did not provide EPA with the discretion to extend performance periods beyond 3 years.

12) Would tribal organizations be required to serve as passthrough to non-tribal grantees?

By statute, a tribe may only receive a CAA 138 grant for the Grantmaker program if the tribe enters into a “statutory partnership” with a community based nonprofit organization. Assuming the tribe is the “lead applicant” the tribe must make a subaward to the community based nonprofit organization (CBO). Refer to p. 25 of the RFA. The tribe and the CBO may agree to submit an application that proposes to provide subgrants only to tribal organizations throughout an EPA Region. However, as indicated on p. 40 of the RFA EPA will evaluate “[T]he applicant’s approach for ensuring that the subaward process described in [Section I of the RFA] is accessible to underserved communities, communities in urban, remote and rural areas, and community stakeholders with the highest degree of burden and capacity constraints **throughout the entire Geographic Area** (see Section I.4.D)” (Emphasis added) The RFA also states on p. 40 “Under this criterion an applicant will only score well if they demonstrate how all the entities described above, including communities in urban, rural and remote areas, will be made aware of the Grantmaker and the subgrants program and how to access them. Applications that focus on outreach and accessibility solely to, for example, underserved communities in metropolitan areas, will not score as well as applications that address all the communities and community stakeholders identified above”. This criterion is worth 6 points. Additionally, throughout the RFA EPA emphasized the importance of ensuring that a wide range of potential subgrantees have the opportunity to compete for subgrants so an application proposing to serve only one segment of the environmental justice stakeholder may not score well on other criterion.

When can for-profits be subgrantees? For profit businesses are ineligible subrecipients. However, a procurement relationship may exist between a Grantmaker and a for-profit firm or individual. These relationships can be used to acquire goods and services.

13) How much autonomy will Grantmakers have in setting criteria for dispersing grants? This opportunity is a cooperative agreement, therefore Grantmakers will be required to collaborate with EPA to design and build their own subaward processes for the EJ Thriving Communities Subgrants program. However, Grantmakers will make the final decisions for their programs.

Administrative

1) Does the EPA have expectations for how many grants should be made for Phase I, II, & III each year? Also, is there any flexibility in adjusting the cap for funding for projects in each phase? Yes, applicants have flexibility in their planning for the subgrants that they will award. Applicants who do not intend to make subgrants under all three phases must include an explanation describing the reasoning behind the decision to focus on a subset of phases. Additionally, if an applicant feels that the \$150,000, \$250,000 and/or \$350,000 cap on each of the three phases should be adjusted for the Eligible Subrecipients in their target geographic area, then the applicant must thoroughly justify their reasoning in their application.

- 2) **How does this program relate to / interface with the TCTACs – both regional and national? Do their services and jurisdictions overlap?** Both EJ TCGM and EJ TCTACs serve as Federal Partners of the [Thriving Communities Network](#). EJ TCTACs will provide technical assistance to those who request it including disadvantaged communities and community-based nonprofit organizations, and the Grantmakers provide direct funds to assist with the initial development and implementation of environmental justice projects. Grantmakers and TCTACs are encouraged to interface with each other to help address the technical support and assistance needs of subrecipients. **Regional TCTACs are expecting to be up and running in the next 2 months, once they are up and running Grantmakers are encouraged to reach out and coordinate directly.**
- 3) **Does EPA have a preferred subgrant tracking/coordination vendor that will help with compliance?** No, EPA is not authorized to endorse or recommend any vendor or third party.
- 4) **Are there any requirements around reporting and justification for the potential \$10M in administrative fees that need to be provided?** Yes. An itemized budget must be submitted with the application. The detail of this budget will allow the EPA to determine the reasonableness and allowability of costs for each workplan component/activity. This should include costs related to personnel, fringe benefits, contractual costs, travel, equipment, supplies, other direct costs, indirect costs, and total costs. Where necessary, the itemized budget sheet should include a budget narrative to make it clear how you determined/calculated the costs for each budget category.
- 5) **Could a subgrantee qualify for multiple subgrants for different projects? or they are capped at \$700k total over 3-year period?** While Eligible Subrecipients may qualify for multiple subgrants (Phase I, Phase II, and/or Phase III). Grantmakers will be evaluated on how they plan to limit the number of subgrants any single Eligible Subrecipient may receive during the three years project period. Grantmakers should plan to award subgrants to a wide range of different Eligible Subrecipients across the target geographic area.
- 6) **How will the EPA treat multiple applications from independent organizations operating under the same branding?** For example, if three organizations partner together and they all separately submit applications listing each other as partners. That's fine. Applicants can be listed as partners on as many Grantmaker applications as they want. However, a single organization can only submit 2 applications max. To avoid duplicative selections during the evaluation process, if we see multiple applications are submitted with the same proposal but a different lead, then we'll still score the proposals as separate submissions. However, if two or three of the proposals score well, then we will select only one based on the scoring and any applicable other factors (e.g., Priority for Minority Serving Intuitions [MSIs] and Geographic Diversity).

Fiscal/ Grant Expenditures

- 1) **How will Grantmakers access the funds?** Funds for this opportunity will be incrementally funded over the three-year period. Grantees can draw down funds to cover their immediate cash needs for project expenses throughout the project period. Drawn-down funds must be expended to cover associated

project costs within five business days to comply with the “immediate cash needs” standard. Grantees are not required to “finance” the full grant amount upfront. However, grantees are not permitted to draw-down a lump sum amount and “bank” the grant funds until they are needed later in the project period. Questionable draw down activity may prompt EPA to require recipients to take remedial measures under 2 CFR 200.208 or 2 CFR 200.339.

- 2) Can you speak more to the requirements of budgeting for the Regional Grantmakers?** Regional Grantmakers are provided flexibility in how they allocate their funding subject to the requirement that at least 80% of the EPA funds are used for Phase 1, Phase 2, and Phase 3 subgrants. Refer to pp. 9-12 of the RFA for descriptions of these subgrants. However, the applicant should provide an itemized budget of costs to allow the EPA to determine the reasonableness and allowability of costs for each workplan component/activity. Where necessary, the itemized budget sheet should include a budget narrative to make it clear how you determined/calculated the costs for each budget category.

As noted above at least 80% of the total budget for the Regional Grantmaker cooperative agreement must be allocated for subgrants for “on the ground” work. Up to 20% of the EPA funds may be used for the Regional Grantmakers and their statutory partners or collaborative pass-through partners programmatic management costs.

- 3) What about budgeting for the National Grantmaker?**

The successful applicant for National Grantmaker funding will not be subject to the requirement for 80% of the funds to be allocated to subgrants. Refer to pp. 17 and 18 of the RFA for a description of the activities EPA expects the National Grantmaker to carry out in its role providing support to the Regional Grantmakers. As stated on p. 29 of the RFA “The National Grantmaker will be responsible for coordination services amongst all regional Grantmakers, as well as providing a number of subgrants to fill gaps. Therefore, it is in EPA’s interest to allow those applying to be National Grantmakers to utilize more flexibility in how they allocate their proposed funding between subawards and coordination services.”

- 4) Are funds that go to for-profit firms for services necessary for programmatic management (e.g. consulting) counted within the 80% subaward requirement?** No. For-profit firms that provide services to the Grantmaker through a procurement relationship to acquire goods and services are not counted within the 80% subgrant requirement. **All procurement contracts must be budgeted in the Contractual category on the SF 424 and are subject to the 20% limitation on programmatic management costs.**
- 5) Can a for profit firm receive a subgrant as part of the Grantmaker’s program? Maybe. As stated on p. 10 of the RFA** “For profit businesses [are not eligible for subgrants] unless EPA’s Award Official makes an exception based on factors such as those described in Appendix A of EPA’s Subaward Policy.” Appendix A states: “Examples of situations in which a for-profit firm may be an eligible subrecipient would be an EPA financial assistance program that provides funding for pollution control projects at a company’s production facilities and the firm will receive reimbursement for personnel and contractor costs. The for-profit firm in that case would not be providing goods and services to the passthrough entity.” For the Grantmaker program, an example of an allowable subgrant to a for-profit

firm would be a funding to support installation of air or water pollution control technology in a facility owned by a disadvantaged business enterprise located in a disadvantaged community.

- 6) Are subawards part of the lead organization’s 20% budget?** Yes, subawards Regional Grantmakers provide to their statutory partners are part of the 20% budget if the partner will use the subaward funds to manage their own subgrant program or for other programmatic management costs. At least 80% of the entire Grantmaker award must be passed through as subgrants.
- a.** For example, if a Grantmaker recipient designs a program that includes two other eligible entities as statutory partners who will administer their own subgrant programs the maximum amount of programmatic costs available for all three entities is 20% of the Grantmaker award.
- b.** Similarly, if a Grantmaker provides a subaward to a collaborative pass-through partner (who is not a member of the statutory partnerships) to provide programmatic support (e.g. an institution of higher education that will conduct a program evaluation) the amount of that subaward must be covered by the 20% of the Grantmaker funds available for programmatic management.
- 7) a. Are technical assistance to the Grantmakers provided in-kind by EPA?**
EPA will evaluate the need to provide Grantmaker recipients with in-kind assistance from an EPA contractor (e.g. technical services) or through an interagency agreement with another Federal agency such as the Department of Energy or the Department of Interior on a case-by-case basis. If an applicant believes in-kind assistance would be appropriate for their proposed Grantmaker program, they should describe the type of in-kind assistance necessary in their proposal and budget narrative.
- b. Do we need to allocate any of the 20% budget for this technical assistance from the EPA (access to EPA community outreach adds or need an advertising budget)? Yes.** Any in-kind assistance EPA provides through a contractor or interagency agreement would be funded from the 20% of the Grantmaker budget available for
- c. When and how will the EPA staff support program implementation including capacity/availability to partner with the intermediary in financial and project monitoring activities?** EPA will award Grantmaker funding in the form of a cooperative agreement that includes terms and conditions describing the substantial involvement of EPA staff in collaboratively implementing Grantmaker subgrant program. Refer to pp. 23 and 24 of the RFA for examples of anticipated substantial involvement of EPA staff. The EPA will we release more information regarding how EPA staff will support program implementation, including capacity/availability to partner with the intermediary in financial, project monitoring, quality assurance requirements and activities as part of the collaborative partnership when the selected Grantmakers receive their terms and conditions.
- 8) For the \$75,000 fixed amount subgrants, is there a limit on how many the Grantmaker can give out?**
No. However, the RFA states on p. 14 that EPA anticipates but does not require that Grantmakers will award a “limited number of noncompetitive EJ Thriving Communities Subgrants [fixed amount \$75,000 subgrants] for severely capacity-constrained communities and CBOs where these entities can receive funding and support from a Grantmaker without submitting a competitive application.” These fixed amount subawards are only for Phase 1 projects. EPA interprets the term “limited” to mean that

the majority of subgrants made by the Grantmaker will be competitive Phase I, Phase II, and Phase III subgrants that are subject to full regulatory compliance.

- 9) For the fixed awards for the severely capacity-constrained: Are they expected to follow the same process of requesting funds throughout the grant period?** It depends. Under a fixed-amount subaward the subgrantee receives payment for completing specific tasks rather than through reimbursement of incurred costs supported by source documentation. For example, a Grantmaker may fund a fixed amount subgrant for water quality sampling assessments on a per sample basis and for community meetings to discuss the results of the sampling on a per meeting basis. The Grantmaker can release an agreed upon amount of the funds to the subgrantee for start-up costs and then provide the remainder of the funding upon receipt of documentation that the samples and meetings are complete. Section 9.0 of EPA's Subaward Policy describes types of fixed amount subawards that EPA will approve. EPA only intends to approve fixed amount subawards for the \$150,000 Phase 1 competitive subgrants for assessment and the \$75,000 noncompetitive subgrants provided to severely capacity-constrained community based nonprofit organizations with limited capacity to carry out Federally funded projects.
- 10) Will the Grantmaker be able to provide Thriving Communities subgrants up front to the Phase 1 noncompetitive severely capacity-constrained CBO subgrantees or will it require them to submit invoices to the Grantmaker based on expenses/activities?** This depends on the subrecipient needs. Page 11 and 12 of the RFA describe in more detail fixed amount subawards and noncompetitive subawards, used to reduce administrative and recordkeeping burden on the subrecipient and pass-through agency. Grantmakers are expected to comply with the required 5-day draw-down procedures, and most of these requirements do flow-down to statutory partners as well as subgrantees. EPA only intends to approve a limited number of fixed-amount, \$75,000 subawards for severely capacity-constrained, community-based, nonprofit organizations with limited capacity to carry out Federally funded projects during Phase I. See more information on fixed-amount awards in [2 CFR 200.201\(b\)](#) and [2 CFR 200.333](#). Section 9.0 of EPA's [Subaward Policy](#) describes types of fixed amount subawards that EPA will approve.
- 11) Will the initial \$50M grant be disbursed upfront or will it require reimbursement/invoicing by the Grantmaker?** Grantees are not permitted to draw down lump sum amounts and "bank" the grant funds until they are needed later in the project period. Funds for this opportunity will be incrementally funded over the three-year period. Grantees can draw down funds to cover their immediate cash needs for project expenses throughout the project period as provided in 2 CFR 200.305(b) and EPA's General Terms and Conditions. Drawn-down funds must be expended to cover associated project costs within five business days to comply with the "immediate cash needs" standard. Grantees are not required to "finance" the full grant amount upfront. Questionable draw-down activity may prompt EPA to require recipients to take remedial measures under 2 CFR 200.208 or 2 CFR 200.339.
- 12) a) If a budget within the \$50 million cap projects 80% of total funds will go to CBOs through subawards but the Grantmaker is not able to issue subgrants for the full 80% of awarded funds to CBOs within any year of the three-year award period, what are the potential consequences?** EPA requires further clarification to respond to this question definitively. However, EPA will require that 80% of the total funding be distributed to Phase I, Phase II, and Phase III subgrantees.

b. Would the amount available for the lead partners be fixed to a maximum of 20% of the total amount issued in subawards that year? In other words, would the 20% for lead partners be reduced from what was budgeted that year?

Of the total amount of Grantmaker funding, only 20% may be used for program administration expenses. If the Grantmaker provides subawards to other entities, their program administration costs must be taken from the 20% overall available for program administration expenses. Again, 80% of the total funding provided to the Grantmaker must be distributed to Phase I, Phase II, and Phase III grantees.

13) Are there waivers or processes that may be able to simplify how we move this money? Yes. As indicated in the RFA, EPA will allow successful applicants to make some subawards on a “fixed-amount” basis to reduce compliance burdens on subgrantees that receive a relatively small amount of funding. Successful applicants may also request that EPA’s Office of Grants and Debarment make exceptions to regulatory requirements as provided in 2 CFR 1500.4 or that EPA Award Officials waive requirements in EPA’s General Terms and Conditions, including the five-day disbursement requirement. EPA’s Project Officer can advise the successful applicants of the procedures for requesting exceptions or waivers. Please note, however, that successful applicants will need to have compelling reasons for making these requests and describe alternative mechanisms for protecting Federal funds.

14) On the topic of timeline should Grantmaker issue all awards to subgrantees by Feb 2026 to ensure all funds are expended by Jan 2027? Does that mean the subgrants must be spent down/finished reporting/etc. within that same 3 year period? i.e., can a phase 3 grant be awarded to a CBO for a 3-year performance period in year 2 out of 3 for the Grantmaker (extending beyond the Grantmaker performance period)? Awards will be made to selected applicants by January 2024. Grantmakers must develop a plan to ensure that all funds awarded to them are expended within 36 months of receipt of the initial award as required by CAA 138(b)(1) which limits project periods to 3 years. **There may be some 6-month fixed amount subawards that can be issued in summer 2026 all other phased awards must be issued early enough so each subgrant project is completed by February 2027.** Follow-up reporting does not need to follow this timeline

Contact OEJECR

Due to the volume of inquiries we are receiving regarding all open EJ grant competitions, we advise that interested applicants email us their specific questions first. We will be able to respond quicker via email. If further clarification is needed, a call may be scheduled. Please email **Jacob Burney** at burney.jacob@epa.gov and **Marisa Valdez** at valdez.marisa@epa.gov for inquiries about EJ TCGM.

Environmental Justice Hotline

Phone: 800-962-6215 - Toll Free

E-mail: ejhotline@epa.gov

June 2023

Office of Environmental Justice and External Civil Rights

Hours: 9:00 a.m. - 5:00 p.m. Eastern Time, Monday – Friday. Closed on federal holidays; after-hours services are available via voicemail.

[Office of Environmental Justice](#)

Phone: (202) 564-2515

E-mail: environmental-justice@epa.gov

Mailing Address:

Environmental Protection Agency [Mail Code 2201A]

1200 Pennsylvania Avenue, NW

Washington, DC 20460

To reach regional contacts, please see the full list via [Contact Us About Environmental Justice | US EPA](#)