

Step 3 – Carrying Out Grant Activities

Making the Project a Success

This is YOUR project!

- EPA staff is available to give advice and guidance, but ultimately you are in control of your project's success.
- Consider the grant a “helping hand” to assist your organization in achieving its environmental goals.

EPA would not grant you an award if we felt you could not achieve what was proposed in your application. Take comfort in your ability to handle the responsibilities and stay motivated by your project goals, and your project will likely be successful.



Monitoring

YOU are responsible for managing the day-to-day operations of your project.

2.0

1. Is the cost within the project's EPA approved scope?
2. Is the cost **PERMISSIBLE** under Federal Regulations?
-Does it meet Federal Cost Principles?
3. Is the cost **REASONABLE** and **NECESSARY**?
-Does the cost reflect what a reasonable person might pay, AND is it needed to achieve the project's objective?

2.3



EPA will monitor your progress through the use of status reports, correspondence (phone & email), audits, and site visits.

EPA monitors grant projects to ensure terms and conditions are being met and to identify potential problem areas and provide technical assistance if necessary.

2.1



Allowable Costs

Before using federal funds for any expense, recipients should ask themselves the following 3 Cost Questions:

2.2



**ALLOWABLE COSTS
VS.
UN-ALLOWABLE COSTS**

All grant funding should ONLY be used for the purposes outlined in the approved work plan.

(Follow this guiding principle and you will avoid most accounting pitfalls)

2.4



If you are unsure about whether or not a particular cost is allowable, **contact your assigned Project Officer and Grants Specialist and describe the situation to them.**

2.5



Don't make a questionable expenditure **first** and ask **later**, because you may have to reimburse EPA for those unallowable costs.

2.7



If you believe you need to purchase something NOT described in your application, then the officer and specialist may consider making a number of award amendments to meet the new needs of the project (if the purchase is determined to be necessary).

2.6



Examples of Unallowable Costs

EPA does NOT allow grant funds to be used for:

- Alcohol
- Entertainment
- Lobbying
- Lawsuits against the U.S.A.

2.8

- Filing Financial Reports
- Contracting with Minority or Women Owned Businesses
- Submitting Quarterly Progress Reports
- Submitting Technical Reports
- Compliance w/ Lobbying Restrictions
- Avoid contracting with Excluded Parties (see SAM.gov)

3.1



Complying with the Terms & Conditions

Your Grant Award will include several of the following topics in the Terms & Conditions section:

3.0

Regularly **review** your Terms & Conditions throughout the duration of the project.

It's the best way to ensure that you stay in compliance with your project's requirements.

3.2



Please refer to your Grant Award if you are ever unsure whether or not a project activity is allowable.

If the document itself cannot answer your questions, **then** contact your Project Officer and Grants Specialist.

3.3



Progress Reports

These reports require basic analysis of:

1. Money Spent vs. Project Progress
-For example: If you've spent ONE THIRD of the total grant amount, we'd like to see that you've completed roughly ONE THIRD of the project work.
2. Activities completed
3. Newly-developed problems which may interfere with project goals

4.1



Reporting

EPA requires that recipients periodically submit **financial** and **progress** reports.

Other required reports may include **invention** and **property** reports.

4.0

Financial Reporting

The Financial Reports require disclosure of:

- Total award dollars
 - The total amount of money EPA reserved for your project
- Award dollars used to date
- Program Income earned to date*
- Cost- share contributions to date*

** May not apply to your award agreement*

4.2



DBE Forms

Disadvantaged Business Enterprises (DBEs) are:

- Minority-owned Business Enterprises (MBE)
- Women-owned Business Enterprises (WBE)

4.3



Depending on the amount of funding you have allocated to certain budget categories (e.g. Contractual and Equipment), you may be required to submit DBE forms on an ANNUAL basis throughout the life of the grant.

4.5



You may hear EPA representatives refer to these forms as MBE/WBE forms.

EPA's DBE Policy requires all recipients to consider qualified DBEs for contract work for any grant project.

4.4



Procurement: Working with Contractors

Your project plan may require you to contract out services. Refer to the **Terms & Conditions** which spell out EPA's policies regarding procurement, but generally you should follow these guidelines:

1. Recipients must establish procedures for administering contracts.
2. Recipients must conduct a fair and open competition for contracts and services.
3. You cannot favor your **friends or family** in awarding contracts.
4. Your competition should include opportunities for DBE contractors.
5. Recipients must document all procurement contracts and sub-awards with written agreements.
6. All procurement files must include a cost analysis for each transaction.
7. Procurement rules are complex, so always contact your Project Officer for guidance.

4.6



Procurement: Making Purchases

You may also need to purchase goods, supplies, and/or equipment to complete your project. EPA addresses the cost of these items while finalizing the award (see Step 2).

However, during your project, if you plan to make a purchase of more than \$100,000 and it was NOT previously approved in your application, then you should notify your Project Officer immediately.

EPA requires prior notification to ensure that you comply with the terms of the award and don't have to pay EPA back for any unallowable costs.

4.7



Requesting Payment

After you request a payment on-line through ASAP, you should receive your payment the next day (or on a date you specify).

EPA is flexible and can make same day payments if necessary.


5.0



Be aware that EPA requires and monitors that recipients only request the amount necessary to cover immediate project costs. Therefore, you should request payment on an “as needed” basis.

Additionally, **YOU** must monitor your contractors and make sure that they only request enough money to cover their immediate costs.

5.1



If you or your contractors regularly request more funds than necessary, EPA may place your organization on a more restrictive payment plan and monitoring schedule.

5.3



If they are requesting more than necessary from you, then you will request more than necessary from EPA.

EPA cannot monitor your contractors for you. If your contractors are breaking the rules, that means YOU are breaking the rules.

5.2



Changes to the Grant (Amendments and Revisions)

If significant changes become necessary for your project to be successful, you should discuss these with your Project Officer.

Any changes must be within the scope of the grant award and approved by your Project Officer.

6.0

- The extension doesn't require additional Federal funds.

- The extension doesn't involve any change in the approved objectives or scope of the project.

- Before the end of the project period, the recipient notifies the EPA (in writing) with a new expiration date and list reasons for the extension.

6.3



Examples of Changes

A change in a key person identified in the application or award document (i.e. Project Manager).

The absence of the approved Project Manager for more than three months.

The transfer of funds from one expense category to another.

6.1



Other Changes

Other changes can be made without EPA approval depending on the grant program. For example, non-profit recipients may:

Extend the expiration date of the award one time for up to 12 months, if:

6.2





If you have a question about whether a change requires EPA prior approval, it's best to contact your Project Officer to discuss the proposed change.

6.4

You may terminate your grant at any time by sending your Project Officer written notice stating the reasons for and the effective date of termination.

EPA reserves the right to terminate the grant award if you fail to comply with the Terms & Conditions of the award or haven't made a strong effort to achieve the project outcome.

6.7



Solutions for Project Difficulties

If your project happens to fall short of its objectives, **but your organization has followed the work plan and made a strong effort to complete the project**, EPA will do everything it reasonably can to help you solve your project problems.

6.5



Keep your Project Officer informed of your progress, and we can work together to find an appropriate solution.

If for some reason a solution is not forthcoming, then both parties may have to agree that it's in everyone's best interests to simply end the project.

6.6



Let's Recap

- Your organization is in charge of your project. The grant funding is available to help you achieve your environmental goals.
- Recipients should review each cost before using federal funds to ensure it is allowable.
- EPA monitors grant progress through several recipient-submitted reports (e.g. progress, financial, DBE).
- The Terms & Conditions specify how and when a recipient must submit their required reports.
- Recipients should request payment amounts only covering immediate project costs.
- Recipients should notify their Project Officer if they plan to make changes in scope and/or budget.
 - Lack of prior notice may result in a recipient having to reimburse EPA for the subsequent costs.