



# Financial Requirements for Clean Ports Program Grant Selectees

Wednesday, November 20, 2024

3 p.m. EST

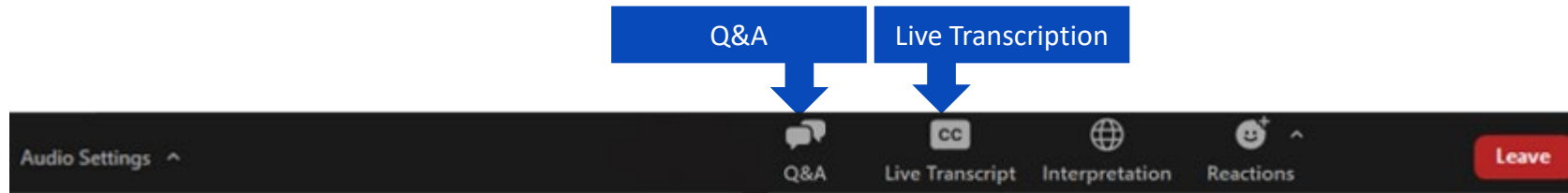
Office of Transportation and Air Quality (OTAQ)

Office of Grants and Debarment (OGD)

Office of General Counsel (OGC)

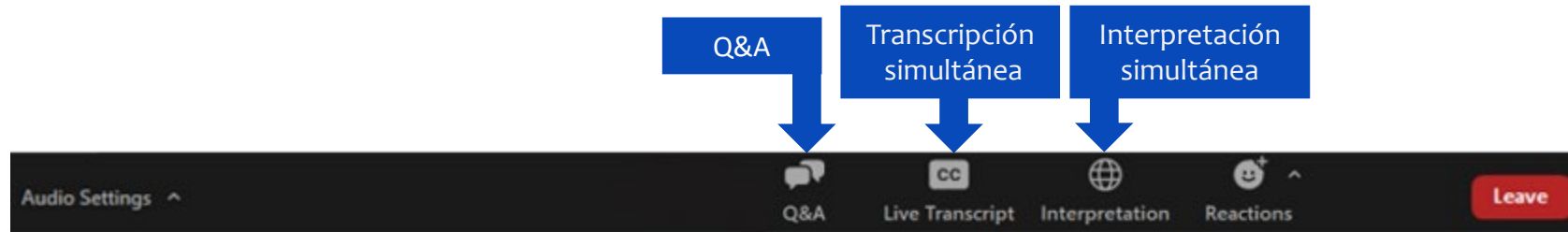
Office of the Chief Financial Officer (OCFO)

# Zoom Webinar Logistics



- This presentation is being recorded. The slides and recording will be posted to [www.epa.gov/ports-initiative/cleanports](http://www.epa.gov/ports-initiative/cleanports) as soon as they are processed for posting.
- All attendees are in listen-only mode. Audio is available through your computer speakers or by phone. The presenter will ask you to come off mute if applicable.
- Live transcription: Live captioning is available by clicking the “Live Transcript” icon.
- Live interpretation: Live Spanish interpretation is available by clicking the “Interpretation” icon and selecting Spanish. Click “Mute Original Audio” to mute English audio when listening in Spanish.
- Questions: Use the Q&A feature to ask questions during the presentation. We will address as many as possible after the presentation. If we are unable to answer your question at this time, you can submit written questions to the EPA Clean Ports Program helpline at [cleanports@epa.gov](mailto:cleanports@epa.gov).
- Chat: Chat is disabled, but the presenters might share links through the chat feature.
- Reactions: Reactions are enabled for you to interact with the presenter.

# Logística de seminarios web en Zoom



- Esta presentación es grabada. Las diapositivas y la grabación se publicarán en [www.epa.gov/ports-initiative/cleanports](http://www.epa.gov/ports-initiative/cleanports) tan pronto sean procesadas para su publicación.
- Todos los asistentes se encuentran solo en modo escucha. Hay audio disponible a través de los altoparlantes de su computadora o por teléfono. El presentador le pedirá que quite el silencio si corresponde.
- Transcripción en vivo: Hay subtítulos disponibles haciendo clic en el icono “Live Transcript” [Transcripción en vivo].
- Interpretación en vivo: Hay interpretación en español disponible haciendo clic en el icono “Interpreting” [Interpretación] y seleccionando el español. Haga clic en “Mute Original Audio” [Silenciar audio original] para silenciar el audio en inglés al escuchar en español.
- Preguntas: Use la función Q&A [preguntas y respuestas] para hacer preguntas durante la presentación. Abordaremos todas las que sea posible después de la presentación. Si no podemos contestar su pregunta en este momento, puede enviar preguntas por escrito a la línea directa de ayuda del Programa de Puertos Limpios de la EPA en [cleanports@epa.gov](mailto:cleanports@epa.gov).
- Chat: Se encuentra inhabilitado el chat, pero los presentadores podrían compartir enlaces a través de la función de chat.
- Reacciones: Las reacciones están habilitadas para que usted interactúe con el presentador.

# Agenda



1. Clean Ports Program Overview
2. Programmatic and Fiscal Responsibilities
3. Understanding ASAP and Drawdown of Funds
4. Next Steps and Resources
5. Question and Answer Session





# Clean Ports Program Overview

# Funding Overview



## 2 Separate Grant Competitions:

### Clean Ports Program in the Inflation Reduction Act

**\$3B for Grants**

At least 25% (\$750M) to be spent in  
nonattainment areas

~\$60 million

Climate and Air Quality  
Planning (CAQP)  
Competition

Independent Grant Opportunities  
(Applicants applied for one or both)

~\$2.8 billion

Zero-Emission (ZE)  
Technology Deployment  
Competition  
*(Equipment and Infrastructure)*

Administrative costs: up to 2% (\$60M)

# Clean Ports Program Goals



1. Build a foundation for the port sector to transition over time to fully zero-emissions (ZE) operations, positioning ports to serve as a catalyst for transformational change across the freight sector.

- Support large-scale projects at ports ready to lead the way
- Help other ports gain experience with zero-emissions technology to shift practices across the sector

2. Reduce diesel pollution (criteria pollutants, GHGs, and air toxics) in near-port communities.

- Support projects that can address near-port community EJ concerns

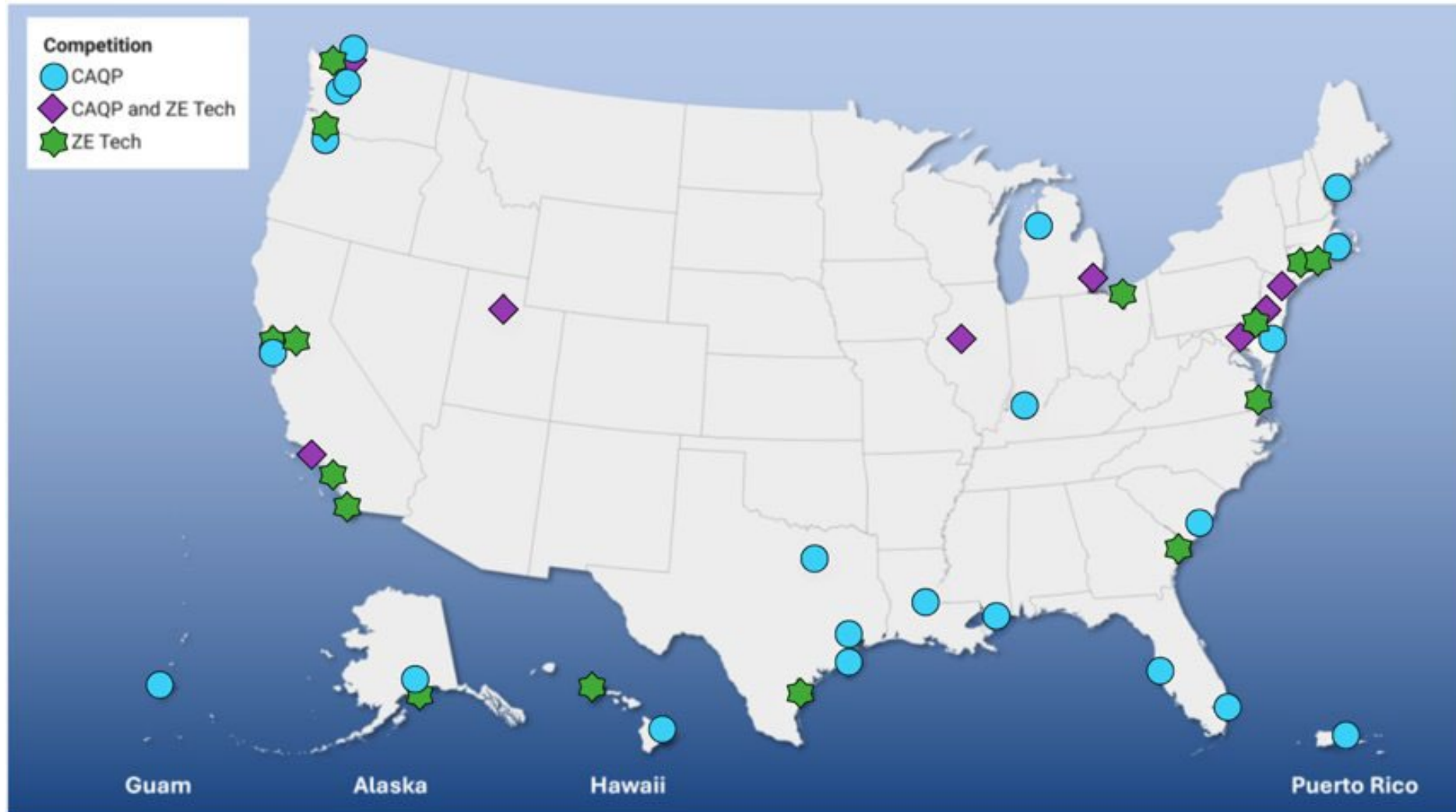
3. Help ensure that meaningful community engagement and emissions reduction planning are port industry standard practices.

- Build capacity of ports to continue to make strategic clean air and climate investments into the future

# Map of Selected Projects



EPA  
**CLEAN  
PORTS  
PROGRAM**





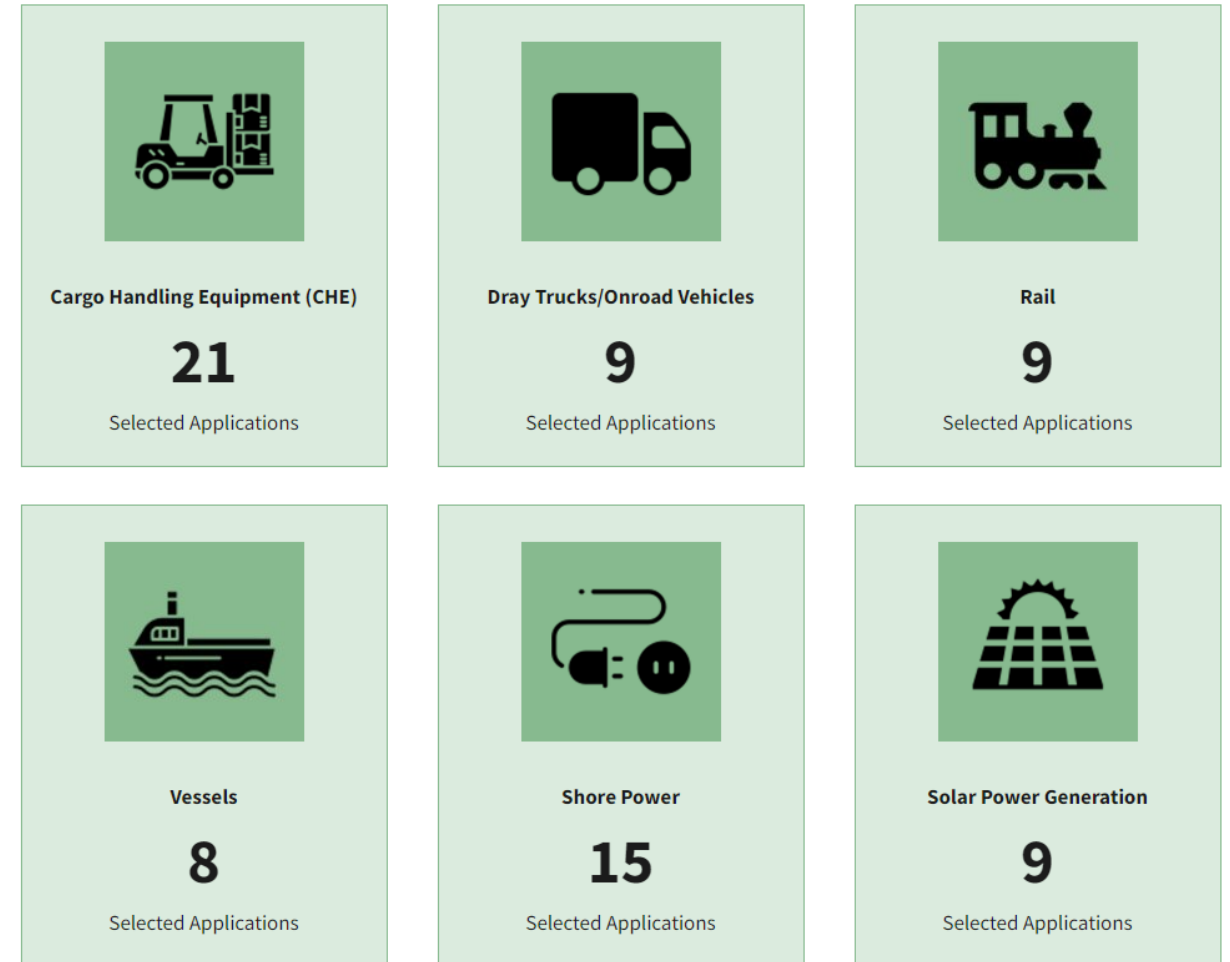
# Zero-Emission Technology Deployment Selected Technologies



- The proposed projects include battery-electric and hydrogen-powered port equipment, including:

- Over 1,500 units of cargo handling equipment
- Over 1,000 drayage trucks
- Over 10 locomotives
- Over 20 vessels
- Shore power systems
- Solar power generation

Number of Selected Applications with ZE Technology Type



# Environmental Justice



- Awards will improve air quality in near-port communities where people live, work, and play.
  - Over half of the selected projects have a primary place of performance in disadvantaged communities experiencing poor air quality.
- Meaningful community engagement is a core component of the Clean Ports Program
  - Applications were evaluated in part on the extent and quality of community engagement efforts.
  - All recipients of Clean Ports Program funding will be required to engage with near-port communities about the project during the performance period.
- Funding recipients can use EPA's [Community Port Collaboration](#) toolkit to advance environmental justice and support effective communication and engagement between the port industry, communities, and other port stakeholders.

# Clean Ports Program Next Steps



## 1 SELECTION

Grantees are notified in accordance with Section VI.A of the 2024 CPP Notice of Funding Opportunities (NOFOs). Additional documents and forms may need to be submitted and approved before the grant can officially be awarded.



## 3 HELPFUL RESOURCES

Thoroughly review the Clean Ports website for important dates, popular questions and answers and other helpful resources.



## 2 REPORTING REQUIREMENTS

Grantees must submit semi-annual reports summarizing technical progress, planning activities for the next six months and a summary of expenditures. Refer to Section VI.C of the 2024 CPP NOFOs for more information.



## 4 CLOSEOUT

Grantees must submit a detailed final report to EPA within 120 days of the completion of the project. Refer to Section VI.C of the 2024 CPP NOFOs for more information.



## 5 GET IN TOUCH

Please contact your assigned Project Officer and/or [cleanports@epa.gov](mailto:cleanports@epa.gov) with questions.



# Why We Are Here



We understand that some grantees may be less familiar with grant regulations and requirements included in your Terms and Conditions (T&Cs).

As part of our partnership with you to ensure the success of CPP grants, EPA is providing an opportunity to review key details of the T&Cs of your award and answer questions in real-time during this webinar.





# Programmatic and Fiscal Responsibilities

Office of Grants and Debarment (OGD)

Office of General Counsel (OGC)

# Eligible Costs

- All Clean Ports grantees must make sure that their budget table has an accurate breakdown of how all grant funds will be used for eligible costs (e.g., equipment, personnel), reflected in appropriate cost categories.
- The [\\*Interim General Budget Development Guidance for Applicants and Recipients of EPA Financial](#) is a helpful resource for new recipients when preparing budgets.



# Eligible Costs

- All grant funds listed for each budget category should match the recipient's internal documentation of how funds are spent on eligible cost categories.
- All grantees must comply with record retention requirements for audit purposes.



# Eligible Costs

- Participant support costs (PSC) are allowable under specific conditions.
- EPA expanded the definition of participant support costs in [2 CFR 1500.1](#) to include rebates and subsidies to promote participation in environmental stewardship programs.
- Clean Ports recipients may be able to use EPA funds to provide rebates or subsidies for purchases of zero-emission port equipment.





# Indirect Costs



Indirect costs (IDC), such as HR, payroll, rent, accounting, etc., benefit all of the recipient's projects and programs, so the indirect cost rate is used to allocate a portion of these costs to their federal award.



Indirect costs are budgeted by applying the recipient's IDC rate to their approved basis of application, which, for the federal de minimis rate, is modified total direct costs (MTDC) as defined in 2 CFR 200.1.



Costs should be properly included in the recipient's budget so the indirect cost rate is applied appropriately.

# Calculating Modified Total Direct Costs



Indirect Cost Rate

10% de minimis Rate

| Budget Object Class             | Requested Amount  |
|---------------------------------|-------------------|
| Personnel                       | \$ 250,000        |
| Fringe Benefits                 | \$ 87,500         |
| Travel                          | \$ 2,300          |
| Equipment                       | \$ 300,000        |
| Supplies                        | \$ 1,400          |
| Contractual                     | \$ 3,000          |
| Construction                    | \$ 50,000         |
| Other                           | \$ 114,000        |
| <b>Total Direct Costs</b>       | <b>\$ 808,200</b> |
| <b>Requested Indirect Costs</b> | <b>\$ 41,920</b>  |
| <b>Total</b>                    | <b>\$ 850,120</b> |

|                                    |            |
|------------------------------------|------------|
| Modified Total Direct Costs (MTDC) | \$ 419,200 |
| Allowable Indirect costs           | \$ 41,920  |

## Modified Total Direct Costs Base - Excluded "Other" Costs

| Breakout of Subawards  | Amount            | Allowed in MTDC  | "Other" Excludable Cost          | Amount          |
|------------------------|-------------------|------------------|----------------------------------|-----------------|
| Subaward 1             | \$ 25,000         | \$ 25,000        | Rental Costs                     |                 |
| Subaward 2             | \$ 35,000         | \$ 25,000        | Patient Care                     |                 |
| Subaward 3             | \$ 50,000         | \$ 25,000        | Tuition Remission*               |                 |
| Subaward 4             |                   | \$ -             | Scholarships*                    |                 |
| Subaward 5             |                   | \$ -             | Fellowships*                     |                 |
| Subaward 6             |                   | \$ -             | Other Participant Support Costs* | 4,000           |
| Subaward 7             |                   | \$ -             | Capital expenditures             |                 |
| Subaward 8             |                   | \$ -             |                                  |                 |
| Subaward 9             |                   | \$ -             |                                  |                 |
| Subaward 10            |                   | \$ -             |                                  |                 |
| <b>Total Subawards</b> | <b>\$ 110,000</b> | <b>\$ 75,000</b> | <b>Total Other Excluded</b>      | <b>\$ 4,000</b> |

|                           |            |
|---------------------------|------------|
| Amt of Subawards excluded | \$ 35,000  |
| Total excluded costs      | \$ 389,000 |

§ 200.1 Modified Total Direct Cost (MTDC) means all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$25,000 of each subaward (regardless of the period of performance of the subawards under the award). MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward in excess of \$25,000. Other items may only be excluded when necessary to avoid a serious inequity in the distribution of indirect costs, and with the approval of the cognizant agency for indirect costs.

# Subawards and Contracts

- All recipients, including for profits, must comply with the procurement requirements in [2 CFR Part 200](#) with regard to competition.
- Competition best practices include:
  - Make **good faith efforts to solicit quotes from Disadvantaged Business Enterprises**, required by [40 CFR Part 33](#).
  - Publicly advertise the competition and keep it open for bidding for at least 30 days.
- See EPA's [Best Practice Guide for Procuring Services, Supplies, and Equipment Under EPA Assistance Agreements](#) for additional guidance.



# Subawards and Contracts



The type of transaction indicates whether a contract or a subaward should be used:

- Providing goods and services? **Procurement Contract**
- Carrying out a portion of the grant and a public purpose? **Subaward**
- For more information on how to distinguish between a subaward and a contract, see page 3 of EPA's [Best Practices for Procurement Under Assistance Agreements](#)

Transactions with for-profit companies and individual consultants are considered procurement contracts with few exceptions. Two examples include:

- Grant recipient (for-profit entity or non-profit entity) provides a subaward to a for-profit company to upgrade equipment owned by the company (the subrecipient) that will be used to carry out the grant purpose.
- Grant recipient provides a rebate or subsidy to a for-profit company for all or a portion of the costs of the equipment purchased by the company. The rebate or subsidy would be a participant support cost and the company (owner of the equipment) would be a program beneficiary.



# Subawards and Contracts



## Simplified Acquisition

should obtain prices/quotes from at least 3 sources

## Micro Purchase

may be made without competition  
(generally, for purchases of supplies)

## Formal Competitive Requirements

subject to formal competitive requirements and must obtain Competitive Sealed Bids or Competitive Proposals



# Subawards and Contracts



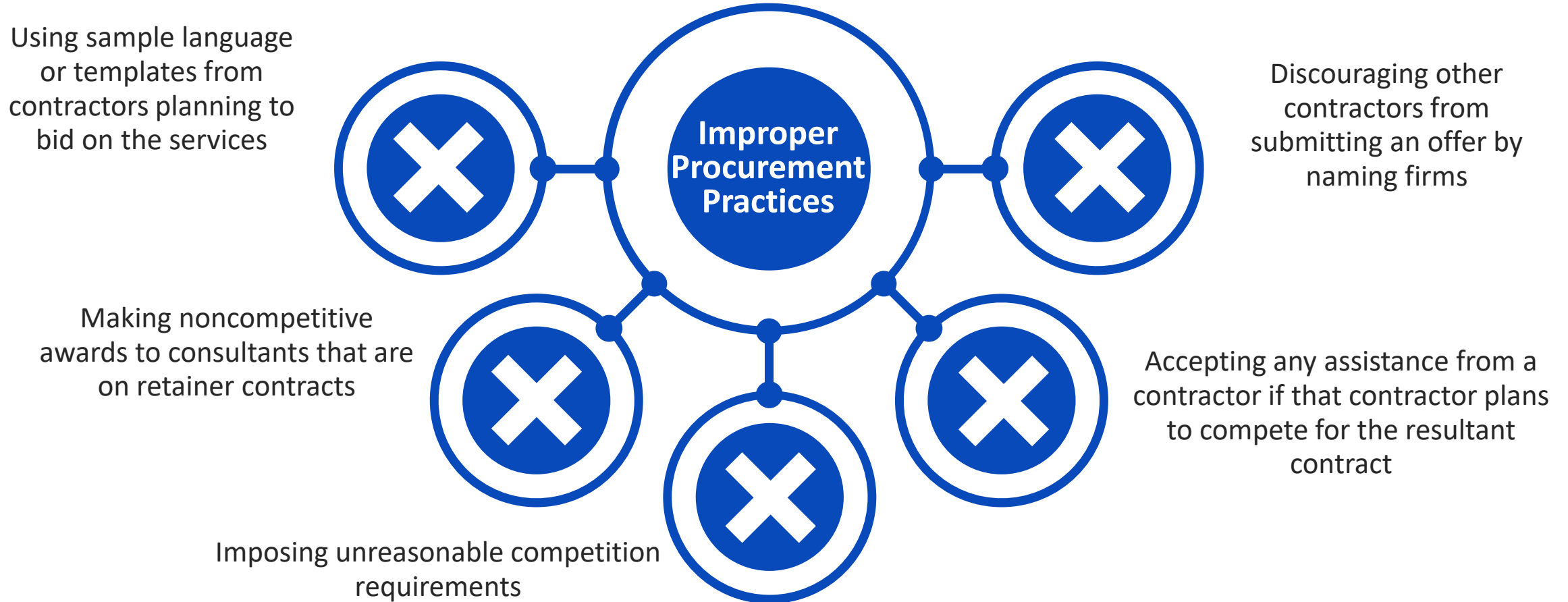
## Sole Source

As provided at 2 CFR 200.320(c), there are specific circumstances in which noncompetitive procurement can be used, including when one or more of the following circumstances apply:

- The item is available only from a single source;
- Public exigency or emergency;
- The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request; or
- After solicitation of a number of sources, competition is determined inadequate.

EPA rarely approves sole source contracts.

# Subawards and Contracts



# Program Income

- Program income means gross income earned by the recipient that is directly generated by a supported activity or earned as a result of the Federal award during the period of performance.
- Generally, program income includes income from fees for services performed, fees for the use or rental of real or personal property acquired with EPA funds, the sale of commodities purchased with, or items fabricated through the use of EPA funds, royalties on patents and license fees for copyrights, and principal and interest on loans made with EPA funds.
- Any program income shall be used to finance the non-Federal share of the Ports project or added to EPA funding and used for Ports program eligible project activities.





# Program Income (cont.)

- Program income for non-state grantees must be used before drawing down EPA funds unless the recipient has established a revolving loan fund. States follow Treasury regulations.
- The recipient must provide as part of its semi-annual and final performance reports, a description of how program income is being used. Further, a report on the amount of program income earned during the award period must be submitted with the annual Federal Financial Report, Standard Form SF-425.
- The grantee must maintain supporting documentation to substantiate all grant related charges to program income when audited.
- For more information, please refer to:
  - [CFR 200.307](#)
  - [CFR 1500.8](#)
  - [\\*Interim General Budget Development Guidance for Applicants and Recipients of EPA Financial](#)



# Terms and Conditions

Grantees should be **fully aware of the CPP Terms and Conditions and [EPA General Terms and Conditions](#)**, including paragraphs:

- 5 (ASAP and Proper Payment Draw Down)
- 9 (Management Fees)—Prohibits profiting from EPA grant funds.
- 15 (Executive Compensation)
- 19 (Audit Requirements)
- 36 (Tangible Personal Property)
- 48 (BABA)
- 52 (Access to Records)



# Fraud, Waste & Abuse

**Fraud.** False representation of a material fact; intentional deception to deprive the U.S. or EPA of something of value; obtaining an undeserved benefit or privilege

**Waste.** Taxpayers not receiving reasonable value for money; inappropriate act or omission; mismanagement, inappropriate actions, inadequate oversight

**Abuse.** Deficient or improper behavior compared to reasonable and necessary business practices; misuse of authority for personal gain; not necessarily a violation of laws, regulations, or grant provisions



# Fraud, Waste & Abuse

Indicators of Fraud, Waste, and Abuse can be found on the [EPA Office of Inspector General](#) website.

Report suspected fraud, waste, and/or abuse to:

- EPA Project Officer for the award
- EPA Office of Inspector General

**Join us December 10 at 3 PM ET for a webinar on fraud awareness and prevention, hosted by the EPA OIG**

**OIG Hotline: 1 (888) 546-8740**



Questions?





# ASAP and Drawing Funds

**Office of the Chief Financial Officer**

**Office of the Controller**

**Research Triangle Park Finance Division**

# ASAP

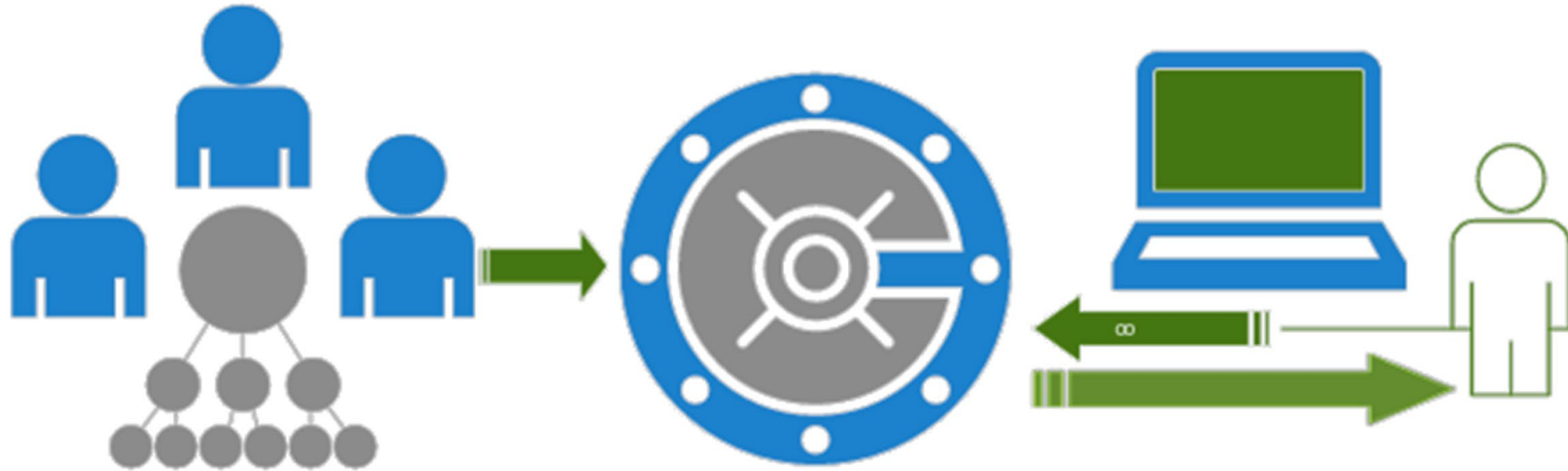
EPA makes payments for grants through the Department of Treasury's [Automated Standard Application for Payments \(ASAP\)](#) electronic payment system.



# ASAP



EPA  
**CLEAN  
PORTS  
PROGRAM**



***Federal Agency***

***ASAP Account***  
*where federal agencies  
authorize funds for the  
recipient to draw down*

***Recipient Organization***

# How ASAP Works



## Step 1:

Federal agency and recipient both enroll in ASAP.gov



## Step 2:

Agency adds money to recipient account and sets rules for payment



## Step 3:

Recipient requests payment via ASAP.gov



## Step 4:

Approved payments can settle as quickly as the same day

# Drawing Funds

- Recipients must enroll in ASAP
- Grant drawdowns are for immediate cash needs (e.g., paying an invoice for goods or services received; purchase orders are not an immediate cash need)
- No requirements for the frequency of draws
  - Most recipients draw on a weekly basis, but you can draw as frequently as needed
- Recipients are not required to submit documentation
  - You **must retain documentation** that clearly shows the incurred costs that you, as the grantee, have incurred for audit purposes.





# Drawing Funds

- Payments are deposited in recipient accounts same day/next business day
  - Same day payment if requested prior to 4:30pm EST/less than \$1M
  - Otherwise, next business day
- Funds drawn down must be disbursed within 5 business days of receipt
  - May retain up to 5% of the draw/maximum of \$1,000
  - After 5 business days, any remaining funds in excess of 5%/\$1,000 must be returned to EPA
  - Recipients may request an exception



# Drawing Funds: Payments to Subawardees

- Primary recipient (“pass-through entity”) must draw funds to pay the subrecipient when the subrecipient submits a proper payment request or other documentation that the primary recipient has an obligation to pay the subrecipient.
  - Must disburse funds to the subrecipient within 5 business days
- Subrecipient must disburse funds within 5 business days to pay its incurred costs (e.g. staff compensation, contractor invoices)



# CFR § 200.305 FEDERAL PAYMENT



Entity must maintain advance payments of Federal awards **in interest-bearing accounts**. Interest earned amounts **up to \$500 per year may be retained** by the non-Federal entity for administrative expense. **Amounts greater than \$500 must be remitted *annually to the Department of Health and Human Services*** Payment Management System (PMS)



Advance payments to a non-Federal entity must be **limited to the minimum amounts needed** and be timed to be in accordance with the actual, immediate cash requirements.

**EPA Policy sets a 5 business days disbursement standard.**



Funds, principal, and **excess cash returns must be directed to the original Federal agency payment system.**

# Returning Funds



**ASAP**



**Fedwire**

*Bank fees may apply*



**Pay.gov**

Questions?





# Next Steps and Resources

# Next Steps

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Please contact your assigned Project Officer and/or [cleanports@epa.gov](mailto:cleanports@epa.gov) with questions.



# Reporting: What to Include



- Progress made on equipment and infrastructure procurement, purchase and deployment or planning activities:
  - Technical progress
  - Progress toward outputs, outcomes, and workplan commitments
  - ZE Technology Deployment: Details on equipment and infrastructure purchases
  - Planned activities for next reporting period
  - Summary of expenditures
  - Performance measures from approved workplan
- Note any roadblocks or barriers to original project timeline
- Scrappage (if included in workplan): Grantees will need to provide evidence of appropriate scrappage and evidence of appropriate disposal for all internal combustion engine equipment or vehicles identified for scrappage in the final workplan, and must submit a signed scrappage statement
- Progress made on other project commitments, such as workforce development, sustainability, community engagement and efforts to make the project resistant to the effects of climate change
- **Any revisions to the workplan or budget must receive prior written approval** from the Regional Project Officer. Contact your Regional Project Officer in a timely manner to communicate these changes.



# Reporting Requirements Timeline



| Deliverable                 | Deadline/Due Date  | Submission Document |
|-----------------------------|--|---------------------|
| Semi-Annual Project Reports | January 1 – June 30:<br>- Report due date July 30<br><br>July 1 – December 31:<br>- Report due date January 30 | Reporting Template  |
| Final Project Report        | 120 Days after<br>project completion   | Reporting Template  |

# Technical Resources

- **Technical Resources for Ports:** Tools focused on shore power, emissions inventories, operational strategies and fuel cell technologies.
- **Best Clean Air Practices at Ports:** Information, tools and real-world examples of best clean air practices.
- **Community Port Collaboration:** Resources developed by EPA's Ports Initiative to support effective communication and engagement between the port industry, communities and other port stakeholders.

**All are available at:**

<https://www.epa.gov/ports-initiative>

**FAQs and information about the Clean Ports Program are available at:**

<https://www.epa.gov/ports-initiative/cleanports>

**Slides and recordings from past webinars are available at:**

<https://www.epa.gov/ports-initiative/events-related-epa-ports-initiative>





# EPA Grants Management Training

EPA  
CLEAN  
PORTS  
PROGRAM



**EPA Grants Management Training for Applicants and Recipients**

This online training course is designed to introduce EPA grant applicants and recipients to key aspects of the entire grant life cycle, from preparation of an application through grant closeout. Throughout this training, the term **grant** is used as a general term to refer to both grants and cooperative agreements.

The course is divided into separate modules that can be completed individually. Each module includes knowledge checks to verify your understanding of key concepts. If you need to leave a module, the last slide to be completed will be saved, and you will be able to return to that location later. Upon completion, you will be prompted to generate a downloadable certificate of completion.

**Course Modules**

**Module 1**

Provides a foundation for understanding how EPA uses grants to achieve its mission, including the types of assistance agreements

**EPA's Commitment**

EPA is committed to ensuring that its grants programs meet the highest management and fiduciary standards, and further the agency's mission of protecting human health and the environment.

**Module 1**  
Introduction to EPA Grants

- Modules 4, 5 and 6 cover accepting awards and drawing down funds, managing grants and closing out grants.
- Available at:  
<https://www.epa.gov/grants/epa-grants-management-training-applicants-and-recipients>

# Question and Answer Session

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Upvote and comment on questions similar to your own.

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Type your full thought so we can follow-up with an answer.

