

APPENDIX B: Monetary Cost Share and Program Income

- Program income for an RLF is defined as the gross income received by the recipient, directly generated by the cooperative agreement award or earned during the period of the award. Program income includes principal repayments, interest earned on outstanding loan principal, interest earned on accounts holding RLF program income not needed for immediate lending, all loan fees and loan-related charges received from borrowers and other income generated from RLF operations including proceeds from the sale, collection, or liquidations of assets acquired through defaults of loans.

- The term monetary cost share, as used in the fillable PDF, is the monetary value of both cash and in-kind services that contribute to the CAR's 20% cost share requirement.
 - o In A of the fillable PDF, total monetary cost share equals the CAR's cost share requirement across all open and closed RLF grants the CAR has received. This would typically be 20% of EPA funds for all open and closed RLF grants. Keep in mind that the total award amount for each grant is considered to be the EPA funds + the CAR's cost share requirement, not just the EPA funding amount. In A, the Total RLF Funds = Total EPA funds + Total Monetary Cost Share (monetary value of total cost share requirement) + Program Income generated by open/closed RLF grants.
 - o In B of the fillable PDF, total unspent (unmet) monetary cost share for all open RLF grants equals the cash value of whatever the CAR still owes to meet the 20% cost share requirement. For example, if the CAR's cost share amount was originally \$150,000, but the CAR has already spent \$50,000 of cost share on eligible expenses or received or provided in-kind services that equal \$50,000, then this value in B would be \$100,000.

- It is important to note the following differences between cost share, leveraged funds, and program income when a borrower or subgrantee contributes to cleanup for a site:
 - o If the CAR is not directly receiving funds from the borrower/subgrantee and the contribution is applied to eligible expenses for the cleanup (e.g., if the borrower/subgrantee makes a contribution of eligible services for the site or direct payment of a contractor such as the QEP), then the borrower's/subgrantee's contribution amount should be counted towards the CAR's **cost share**. If the CAR has already met their 20% match or for some other reason doesn't want it counted as cost share, then the borrower's/subgrantee's contribution amount should be counted as **leveraged funds**.
 - o If the CAR is directly receiving funds from the borrower/subgrantee for the cleanup (e.g., the CAR charges a processing fee or mandatory contribution that is equivalent to a fee), then the borrower's/subgrantee's contribution amount should be counted as **program income**, which can either be added to EPA funds as program income or used as cost share.

- Based on above, there should be no duplication of monetary cost share vs program income in A and B of the fillable PDF. If using program income as cost share, for the purposes of the supplemental funding request, only count it as cost share in A and B and not as program income.