FY 2021 – FY 2024 CLEAN WATER ACT §320
NATIONAL ESTUARY PROGRAM
FUNDING GUIDANCE

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National Estuary Program
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I. Introduction

The purpose of this document (Funding Guidance) is to transmit U.S. Environmental Protection Agency (EPA) guidance on annual workplans, reporting requirements, and major assistance agreement policies to the 28 National Estuary Programs (individual NEPs), which are funded by the EPA through Clean Water Act (CWA) §320 grants and cooperative agreements. In May 2016, the National Estuary Program (NEP) was reauthorized by Congress and §320(g)(4) was added requiring the issuance of competitive awards. The competitive grant program under §320(g)(4) is not addressed by this Funding Guidance.

For the purposes of this guidance, the term "Authorized EPA Official (AEO)" refers to EPA officials who have delegated authority to make decisions under 2 CFR Part 200, 2 CFR Part 1500, and 40 CFR Part 35, Subpart P relating to the allowability of costs under NEP grants and cooperative agreements. AEOs include Regional Award Officials and Grants Management Officers.[1]

Since it was established in 1987, the NEP has successfully adapted to new opportunities, new challenges, and new expectations. The inherent flexibility of the NEP has enabled it to evolve from a targeted research program to a national model for effective, community-based resource management.

This Funding Guidance is intended to develop a shared current understanding of program management and responsibilities which require a high level of coordination and timely communication among EPA Headquarters, the EPA Regions, and programs. This guidance is intended to promote those efforts by consolidating applicable requirements and policies in one document.

In addition, this document provides clear direction on the following: 1) EPA's NEP priorities; 2) annual NEP workplan and reporting requirements; 3) Comprehensive Conservation and Management Plan (CCMP) updates and revisions; and 4) major assistance agreement policies for grants and cooperative agreements funded under CWA §320.

II. Management Conference-Approved Workplan Content

Workplan Value, Process, and Deadlines

The individual NEPs' workplans identify direction, priorities, activities, and deliverables. Additionally, workplans can be used to solicit additional resources to support CCMP priority actions.

[1] Delegation 1-14-A specifies which EPA officials have authority "to make any final determinations required by law or regulations, with eligible [grant] recipients." For the Regions the re-delegation authority is set forth as follows: The authority of the Regional Administrators may be redelegated, through intervening supervisory levels, to the Chief of the Regional Grants Management Office (Grants Management Officer) level or equivalent, and to Grants Specialists level or equivalent, and no further.

EPA recommends that the individual NEPs provide their EPA Regional Coordinators with a draft workplan for review prior to their grant package final submittal. EPA expects that as members of NEP management committees, the individual EPA Regional Coordinators will have seen and commented on draft workplans prior to the NEPs' submittal of their grant applications.

Table 1: Plan Deadlines[2]

Deliverable	Due Date	Recipients	Follow-up Action
Draft NEP Workplan	By May 15th	EPA Regional Coordinators	Regional Coordinator shares draft workplan with HQ Coordinator, for courtesy review and comment (date varies by receipt of draft)
Final Management Conference-approved NEP Workplan (with SF 424 application) entered into grants.gov	By June 1st	EPA Regional Coordinators	Regional Coordinator sends final workplan to Headquarters (HQ) Coordinator, and posts on NEP SharePoint site after award (date varies by Region)

Elements of a Workplan

1. **Comprehensive Conservation and Management Plan (CCMP) Goals:** Provide a statement indicating which CCMP goals the NEP will focus on in the coming year.

2. **Budget and Staff Elements**

   - Provide a budget breakdown of proposed workplan expenditures, including non-federal match. See Appendix 2 for additional information about the 50 percent match requirement.
   - Provide a list of NEP staff and their official responsibilities.
   - Provide a description of cost-share. Cost-share can be in the form of cash or in-kind contributions or services. See Appendix 2 for additional information and caveats about cost-share.

3. **New and Ongoing Project Information: Provide the following information for each proposed new and ongoing project.** The workplan may provide the required information in the format that complements the Program Evaluation, or in the NEP's own preferred format. Information about proposed new or ongoing projects should be easily distinguishable from information reported about major completed projects.

[2] Regional Offices can choose to negotiate with their NEPs an earlier due date for submission of the workplan and completed SF 424.

For each new or ongoing project, provide information on the following:

- **Project or Activity Name**: indicate whether it is a "New" or "Ongoing" project.
- **Objective(s)**: describe in one or more sentences; for example, "The objectives are to restore twenty acres of coastal wetland habitat and to reduce nonpoint source runoff."
- **Description**: describe the project briefly in one or more sentences; for example, "This project will engage multiple partners in the restoration of wetlands that formerly served as habitat for several endangered bird species and helped filter storm water runoff from a nearby road."
- **Leads, Partners and Their Role(s)** (if available): for example, "The State Department of Natural Resources – technical review of monitoring results."
- **Anticipated Output(s) or Deliverable(s):** for example, "Ten workshops for the public to provide information on the values of restored local habitat."
- **Estimated Milestones**, where appropriate: for example, "Within three months of project start date, all partners will have been identified."
- **Anticipated Long-term Outcome(s)**: for example, "An increase in the number of high-value habitat acres is expected to result in a 50 percent increase in native X and Y populations in the sub-watershed. The increase will also restore water quality in local stream to 1980 conditions."
- **How the Project Supports the CWA:** for example, "Restoring impaired waters."
- **Estimated Budget including Non-Federal Match:** for example, "Total budget for this item is estimated at $20,000, with $10,000 from EPA grant $ and $10,000 from match $."
- **Link to CCMP:** reference tasks or activities as actions; for example, WQ-1.

4. **Accomplishments**

- This should include significant outputs and outcomes, examples of transferable activities and tools, and whether CCMP goals were achieved. The workplan should include important key environmental and programmatic accomplishments, completed workplan activities, and highlight noteworthy lessons learned. NEPs should highlight success stories from the year, including but not limited to quantifiable outcomes related to the priority areas of special interest (see below). This information is needed to illustrate each NEP's CCMP implementation progress and should be presented in enough detail to fully describe what was accomplished, along with whatever substantiating data are available.

- Workplan accomplishments are used by EPA to respond to various information requests. The Agency also utilizes them to update the NEP website (e.g., success stories for 'How NEPs Address Environmental Issues' https://www.epa.gov/nep/how-national-estuary-programs-address-environmental-issues) for technical transfer purposes. NEPs can use these same workplan accomplishments for future program evaluation (PE) submissions and other upcoming EPA reporting purposes, share them internally within their Management Conference (MC) structure, or repurpose them to communicate with local stakeholders and potential funders through a variety of means (e.g., websites, social media, outreach materials, etc.). Therefore, it is important that the write-up be understandable to these multiple audiences.

Areas of Special Interest

As of the effective date of this Guidance, EPA's Office of Water has several priority areas of interest relevant to the NEPs, including: 1) reduction in nutrient pollution, 2) water reuse and conservation, 3) marine litter reduction, and 4) green infrastructure and resiliency. EPA encourages NEPs to consider how best to address these priorities in their study areas. Because priorities can change over time, EPA also encourages NEPs to review national water priorities annually during the work planning process and consult with EPA to shift their focus to new areas of special interest in future workplans as necessary and appropriate. The following is a description of current areas of special interest:

1. **Action to Reduce Nutrient Pollution to Protect Water Quality and Public Health**

   Nutrient pollution remains one of America's most widespread and costly environmental and public health challenges. EPA invests significantly in nutrient pollution control through its water programs and has invited states and other stakeholders to work collaboratively with EPA to reduce excess nutrients in watersheds and better protect public health and the environment. EPA promotes the implementation of innovative strategies and market-based approaches to nutrient management, including watershed-scale water quality trading programs.

   EPA encourages individual NEPs to continue their collaborative work with watershed partners to assess current and developing nutrient issues and address nutrient management in their watersheds. Individual NEPs facing nutrient pollution challenges are urged to consider a comprehensive suite of nutrient management activities. These could include established social and ecological practices, innovative strategies, and market-based approaches.

   For more details on EPA's collaborative approach to reducing excess nutrients in watersheds, see https://www.epa.gov/nutrient-policy-data/collaborative-approaches-reducing-excess-nutrients.

2. Water Reuse and Conservation

The National Water Reuse Action Plan (WRAP) is a coordinated and collaborative effort across the water user community to advance consideration of water reuse to ensure the security, sustainability, and resilience of our nation's water resources. On February 27, 2020, EPA Administrator Andrew Wheeler and other federal, state, and local water leaders announced the release of the National Water Reuse Action Plan: Collaborative Implementation. Safe and reliable water supplies for human consumption, agriculture, business, industry, recreation, and healthy ecosystems are critical to our nation's communities and economy. Water reuse can improve the security, sustainability, and resilience of our nation's water resources, especially when considered at the watershed or basin scale. See: https://www.epa.gov/waterreuse/water-reuse-action-plan

The WRAP includes an action that recognizes the contributions of NEPs to this priority issue. The title of the action is: "Leverage EPA's Water Partnership Programs to Consider Water Reuse in the Context of Integrated Water Resources Management at the Watershed Scale (Action 2.1.4)." The action calls for the greater consideration and implementation of water reuse projects in water partnership program locations, including NEP study areas, in collaboration with the broad network of public and private sector stakeholders maintained by each partnership program.

3. Marine Litter Reduction

The goal of preventing marine litter is an EPA priority. The Trash Free Waters program is addressing the problem in the U.S. through a range of approaches that can be utilized within NEP study areas. Examples of trash mitigation projects include – but are not limited to – source reduction, trash capture, monitoring and assessment, technology innovation, stakeholder engagement, and outreach/education.

Some individual NEPs already have CCMP trash reduction or trash abatement goals and are implementing trash-related projects as part of their CWA §320 grants. For those that do not have such goals or activities in their CCMPs, the EPA encourages individual NEPs that have trash challenges in their estuaries to consider doing so as part of their next round of CCMP updates or revisions. The EPA plans to track the number of CCMPs that include trash goals and may be able to provide technical or financial assistance for select NEP trash mitigation projects.

4. Green Infrastructure and Resiliency

NEP study areas are designed to restore and protect the ecosystem services that coastal watersheds contribute to the economic stability, vitality, and long-term sustainability of coastal communities. Given their locations, however, these study areas are vulnerable to natural disasters and long-term changes in coastal ecosystems. Hurricanes, floods, and other related events can damage key systems and reduce the water quality, flood control, hazard mitigation and resiliency benefits provided by the natural environment.

EPA therefore encourages NEPs to proactively assess the vulnerability of their study areas to environmental and public health hazards posed by extreme weather events and other environmental and public health stressors, and design and implement projects that incorporate green infrastructure and related management principles that promote the long-term resiliency of the coastal environment. Coastal wetlands, for example, provide flood control and barrier projection while treating excess nutrients, controlling stormwater runoff, and providing habitat for native species. NEPs are encouraged to integrate long-term hazard mitigation and resiliency objectives into their CCMPs to supplement near-term water quality and habitat restoration goals to maximize the utility of the annual federal grant awards.

Required Documentation of CWA §320 Grant Funds Used for Travel

EPA prefers federal grant awards to be used as efficiently and effectively as possible to promote on-the-ground habitat restoration and conservation, but EPA understands the value in technology transfer to promote coastal watershed protection and that information sharing between coastal communities can, where appropriate, be best accomplished during in-person meetings. CWA §320 funds may therefore be used to fund travel for the purpose of information sharing and technology transfer among stakeholders, partners, and other NEPs.

NEPs must document travel taken during the previous federal fiscal year that was paid for with CWA §320 funds and matching funds in their Annual/End of Year Report. Provide the following information for each trip taken and funded by the grant:

- Trip purpose;
- Destination;
- Number of staff members who traveled;
- Final trip cost.

Since NEP annual workplans are developed, approved by the MC, and submitted to regional offices before the end of the current annual work plan year, the NEP needs to include in the annual work plan submission an estimate of the CWA §320 travel that is expected to occur between the date of submission and the end of the current annual work plan year. This would include an estimated total cost, anticipated purposes of trips, and proposed destinations.

An NEP may use CWA §320 funds and matching funds to cover the cost of travel by staff and/or stakeholders from other NEPs or watershed organizations who collaborate with the NEP on issues of common interest. Stakeholders may include members of the general public and of environmental and public interest organizations, business or industry representatives, academicians, scientists, and technical experts.

CWA §320 grant funds and non-federal matching funds may be used to cover costs associated with attending conferences, meetings, workshops, or events that advance CCMP implementation. CWA §320 grant funds also may be used to cover the cost of renting facilities.

Note that when using CWA §320 grant funds for travel, individual NEPs should use the least expensive means of travel, whenever possible. CWA §320 grant funds and non-federal matching funds may not be used to cover the travel costs of federal employees.

III. Expedited Obligation and Expenditure of CWA §320 Grant Funds

A. Expediting the Obligation of Grant Funds

Federal government policy promotes the expedited obligation of federally-appropriated funds. This Funding Guidance supports implementation of that policy by calling for the expedited obligation of §320 grant funds as described below:

- EPA recommends that NEPs begin workplan development in the fall, before the current fiscal year annual appropriations act is signed and before funding allocation dollar amounts are available. In general, NEPs are encouraged to base early workplan drafts on the previous year's final workplan. Note that workplans should target proposed projects that could be completed in two years (i.e., pursuant to the goal of expediting obligations and expenditures; see Section III.B -- Expediting the Expenditure of Grant Funds, below).

- Once EPA HQ provides annual funding allocation information, individual NEPs should finalize draft workplans as soon as possible and provide them to their MC for review and approval consistent with agency grant policies and MC schedules. EPA recommends that individual NEP workplans be submitted in draft to their EPA Regional Coordinators in advance of the deadline in Table 1. EPA requires that final MC-approved workplans be submitted to EPA through grants.gov by June 1st of each year, unless an earlier due date is negotiated between the Regional Office and the NEP (see Table 1).

- NEPs and Regional Coordinators are encouraged to share the draft workplan with the HQ Coordinator for a courtesy review and comment. The Regional Coordinators should post the final workplan on the EPA NEP SharePoint site and notify the EPA HQ Coordinator of its availability (see Table 1). Regional Coordinators should also provide their HQ Coordinator with the NEP's Annual Report by November 30 (see Section V.A. -- Annual Reporting, below).

- If, during Regional review of the individual NEP's grant application, the Region proposes significant revisions to the workplan, the individual NEP's MC should be made aware of those proposed revisions in a timely manner.

B. Expediting the Expenditure of Grant Funds

The Federal government has made it a priority to ensure timely funds expenditure. EPA strongly urges its assistance agreement recipients, including the individual NEPs, to spend down funds in an expeditious manner, implementing and completing projects whenever possible within two years of the assistance award date. NEPs should consider taking one or more of the following steps to ensure timely funds expenditure for project implementation:

- Break up long-term projects into two or more grants comprising sub-projects with shorter project periods.

- No-cost extensions are discouraged but may be allowed with approval from an AEO on the recommendations of a project officer and grants management specialist. Project officers should ensure that the National Term and Condition in Integrated Grants Management System (reproduced below) requiring EPA approval for no-cost extensions is included in the Funding Recommendation for the cooperative agreement.

  > Extension of Project/Budget Period Expiration Date
  >
  > EPA has not exercised the waiver option to allow automatic one-time extensions for non-research grants under 2 CFR 200.308(d)(2). Therefore, if a no-cost time extension is necessary to extend the period of availability of funds the recipient must submit a written request to the EPA prior to the budget/project period expiration dates. The written request must include: a justification describing the need for additional time, an estimated date of completion, and a revised schedule for project completion including updated milestone target dates for the approved workplan activities. In addition, if there are overdue reports required by the general, administrative, and/or programmatic terms and conditions of this assistance agreement, the recipient must ensure that they are submitted along with or prior to submitting the no-cost time extension request (National Term and Condition Extension of Project/Budget Period Expiration Date).

  If an NEP anticipates difficulties in completing projects within planned project periods, the NEP should immediately discuss with the NEP Regional Coordinator what steps it plans to take to expedite the expenditure of its unspent project funds.

- If a project is completed at a cost that is less than the budgeted amount, the NEP should notify the EPA Regional Coordinator how remaining project funds have been, or will be, re-allocated, so that all available funds will be drawn down during the project period.

- To the extent that an individual NEP uses §320 grant funds for salaries or operating funds, EPA encourages the NEP to spend down those funds within one year of the grant award date. However, if the planned expenditure rate for those costs is slower than originally planned due to unanticipated circumstances (e.g., a staff position becomes vacant and remains unfilled for a period of time), the NEP should advise the EPA Project Officer that funds will not be completely spent down within one year of the grant award date and provide the reason and a plan for expenditure in subsequent years.

IV. Federal Government Performance and Results Act (GPRA) Reporting Requirements

The Government Performance and Results Act (GPRA) requires federal programs to annually report on their progress toward meeting established program goals, Strategic Plan performance

measures, and internal agency targets. Table 2 provides the deadlines for NEPs to report habitat and leveraging data. The National Estuary Program Online Reporting Tool (NEPORT) will be open in the beginning of July in order to allow early reporting if the Regions wish to request it from their NEPs. NEPORT can be accessed at https://www.epa.gov/nep.

Table 2: NEPORT Reporting Deadlines

Deliverable	Due Date	Recipient
EPA HQ provides Instructions and Open Access to NEPORT	End of last week in June	NEPs with courtesy copy to Regional Coordinators
Individual NEPs provide Habitat Data	End of 2nd week in September each year, starting in 2021	NEPORT Database
Individual NEPs provide Leveraged Funds Data	End of 2nd week in September each year, starting in 2021	NEPORT Database
EPA Regional Coordinators review and approve NEP Data in NEPORT	End of 2nd week in October each year, starting in 2021	NEPORT Database
EPA HQ review and final approval of NEP data in NEPORT	Three weeks after all Regional data is final (or by first week in December), starting in 2021	NEPORT Database, habitat and leveraging totals summary numbers sent to Regional Coordinators and NEPs

A. Environmental Results

To depict environmental results, EPA requires individual NEPs to report on the habitat protected and restored by the NEP and its partners between October 1 and September 30 of the past Federal fiscal year. By the end of the last week in June, EPA HQ will provide specific NEPORT data entry deadline dates to NEPs and Regions. Data become final after Regional Coordinators and EPA Headquarters staff officially approve habitat and leveraging data.

EPA posts the national habitat annual totals and a subset of the reported habitat data in NEPORT (e.g., project description, lead implementer, photos, and acres) on EPA's NEP website for public viewing. This interactive GIS application is called NEPmap. NEPmap shows geo-located NEP habitat projects within each study area boundary, along with many other national data layers related to water quality and land use/land cover. Since this project

information is posted verbatim, data must be accurate and project descriptions must be clear and understandable to the public.

B. Leveraged Resources[3]

As part of CCMP implementation, each NEP works to ensure its long-term financial sustainability by pursuing leveraging opportunities; i.e., financial or in-kind resources provided above and beyond the Federal funding provided under the §320 grant. Leveraged resources include both resources that are administered by the NEP and those that are not. As in previous years, EPA Headquarters requests each NEP to report annually on those resources. Leveraging report entries are not to include information for projects without primary or significant participation by the NEP, e.g., projects that pre-date NEP involvement. See Appendix 4.

V. Additional National Estuary Program Policies

A. Annual/End of Year Reporting

NEPs are required to provide Annual/End of Year Reports to the EPA Regions as part of their assistance agreements. The purpose of these reports is to provide a clear record of how funds were spent during the reporting period and therefore serves a different and distinct purpose from the Accomplishments Report that is required for annual workplans as described in Section II, above. The terms and conditions for Annual/End of Year reporting requirements may vary across EPA Regions. For example, such reports may be required on a semi-annual basis, leading up to a final End of Year Report. If a grantee is not on the Federal fiscal year grant cycle (e.g., State Fiscal Year), they should work out an agreement for an Annual/End of Year Report due date with their Regional Coordinator, who will inform the HQ Coordinator.

While the grantee should see the grant award's programmatic terms and conditions for specific reporting requirements, in general, Annual/End of Year Reports should include the following elements for all major projects that were completed during the previous work year:

- Project/activity name;
- Brief project description;
- Lead implementer, partners and their roles;
- Deliverables and completed activities;
- Amount of CWA §320 grant/cooperative agreement funds spent on project implementation;

[3] Leveraged resources are those financial or in-kind resources above and beyond §320 assistance agreement funds and earmarks or line items that an NEP Director and staff had a role in directing toward CCMP implementation. Leveraged resources include resources administered by the NEP or NEP partners. Examples include: §320 match, grants obtained by an NEP, and bonds that an NEP played a role in directing toward CCMP implementation-- from the *Frequently Asked NEPORT Questions* document in NEPORT.

- How and where workplan tasks are located in the CCMP, e.g., goals, objective, or action plan;
- If applicable, the NEP should describe external constraints related to any/all workplan elements and how the NEP addressed those constraints.

Regional Coordinators are asked to share the final Annual/End of Year Report for each NEP with their respective HQ Coordinator by December 15. Dates may vary based on the end of the project period.

Table 3: Annual/End of Year Reporting Deadlines

Deliverable	Due Date	Recipients	Action
Annual/End of Year Report	Date Negotiated by Region with NEP	EPA Regional Coordinators	NEPs provide Annual/End of Year Report to Regional Coordinators
Final Annual/End of Year Annual Report	By December 15th	EPA HQ Coordinators	Regional Coordinator emails final Annual/End of Year Report to respective HQ Coordinator. HQ Coordinator saves on SharePoint.

B. CCMP Revisions and Updates

The CCMP is a living document, and EPA recommends that individual NEPs review and assess their CCMP and associated documents (monitoring, habitat, funding and communication plans) every three-to-five years to determine whether a revision or update is needed to keep the CCMP relevant. To ensure that CCMPs continue to be relevant to the needs of the NEP, EPA also recommends that each NEP revise its CCMP and associated documents at least once every ten years. EPA expects that NEPs will make the changes necessary to their CCMP and associated documents to agree with the Content Checklist of the NEP CCMP Revision and Update Guidelines (see Appendix 5). If major changes are needed, the CCMP should be revised. If minor changes are needed, the CCMP should be updated.

- **CCMP Revision**

  If one or more of the following applies to a CCMP, EPA recommends that an NEP revise its CCMP:

  — NEP Study Area boundary changes (upon approval by the MC), resulting in the need for characterization of new area;

  — a significant number of CCMP action plans have been completed; and

— significant new environmental data have led the MC to conclude that new priorities, goals, objectives, and action plans need to be developed to achieve better environmental results in the study area.

A revised CCMP should include revisions to the following sections of the original CCMP:

— monitoring plan;

— finance plan;

— education/outreach, and public involvement strategies; and

— habitat protection/restoration plan; a revised habitat protection/restoration plan should reflect the results of and planned responses to a broad, risk-based vulnerability assessment.

A revised CCMP should include the following (see Appendix 5 for more details):

— new priorities, goals, and objectives;

— new action plans that indicate:

1) whether they replace or enhance former plans;

2) entities that will serve as lead implementers;

3) a timeline and milestones for completion;

4) where the action will take place or resource affected;

5) potential costs; and

6) performance measures (quantitative/environmental results wherever possible);

— a cross walk description of how all new actions/updated actions compare with related original actions and what the basis was for change. This would include a discussion of what was accomplished under the previous CCMP, what challenges remain, and why the new CCMP is better to address those challenges, including sufficient information to credibly track improvement and make necessary changes.

- **CCMP Update**

EPA recommends that NEPs review their CCMPs and associated documents every three to five years to determine if minor changes are needed. A minor change to a CCMP is considered to be an update.

Examples of changes that would prompt an NEP to update its CCMP include the following:

— new environmental data that could have a significant impact on some NEP activities have become available;

— some aspects of action plans have changed; for example, a new entity has taken on the role of lead implementer, timelines for action plan completion have changed, actions have been combined, or cost estimates have been revised.

The CCMP update can take the form of: (1) an Addendum to the current CCMP; (2) a Strategic Plan that serves as a companion piece to the CCMP; or (3) revisions to select action plans in the current CCMP.

An updated CCMP should include the following (see Appendix 5 for more details):

— any revised/new goals, objectives, and action plans; note that new action plans should indicate whether they are replacements for or enhancements of former plans;

— entities that will serve as lead implementers;

— a timeline and milestones for completion;

— where the action will take place and/or the natural resources affected;

— potential costs;

— performance measures (quantitative/environmental results wherever possible); and

— a cross walk description of how all new actions/updated actions compare with related original actions and what the basis was for change.

- **EPA Notification and Concurrence for CCMP Revision and Update**

  NEPs will notify the EPA Regional Coordinator when a MC has decided to revise or update its CCMP. Regions and NEPs should also keep Headquarters apprised of progress in revising or updating the CCMP. EPA must be included as a partner in draft development and technical review of draft CCMP Revisions and Updates. The relevant EPA Regional office and Headquarters will concur on all CCMP revisions or updates developed by the MC. If CCMP revisions change the scope or objective of the EPA funded project under 2 CFR 200.308(b)(i), prior EPA approval is required. For more information, see Appendix 5.

C. Role of the Host Entity in Relation to its NEP Management Conference

The purpose of this section is to clarify the roles and responsibilities of the individual NEP host entity (the grant recipient and employer of the Director and staff) in relation to the individual NEP's Management Conference (MC). The MC is a shared governance structure made up of diverse stakeholders for open discussion, cooperation, consensus building, and collaborative decision-making. The MC serves as the neutral forum to prioritize work for the

annual workplan and approve the budget, identify issues, and develop, update, and implement an NEP's CCMP. It is composed of the NEP Program Office and various stakeholder committees that collectively direct, approve, implement, and provide technical and citizen input. The NEP Director and program staff, who coordinate these committees, facilitate implementation of the CCMP and produce documents such as annual budgets and workplans, are all accountable to the MC.

An individual NEP's MC typically includes the host entity organization as a member. The host is expected to support an individual NEP's decision-making process by providing a neutral forum for discussion or supporting an individual NEP to provide that neutral forum themselves. The forum allows information (e.g., technical and research information) to be shared. Funding awarded to the host is intended to be used for purposes and activities developed and approved by an individual NEP's MC. This requirement is derived from the NEP financial assistance regulation at 40 CFR 35.9065(a):

> The Regional Administrator will not award funds pursuant to CWA §320(g) to any applicant unless and until the scope of work and overall budget have been approved by the management conference of the estuary for which the work is proposed.

EPA recognizes that a host organization typically provides an invaluable service to the NEP as an administrative and financial manager. EPA also recognizes that this can involve certain fiduciary responsibilities such as hiring and providing office space for the Director and staff, administrative and personnel support; providing match; and preparing and processing grant agreements and payment for contracts and services.

The host entity is responsible for: (1) complying with terms and conditions of the assistance agreement made with EPA; (2) maintaining financial records; (3) submitting progress reports and other required paperwork; (4) employing the NEP Director and staff; and (5) tracking and adhering to eligible cost requirements which include a non-federal 50 percent match. Funding awarded to the host entity is intended to be used for those purposes and activities approved through the consensus of the MC, consistent with the CCMP and CWA §320.

An individual NEP is unique both in the highly collaborative approach it requires among members of the MC and in the authority it confers on the Management Conference to choose the direction of its program. The MC approves the annual workplan and any changes to the CCMP, thus providing a safeguard against individual interests steering the NEP's direction alone. To this end, many NEPs have developed and adopted operating procedures, agreements, or by-laws which outline roles and responsibilities.

The NEP Director oversees the program's spending and work efforts, including authorizing payments for grants, contracts, reimbursements, and typical administrative expenditures for the NEP as well as staffing selections and duty assignments. Decisions to make significant changes (e.g., elimination of roles/responsibilities of key staff positions or directing staff focused projects/activities that do not align or do not support CWA §320 CCMP implementation) to NEP key personnel (e.g., the Director) or their duties must be approved by the MC.

For this approach to succeed, the individual NEP's Director and staff should be perceived to be autonomous and independent of detailed direction from particular interest groups or agencies. The intent is that an individual NEP's Director and staff are not directed by their host entity, but by the NEP's management conference. Therefore, an NEP belongs to all the MC participants, not just the host.

There may be situations where the goals of the MC and the host entity are no longer compatible, or the MC determines that the host entity no longer can meet the needs of the program. In such cases, the MC may decide to explore a new host entity. The process for selecting a new host entity should be guided by the MC to ensure that the NEP retains its independence while fulfilling its duties. For example, NEPs have issued a public call (Statement of Interest) for interested parties, or members of the NEP MC have expressed a desire to take on this role of serving as host.

D. Required National Meeting Attendance

Every NEP Director is required to attend official EPA-NEP meetings, unless extenuating circumstances arise and an alternative approach is approved by the EPA Project Officer (see below). Officially scheduled EPA-NEP meetings include:

- the scheduled annual NEP national meeting usually held in the Washington, D.C. area; or
- any scheduled EPA Region/NEP meeting convened by a Regional Administrator or their designee.

Each annual assistance agreement must include a Programmatic Term and Condition indicating that as a requirement of that Agreement, the individual NEP's Director is required to attend all national or Regional meetings called on behalf of the program. The Programmatic Term and Condition should also indicate that under extenuating circumstances (e.g., a family emergency, or a conflict in meeting dates caused by a previously scheduled event) an individual NEP's Director may delegate attendance to a senior staffer.

E. NEP Program Evaluation

The primary purpose of the EPA Program Evaluation (PE) is to help the EPA determine whether the 28 NEPs are making adequate progress implementing their CCMPs. The evaluation process has considerably enhanced EPA Headquarters and Regional knowledge of each individual NEP and promoted sharing of innovative projects and approaches across all 28 NEPs. In addition, EPA uses the evaluation process to assess how the NEPs support the CWA and to evaluate the extent and effectiveness of the NEPs' contributions to achievement of CWA goals.

In 2021, EPA will analyze and report on the results of all 28 evaluations conducted over the previous 5-year period. The PE analysis will highlight common strengths, challenges, and CWA program support. In addition, EPA will work with the NEPs to assess the current PE Guidance to determine what changes may be needed. New PE Guidance is expected to be

released by end of Federal fiscal year 2021. Therefore, the next PE cycle is expected to begin in 2022. NEPs still undergoing the PE process for 2020 should continue to use the 2016 Program Evaluation Guidance.

F. Use of CWA §320 Funds for Land Purchase

Purchase or acquisition of land, including appraisals and land operation and maintenance, is an allowable use of CWA §320 funds if purchase/acquisition is identified as one type of an action or activity in an approved CCMP. Also, real property (land) may be used as match if the land was not purchased or acquired using §320 or other federal funds and if the way the land will be used as described is in an approved CCMP. NEPs should consult with their Regional Coordinators and Regional Grants Project Officials for information about the appropriate documentation required for real estate transactions and for use as match.

G. Proposal/Grant Writing Preparation Costs (see Appendix 6 for scenario examples)

The following section applies to both grants and cooperative agreements.

As provided at 2 CFR 200.460, proposal costs include " . . . the costs of preparing bids, proposals, or applications on potential Federal and non-Federal awards or projects, including the development of data necessary to support the non-Federal entity's bids or proposals." The term may include costs of proposals for funding from other Federal agencies, state or local governments, and private foundations. Under 2 CFR 200.460, proposal costs for both successful and unsuccessful proposals incurred during the current accounting period are "normally" treated as indirect costs. However, EPA has determined that directly charging proposal preparation costs is also allowable under NEP when all of the following conditions are met:

1. The recipient must be seeking funding from other EPA programs, other federal agencies, state or local governments, or private foundations. If the proposal is successful, the funds will be used to carry out an activity described in the recipient's CCMP.

2. The proposal preparation costs must not be included in the "base" for calculating the recipient's indirect cost rate. Recipients must classify proposal preparation costs under NEP grants consistently as direct or indirect as required by 2 CFR 200.412. For example, if the salary of the analyst who develops the narrative for the proposal is not included in the indirect cost base, then the personnel compensation costs (salary and fringe) for the time the analyst spends preparing the proposal, may be charged directly to the NEP grant. The cost for the time an accountant spends developing a proposal can be charged either to the indirect cost base, or to direct costs, but not both.

3. The proposal preparation costs must bear a reasonable relationship to the total budget and not exceed 5 percent of the total budget (which includes both EPA's share and any cost share/match by the recipient) for the NEP grant that will be charged for the proposal preparation costs as provided in Section 6 c.(1)(c) of EPA's Guidance on Selected Items

of Cost for Recipients. Note that EPA expects the costs to develop a proposal will be much less. NEPs must consult with their Regional Coordinators to confirm the "reasonable relationship" to the budget.

4. As required by 2 CFR 200.460, recipients must ensure "[N]o proposal costs of past accounting periods will be allocable to the current period."

5. Any proposal preparation costs incurred prior to award of the NEP assistance agreement that will be charged for the proposal preparation costs must comply with the requirements for pre-award costs at 2 CFR 200.458 in order to qualify for direct charging. If the proposal preparation costs are incurred prior to award, the budget and project period for the agreement must include the period of time that the recipient incurred the proposal preparation costs. As provided at 2 CFR 1500.8, recipients must obtain prior AEO approval before charging proposal preparation costs that were incurred more than 90 days prior to award. Pre-award costs are only an issue for the initial award of a grant in its first year, and not in subsequent years of amendments for that grant. As with all pre-award costs, the recipient incurs proposal preparation costs at its own risk.

6. Recipients must provide EPA with assurances that regulatory and policy requirements are met with the application for the award which includes direct charges for proposal preparation costs with the understanding that the recipient will inform EPA if circumstances change. No further assurances are necessary throughout the term of the agreement. An example of an acceptable assurance statement is as follows:

   The budget for (Name of Recipient) application for EPA funding includes direct costs for preparing its proposal for this award or proposals for funding from other sources. The amount of funds that may be used for proposal development may not exceed 5% of the total budget (both Federal and non-Federal shares). If the proposal is successful, the funds must be used to carry out an activity described in the recipient's CCMP. (Name of Recipient) may not include the same proposal preparation costs in its indirect cost "pool" or similar term used in its indirect cost rate agreement.

   Additionally, no direct costs for preparing proposals from past accounting periods may be allocated to the current accounting period as required by 2 CFR 200.460. NEP grant recipients who obtained reimbursement for proposal preparation costs as a direct cost prior to the effective date of this guidance must provide EPA's Regional Grant Management Officer with the same assurance for the costs to be allowable. For the purposes of retroactive approval, the past accounting period means the previous grant to be charged. If the NEP grant recipient cannot make those assurances, then the recipient must adjust its charges to the grant to offset the direct charges for proposal preparation costs with the other eligible and allowable costs.

Note that EPA has determined that funds a recipient obtains from successful proposals are not program income for the purposes of 2 CFR 200.307 and 2 CFR 1500.7(b) even if the

recipient charges the costs for preparing the proposal directly to the NEP grant. Successful proposals in almost all cases lead to an agreement with the grantor that contains specific conditions for the use of funds. Under these circumstances, EPA does not consider the funds that recipients obtain through proposal preparation activities charged as direct costs to the NEP grant to be program income since the grantor's conditions may be different than those contained in the NEP grant.

If a recipient or subrecipient does not have an indirect cost rate, then all grants management costs that are "allocable" to a specific NEP grant or subaward may be charged directly. Recipients and subrecipients with indirect rates must ensure that they charge the grants management costs consistently as direct or indirect.

H. Fund Raising Costs (see Appendix 6 for scenario examples)

The following section applies to both grants and cooperative agreements. As 2 CFR 200.442(a) indicates, fundraising consists of organized activities such as "financial campaigns, endowment drives, solicitation of gifts and bequests" designed to "raise capital or obtain contributions." These costs are generally unallowable. However, in limited circumstances when the funds raised further the statutory purposes of the NEP found under CWA §320(b), fundraising costs may be allowable as a direct cost if an AEO provides prior written approval. This approval requires a determination that the funds raised will be used to carry out an activity described in the recipient's CCMP. These determinations may be made at the time of award if the recipient justifies charging the NEP grant or cooperative agreement for fundraising costs in its budget narrative or post-award in response to a request by a recipient. The justification should include:

- Specific action in the CCMP that the funds will be used to carry out;
- The method(s) the recipient will use to raise the funds; and
- Controls in place to assure that the funds are only used for authorized purposes, including the 5 percent of total budget cost limitation on allowable fundraising cost.

EPA has determined that the amount of the total budget (CWA §320 funds and cost share/match) that can be used for fundraising is 5 percent. NEPs need to consult with their Regional Coordinator regarding these costs. Fundraising costs differ from proposal preparation costs based on how the recipient may use the money. Funds raised through solicitations of gifts or bequests are not conditioned on the recipient carrying out a specific project as would be the case with a financial assistance agreement from a governmental entity or foundation. The recipient has the discretion to use the program funds under the same conditions as the NEP grant to implement the CCMP. Since the recipient used NEP grant funds to solicit the gift or bequest, the funds raised were directly generated by the EPA supported activity as provided in the definition of program income at 2 CFR 200.80.

EPA's Guidance on Selected Items of Cost for Recipients provides that funds raised with costs charged to EPA grants will be treated as program income under either the "addition" or "cost share" method. By regulation, program income used under these methods must be used for the same purposes and under the same conditions as the NEP grant. 2 CFR 1500.7(b); 2

CFR 200.307(e)(2) and (3); 2 CFR 200.306(b). In other words, any program income obtained by the NEP may be added to the amount of EPA funding or used as cost share, but under either method the program income must be used to fulfill the terms and conditions to implement the CCMP.

By regulation (2 CFR 1500.7(b)) the default method for use of program income on EPA assistance agreements is addition. The default method means that unless the terms and conditions provide otherwise, program income will be added to the amount of EPA funds. Project Officers can change the use of program income to cost share by inserting a Term and Condition authorizing program income to be used as cost share.

Regional AEOs may authorize recipients to use program income as cost share/match or a combination of cost share and addition thru the terms and conditions of the agreement. Two options of the necessary term and condition are as follows:

> **The budget for (Name of Recipient) application for EPA funding includes direct costs for fundraising as that term is defined by 2 CFR 200.442(a). Direct costs for fundraising may not exceed 5% of the total budget (both Federal and non-Federal shares) without express approval from EPA's Regional Award Official or Grants Management Officer. All proceeds from fundraising supported by EPA or the recipients cost share/match are to be accounted for as program income and**
>
> **(Option 1 "as provided by 2 CFR 1500.7(b) and 2 CFR 200.307(e)(2) added to the amount of the cooperative agreement and used for the purposes and under the conditions of the cooperative agreement to carry out an authorized activity described in the recipient's CCMP.") or**
>
> **(Option 2 "used for cost share/match as provided in 2 CFR 200.307(e)(3) to carry out an authorized activity in the recipient's CCMP.")**
>
> **(Name of Recipient) must not include the same fundraising costs in its indirect cost "pool" or similar term used in its indirect cost rate agreement. Additionally, (Name of Recipient) may not use EPA funds or resources counted towards cost share/match to support any fundraising event that involves entertainment including evening receptions, dinners, or similar events where alcohol is served or otherwise available even if EPA funds or resources counted towards cost share are not used to purchase alcohol.**

Note: While governmental entities rarely make gifts or bequests, it may be more difficult to determine whether funds sought from private foundations fall under the fundraising or proposal preparation cost categories. EPA will typically base the determination on which category the activity falls under based on how the recipient accounts for the funds for financial statement purposes. Funds that are classified as "unrestricted assets" would be characteristic of resources obtained through fundraising, while "restricted assets" would be characteristic of grants obtained through a proposal.

I. Prohibition on Use of CWA §320 Funds by the Association of National Estuary Programs (ANEP)

As stated in previous Funding Guidance documents, ANEP membership dues and lobbying activities must be paid for by non-federal sources and cannot be used as match for funds received from EPA under CWA §320 authority. It is important to clearly demonstrate that ANEP: (1) is independent of the EPA, (2) does not receive federal funds allocated by EPA, and (3) is viewed as independent by its members and the public.

NEPs are no longer prohibited from obtaining *services* from ANEP. NEPs may use §320 funds to pay ANEP to obtain non-lobbying "services" from the organization through subawards, provided that a waiver was obtained to do so and the funds go exclusively for non-lobbying services such as cross-program communication, issue analysis and discussion, joint project development, meeting planning and other logistical services, etc.[4]

[4] As a general example, if an NEP needed web hosting (or other services) from ANEP, it could not simply contract with ANEP to provide those services without following the procurement standards in 2 CFR part 200.

APPENDIX 1

SF 424 Application Submission

Individual NEPs or their fiscal sponsors should provide a complete SF 424 application, including a MC-approved Workplan, to Grants.gov each year. Applicants that have limited or no internet capacity should refer to the PDF on the Exceptions to the Grants.gov Requirement page describing the process to request an exception.

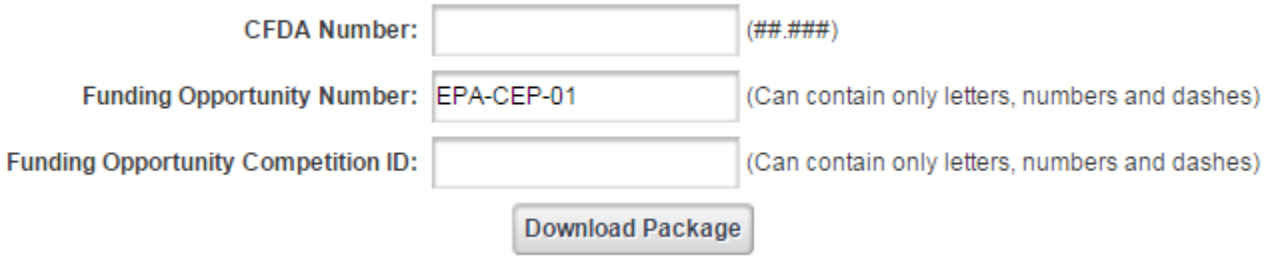
Register with Grants.gov

In order to submit an application using Grants.gov, an organization must be registered with Grants.gov. Please allow four weeks to complete registration. Also, please have a DUNS number and an active SAM.gov registration before registering with Grants.gov. You can find out more information about registering here: http://www.grants.gov/web/grants/applicants/organization-registration.html.

Access and Download Grant Application Package and follow these steps:

Go to http://www.grants.gov/web/grants/applicants/download-application-package.html

1. Type "EPA-CEP-01" into the "Funding Opportunity Number" field and click "Download Package".



2. Download the package associated with CFDA 66.456.A.
3. Complete the Grant Application Package. Attach the forms and information that the CWA § 320 NEP grants require. Contact the EPA Project Officer and/or Grants Management Specialist if you have questions about which forms and materials you must submit.
4. Submit your application. See http://www.grants.gov/web/grants/applicants/apply-for-grants.html for more information on this process.
5. Confirm with the EPA Project Officer that EPA has received your application package.

If for ANY reason you cannot submit your application by the deadline specified, contact EPA Project Officer immediately.

Applicant Grants.gov Support

Visit the Grants.gov Applicant Resource page here: http://www.grants.gov/web/grants/applicants/applicant-resources.html for FAQs, User Guides, Checklists, Training and Technical Support.

Call or email the Grants.gov Contact Center (http://www.grants.gov/web/grants/about/contact-us.html) – Open 24 hours a day, 7 days a week – with *any* technical questions or issues. 1-800-518-4726 or support@grants.gov.

APPENDIX 2

Explanation of Match Requirement and of Cost-Share

- **Match Requirement**

  Clean Water Act §320 requires a one-for-one grant funding match, split between federal and non-federal funds, for each annual assistance agreement awarded under §320, unless awarded under §320(g)(4). Non-federal match must comply with 2 CFR 200.306. See information on non-federal match, below.

  The §320 assistance agreement recipient is responsible for ensuring that this match requirement is met. If a recipient's structure includes multiple organizations which each receive a portion of the annual §320 allocation, the combined match provided by those organizations must meet the §320 50 percent match requirement. Recipients of §320 assistance agreement funds are required to show how they will match those funds over the project period (i.e., the match must be verifiable and well documented and identified in the assistance agreement approved budget). At the end of a project period, the total match provided by the NEP grantee is required to equal the total amount of §320 funds received during that period. The EPA does not require §320 recipients to meet cost-share on a rolling basis throughout the project period although recipients may choose to do so.

- **Non-Federal Match**

  Non-federal match (sometimes called cost-share) can be in the form of cash or in-kind contributions or services with the following caveats:

  - Other federal agency or other EPA funds may not be used as match for funds provided under §320 unless a federal statute (e.g., HUD's Community Development Block Grant authority) allows Federal funds to be used as match.

  - Project partner or other government agency staff serving in a professional capacity on NEP committees can be counted as match as long as they are not paid by the NEP or counted as match for another federally-assisted program.

  - In-kind contributions can be resources like staff time, space and equipment (e.g., office or lab space, photocopiers), or other services provided by partners in support of MC activity such as CCMP implementation and revising a CCMP.

  - Volunteer services may be used as in-kind match if they are integral to and a necessary part of a project. Those services must be provided by a volunteer who:

    - has the requisite skill;

    - has received relevant, project-specific training by the NEP; or

- is professionally qualified to carry out a specific task (e.g., a carpenter who volunteers to construct a wooden boardwalk).

- Services provided by volunteers who do not have project-specific skills and training, or who lack professional qualifications to carry out specific tasks, **may not be considered** as in-kind match. Services from volunteers must be valued based on the activity performed rather than the amount the volunteer gets paid for unrelated work.

- A national "value of volunteer labor" database which provides rates for each state that NEPs may wish to refer to is available here: https://independentsector.org/value-of-volunteer-time-2018.

- It is important to develop and maintain a recordkeeping system or management process that depicts how both professional staff time and volunteer time is allocated to each individual NEP activity and project. The system should depict the dollar value of services provided by both professional and volunteer staff for each workplan activity on which they work.

APPENDIX 3

Important Assistance Agreement Orders and Policies; Other Policy Updates

A. Orders and Policies Issued Since October 2010.

Detailed information about and copies of the policies are available at the listed websites, and EPA Project Officers and Grants Specialists are available to provide additional clarification and guidance on the policies. However, only AEOs may provide approvals.

1. Grants Policy Issuance (GPI) 16-01: EPA Subaward Policy for EPA Assistance Agreement Recipients

   Purpose: This policy establishes the requirements and procedures for Grants Management Offices and Program Offices in making determinations regarding subrecipient eligibility, overseeing pass-through entity monitoring and management of subawards, and authorizing fixed amount subawards under 2 CFR 200.330, 200.331, and 200.332.

   See policy at https://www.epa.gov/grants/grants-policy-issuance-gpi-16-01-epa-subaward-policy-epa-assistance-agreement-recipients.

2. Grants Policy Issuance (GPI) 15-02: EPA's Final Financial Assistance Conflict of Interest Policy

   Purpose: As required by 2 CFR 200.112, EPA has established the following final policy governing disclosure of actual and potential conflicts of interest (COI Policy) by applicants for, and recipients of, federal financial assistance awards from EPA. This policy applies to all individuals and non-Federal entities requesting and receiving EPA financial assistance in the form of new initial awards or incremental/supplemental funding on or after October 1, 2015, and is intended to prevent personal and organizational conflict of interests in the award and administration of EPA financial assistance.

   See policy at https://www.epa.gov/grants/epas-final-financial-assistance-conflict-interest-policy.

3. Grants Policy Issuance 12-06: Timely Obligation, Award and Expenditure of EPA Grant Funds

   Purpose: The purpose of this policy is to further EPA's mission of protecting human health and the environment by ensuring the timely obligation, award and expenditure of EPA grant funds. The goal for all EPA assistance agreement programs is to expeditiously obligate grant funds appropriated by Congress in the first year of availability.

EPA has eliminated the requirement for recipients to submit a signed Affirmation of Award for new awards or amendments. The Notice of Award section of the agreement will include the language in Attachment D allowing recipients to demonstrate their commitment to carry out an award by either: 1) drawing down funds within 21 days after the EPA award or amendment mailing date; or 2) not filing a notice of disagreement with the award terms and conditions within 21 days after the EPA award mailing date.

See policy at https://www.epa.gov/grants/grants-policy-issuance-12-06-timely-obligation-award-and-expenditure-epa-grant-funds.

4. Grants Policy Issuance 11-01—Managing Unliquidated Obligations and Ensuring Progress under EPA Assistance Agreements.

   Purpose: To ensure that recipients of assistance agreement funds like the NEPs spend those funds and make progress implementing their workplans in a timely manner.

   - Several EPA resource management offices are increasing their scrutiny of the pace of assistance agreement expenditures. EPA's Office of Grants and Debarment has developed this new policy to promote more rapid expenditure of assistance agreement funds and to reduce unliquidated obligation balances. It requires that every assistance agreement include the following standard national Term and Condition language:

     > "EPA may terminate the assistance agreement for failure to make sufficient progress so as to reasonably ensure completion of the project within the project period, including any extensions. EPA will measure sufficient progress by examining the performance required under the work plan in conjunction with the milestone schedule, the time remaining for performance within the project period, and/or the availability of funds necessary to complete the project."

   See Policy 11-01 at https://www.epa.gov/sites/production/files/2014-12/documents/gpi_11_01_12_07_10.pdf.

Federal Funding Accountability and Transparency Act Reporting Requirements for Sub-award and Executive Compensation

Purpose: To describe federal reporting requirements for EPA assistance agreement recipients.

Public Law 109-282, the Federal Funding Accountability and Transparency Act of 2006 as amended (FFATA), requires disclosure of all entities and organizations receiving federal funds through a single publicly accessible website, USASpending.gov. USASpending.gov includes information on each federal financial assistance award and contract over $25,000, including such information as:

1. The name of the entity receiving the award;
2. The amount of the award;
3. Information on the award including transaction type, funding agency, etc.;
4. The location of the entity receiving the award;
5. A unique identifier of the entity receiving the award; and
6. Names and compensation of highly-compensated officers (as applicable)

Grant and cooperative agreement recipients are responsible for reporting on executive compensation, when applicable, and subrecipient awards over $25,000. Executive compensation and subrecipient reporting requirements generally apply to new discretionary and mandatory EPA funding, equal to or exceeding $25,000, awarded on or after October 1, 2010.

A prime recipient is required to report subawards where the obligations are equal to or greater than $25,000 in federal funds. If a subaward is initially funded at less than $25,000, the prime recipient does not have to report the subaward to the FSRS - Federal Funding Accountability and Transparency Act Subaward Reporting System. However, if the prime recipient subsequently provides additional funding to increase the subaward amount to $25,000 or more, the subaward must be reported in the FSRS.

Subaward reporting is specific to each assistance agreement. For example, if a prime recipient makes a subaward to an organization under one grant for $20,000 and another subaward for less than $15,000 to the same organization for different work under a different grant, the prime recipient would not have to report either subaward to the FSRS, even though the cumulative value of the two subawards exceeds $25,000.

Prime recipients should not subdivide subawards equal to or greater than $25,000 into smaller subawards in order to circumvent FSRS reporting requirements. All recipients are required to maintain an active System for Award Management (SAM) registration and Data Universal Numbering System (DUNS) number for the place of performance.

OMB guidance regarding FFATA related requirements is available at 2 CFR part 170 and further details regarding these requirements are outlined below. FSRS also has a very extensive list of frequently asked questions that provide guidance to many different recipient situations.

Applying for Assistance Agreements: System for Award Management (SAM) and Data Universal Numbering System (DUNS) Requirements

Unless exempt from the requirements under OMB guidance at 2 CFR part 25, recipients of EPA assistance agreement funding are required to obtain and maintain a DUNS number from Dun & Bradstreet and register in SAM. Current recipients are required to keep their DUNS number and SAM registration up-to-date. Recipients are required to update information in SAM annually at a minimum to remain in compliance with the terms and conditions associated with their award.

The DUNS number is a unique nine-digit identification number, used to identify the physical location of assistance agreement activities. Organizations may have more than one DUNS number, if there are multiple places of performance. Applicants and recipients can receive a DUNS number, at no cost, by calling the dedicated toll-free DUNS number request line at 1-866-705-5711, or visiting the Dun & Bradstreet (D&B) website.

See policy at https://www.epa.gov/grants/federal-funding-accountability-and-transparency-act.

B. Guidance on Selected Items of Costs

Please refer to EPA's Guidance on Selected Items of Cost for Recipients, Best Practice Guide for Procuring Services, Supplies, and Equipment Under EPA Assistance Agreements, and Indirect Cost Guidance for information on topics that impact the allowability of costs under NEP assistance agreements. Highlighted below are matters of particular importance for NEP recipients.

1. Meals and Light Refreshments

   Purpose: To describe allowable costs for light refreshments and meals at meetings, conferences, training workshops, and during outreach events like those sponsored by NEPs.

   - Unless otherwise prohibited by the terms of the agreement, costs for Light Refreshments and Meals at meetings, conferences, training workshops, and outreach activities (events) are allowable under the 2 CFR 200.432 if reasonable and necessary for performance of an activity described in the scope of work of an assistance agreement. Project Officers make initial determinations regarding allowability of costs for meals and light refreshments on a case by case basis. Authorized EPA Officials make the final decision on cost allowability. Determinations regarding the reasonableness and necessity of costs for light refreshments and meals will be made on a case by case basis. Guidelines for cost determinations are as follows:

     - **Eligibility Determination:** To be eligible for funding under assistance agreements, the light refreshment and meal costs must not be prohibited by statute, regulation, appropriation, or program guidance. This includes program guidance contained in an assistance agreement solicitation or the terms of the assistance agreement.

     - **Purpose Determination:** To be eligible for funding under assistance agreements, the purpose of the event must be to: (1) disseminate environmental information; (2) offer environmental or public health education; (3) discuss environmental science, policy, or programs; (4) conduct outreach to the public on environmental concerns or issues; (5) obtain community involvement in an activity described by the EPA-approved scope of work; or (6) be otherwise necessary for the recipient to

carry out the EPA-approved scope of work. At least one condition above must be met for a purpose determination.

- **Time Determination:** The length or timing of the event must be such that light refreshments or meals are necessary for the effective and efficient achievement of its purpose.

- **Reasonableness Determination:** The costs for light refreshments and meals must be identified in the budget narrative in order to determine the reasonableness for costs on a per event basis. Recipients must demonstrate that the costs for light refreshments and meals are reasonable given such factors as the purpose of the event and costs for similar publicly funded business events at the facility. If recipients cannot establish that the costs for meals and light refreshment represent prudent expenditures of public funds, the costs are unallowable.

- **Unallowable Light Refreshment and Meal Costs**:

  (a) Costs for light refreshments and meals for recipient staff meetings and similar day-to-day activities are not allowable under EPA assistance agreements.

  (b) EPA policy prohibits the use of EPA funds for meals and light refreshments at receptions, banquets, and similar activities that take place after normal business hours unless the recipient has provided a justification that has been expressly approved by EPA. An example of an activity where EPA funds may be used for meals or light refreshment is an evening working meeting in which small groups discuss technical subjects on the basis of a structured agenda or there are presentations being conducted by experts.

  (c) EPA funding for meals, light refreshments, and space rental may not be used for any portion of any conference event including receptions, banquets and working meetings where alcohol is served, purchased, or otherwise available as part of the event or meeting, even if EPA funds are not used to purchase the alcohol.

  Under 2 CFR 200.423 costs of alcoholic beverages are unallowable.

Note - U.S. General Services Administration regulations define “light refreshments” for morning, afternoon or evening breaks to include, but not be limited to, coffee, tea, milk, juice, soft drinks, donuts, bagels, fruit, pretzels, cookies, chips, or muffins (41 CFR 301-74.7).

2. Advertising and Public Relations Costs

   Purpose: To describe allowable costs for promotional items and for public relations.

- CWA §320 funds may be used to purchase promotional items and to fund public relations expenses that are included in an NEP's EPA-approved scope of work or detailed budget. Note that it is costs for promotional items and other advertising and public relations costs that are "specifically required" to perform work under the grant that are allowable. For example, §320 funds can be used to purchase promotional items for a conference or to communicate an environmental message if those activities were included in an EPA-approved scope of work.

- If a grantee indicates in the scope of work or detailed budget that it will purchase promotional items (e.g., for a conference in order to convey an environmental message) or incur other advertising and public relations costs, and EPA approves the scope of work/budget, the costs are allowable if otherwise reasonable (e.g., the per unit price for the items are not excessive). Detailed information regarding (1) allowable advertising and public relations costs, (2) unallowable advertising and public relations costs, and (3) requirements in determining whether costs are allowable under more than one Federal award is provided in the 2 CFR 200.405 and 2 CFR 200.421.

- Please know that there is additional guidance on Advertising and Public Relations Costs in the Selected Items of Cost for Recipients Guidance referenced above.

3. Entertainment Costs

Purpose: To describe allowable costs for entertainment, amusement, diversion, and social activities.

As provided at 2 CFR 200.438, entertainment includes amusement, diversion, and social activities. The regulation provides that entertainment costs are unallowable "except where specific costs that might otherwise be considered entertainment have a programmatic purpose and are authorized either in the approved budget for the Federal award or with prior written approval of the Federal awarding agency." The Uniform Grant Guidance's allowability of entertainment costs in certain circumstances is a change in Federal financial assistance policy.

a. EPA considers costs for evening receptions and banquets as entertainment. EPA policy precludes AEOs from approving costs for meals, light refreshments, and space rental for any portion of these events where alcohol is served, purchased, or otherwise available as part of the event, even if EPA funds are not used to purchase the alcohol and the recipient identifies a programmatic purpose for the event.

b. AEOs may approve reasonable entertainment costs for activities necessary to carry out environmental education programs and outreach projects that have clearly defined programmatic purposes. Examples of allowable entertainment costs include films, videos and other forms of

audio-visual communication that promote environmental protection. Costs for artistic performances may be allowable in limited circumstances such as a traditional tribal ceremony highlighting environmental stewardship to open or close a conference or a puppet show with environmental education content for children.

4. Travel Costs

Purpose: To describe allowable costs for travel that is integral to the purposes or activities of the NEP grant. Please note that travel costs are now addressed in the Project Officer/Grant Specialist Cost Review Guidance.

- The expenses for transportation, lodging, subsistence, and related items incurred by employees and program participants who are in travel status on official business related to activities by the recipient are allowable. Such costs may be charged according to the organization's written policy on an actual cost basis, on a per diem or mileage basis in lieu of actual costs incurred, or on a combination of the two, provided the method used is applied to an entire trip and not to selected days of the trip, and results in charges consistent with those normally allowed in like circumstances in the recipient's non-federally-sponsored activities.

- In the absence of a written organization policy regarding travel costs acceptable to EPA or the organization's cognizant audit agency, the rates and amounts established under regulations issued to implement subchapter I of Chapter 57, Title 5, United States Code ("Travel and Subsistence Expenses Mileage Allowances") by the Administrator of General Services, or by the President (or his or her designee) shall apply to travel under federal awards. However, recipients may not use EPA funds to pay the travel costs of federal employees.

5. Program Participant Support Costs

- Travel allowances and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with meetings, conferences, symposia, or training projects are allowable with the prior approval of the EPA Award Official. An award with a work plan and budget containing or describing participant support costs demonstrates EPA approval. However, in the absence of specific statutory authority, Federal employees may not be program participants under EPA financial assistance awards. Please refer to "EPA Interim Guidance on Participant Support Costs" for additional information on the allowability of subsidies to encourage businesses and homeowners to participate in environmental stewardship programs as a form of participant support costs.

C. **Highlights of Major Assistance Agreement Policies and Orders Applicable to NEPs (from previous Funding Guidance Documents)**

1. **EPA Order No. 5700.7A1**--"Environmental Results Under EPA Assistance Agreements" -- establishes policy for addressing environmental results under EPA assistance agreements. This Order can be accessed at: https://www.epa.gov/sites/production/files/2015-03/documents/epa_order_5700_7a1.pdf.

   Section 12 of the Environmental Results Order and ICR is as follows:

   > COMPLIANCE WITH THE FEDERAL GRANT AND COOPERATIVE AGREEMENT ACT AND THE PAPERWORK REDUCTION ACT
   >
   > a. Nothing in this Order authorizes EPA to treat assistance agreements like contracts. Under the Federal Grant and Cooperative Agreement Act, and associated EPA Order 5700.1 (Policy for Distinguishing Between Assistance and Acquisition) the principal purpose of any proposed EPA assistance agreement must be, unless otherwise provided by statute, to support a recipient in carrying out a public purpose authorized by EPA's statutory authorities, as opposed to providing goods or services for the direct benefit or use of EPA or the Federal Government.
   >
   > b. When implementing this Order, EPA officials must comply with the applicable provisions of the Paperwork Reduction Act of 1995.

   Note the following clarifications about information collection and renewal of existing information collections and the Environmental Results Order.

   Description of an "Information Collection Request" (ICR): An ICR is a set of documents **that must be submitted by a Federal** agency to the Office of Management and Budget (OMB) for approval before that agency can legally collect information from the public. Without approval, enforcement of the collection may be at risk. A completed ICR provides an overview of the collection effort, including what information will be collected, why the information is needed, what members of the public would need to respond to the information collection request, and what is the estimated burden the request would place on the public.

   Collection activities of a National Estuary Program are covered by EPA's NEP Information Collection Request (ICR) (OMB Control No. 2040-0138) provided such collections are necessary to complete to its annual workplan, Program Evaluation, or Government Performance and Results Act (GPRA) reporting. For any collection activity that is beyond the requirements of the annual workplan, Program Evaluation or GPRA reporting, or is conducted under the circumstances described below, the EPA Project Officer, i.e., the NEP Regional Coordinator, must prepare and submit an ICR describing the collection to the Office of Management and Budget (OMB) for review and approval.

EPA is responsible for obtaining the ICR because the Agency is the sponsor of the collection under the Paperwork Reduction Act. Since it typically takes six to nine months to develop and obtain OMB approval for an ICR, NEPs should plan ahead and start the process early in order to allow sufficient time before the proposed activity is scheduled to begin. Additional information about the information collection provision appears at: http://www.epa.gov/icr.

For NEPs that receive **cooperative agreement** assistance funding under CWA §320:

- If the recipient's scope of work includes a survey or the collection of identical information from ten or more non-Federal respondents within a 12-month period, **and** cooperative agreement funding will be used, then **the EPA Project Officer, i.e., the NEP Regional Coordinator, must prepare and submit an ICR describing the survey** to the Office of Management and Budget (OMB) for review and approval.[1] This applies regardless of whether or not EPA has requested or influenced the design of the information collection.

- If the recipient **does not charge** to its agreement the cost of designing and administering the survey, **and** EPA has not requested and/or helped design the survey, then **an ICR is not required**. Cooperative agreement funds **may** be used for analysis of the survey data and publication of the results.

For NEPs that receive **grant** funding under CWA §320:

- If the recipient's scope of work includes the survey/collection of identical information from ten or more persons **and** EPA has requested or wants to influence, design, or develop survey activities, **the EPA Project Officer, i.e., the NEP Regional Coordinator, must prepare and submit an ICR** describing the survey to OMB for review and approval.

- If EPA has **not** directed an NEP grantee to conduct the survey or directed the survey design or implementation, OMB approval is not required.

2. **EPA Order No. 5700.5A1** -- "Competition in Assistance Agreements" was changed on February 6, 2014. Under the terms of this Order, CWA §320 grants provided to NEPs under the regulations at 40 CFR Subpart 35.9000 are exempt from competition (consistent with the understanding reached at an August 9, 2007 meeting between the Office of Water and the Office of Grants and Debarment). However, in determining the distribution of EPA funds, the MC for each NEP may consider whether it would be feasible and practical to have EPA conduct a

[1] Under the Paperwork Reduction Act, Federal agencies obtain approval from OMB to collect information from the public. To comply with this requirement, Federal agencies must submit information collection requests explaining what information will be collected, why the information is needed, which members of the public would be asked to respond to the information request, and what estimated burden the request would place on the public.

competition for certain projects. In considering the suitability of competition, the MC may consider such factors as the nature of the project, whether competition could foster innovation, and cost effectiveness.
Note that pursuant to the May 2016 NEP reauthorization, EPA must compete NEP's CWA §320(g)(4) grants. If EPA competes a portion of an NEP's §320(g)(2) funds, EPA must compete the funds in compliance with the Competition Policy.

3. **EPA Order 5700.8** — EPA Policy on Assessing Capabilities of Non-Profit Applicants for Managing Assistance Awards.
https://www.epa.gov/sites/production/files/2015-03/documents/5700_8.pdf.
which required that staff from non-profits whose application has been approved for funding by a Region complete mandatory on-line training has been waived nationally. Although training is no longer mandatory, EPA encourages all NEP recipients to take advantage of EPA Grants Management Training for Applicants and Recipients.

APPENDIX 4

Reporting Using the National Estuary Program Online Reporting Tool (NEPORT)

HABITAT

Habitat data entries must meet the following requirements to ensure accuracy and transparency. Since project information is found in NEPmap (e.g., project description), it is also important that the information be clear and understandable to the public.

- On-the-ground habitat protection and restoration project descriptions **must only address work completed** during the relevant federal fiscal year. **Note:** the habitat work reported in NEPORT **must be tied** to an action in an NEP's CCMP. In cases where the habitat work is done by a sub-recipient or contractor, the NEP should report only the acreage protected and restored **after the habitat-related work has been completed**, not when the sub-grant or contract is awarded.

- **Entries must be complete**, i.e., data must be entered in each required field for every project.

- **Data for each project must be aligned** across all relevant fields, e.g., data entered into the Project Description field should be consistent with data entered into the Restoration Technique and Habitat fields.

- **Entries must reflect data for the entire federal fiscal year**. NEP submissions are due in early September but must include habitat data for the entire reporting period, i.e., for the period October 1 through September 30 of each year. NEPs that need to estimate the number of acres to be protected and restored between the submission due dates shown in Table 2 and the end of each reporting period must include that estimate in the data totals entered into NEPORT.

- **NEPs must comply with submission deadlines**. Each NEP is required to enter all data by the deadlines of the end of the second week in September. Unless there is a documented malfunction of the NEPORT system that prevents data entry as described in this document, **NEP data not entered by the dates shown in Table 2 will be excluded from the final habitat acreage tally.**

LEVERAGING

Report leveraged resources information using NEPORT. The NEP and its partners may have to calculate a total for the reporting year by estimating the amount of leveraged resources between October 1 and September 30 for a given fiscal year. NEP Regional Coordinators will conduct a preliminary review and approve data prior to EPA Headquarters approving the data. Unless there is a documented malfunction of the NEPORT system which prevents entry of data during the entry period, the EPA requires each NEP to enter its completed leveraged resources reports into NEPORT by the end of the second week in September.

NEP Leveraging Role Definitions and Examples--NEP Directors and staff should use the following leveraging role definitions and examples to help them when entering NEP leveraging data into NEPORT. Please clearly explain the role the NEP played in obtaining the leveraged resources in NEPORT.

Primary role definition: the NEP Director, staff, and/or committees played the central role in obtaining leveraged resources that helped implement the CCMP.

For example, the NEP Director, staff, and/or committees:

- wrote a grant proposal that helped fund the implementation of a CCMP action;
- convened a workgroup that created a stormwater utility that raised funds for CCMP implementation;
- organized meetings with State, local government, and/or the public on the importance of habitat restoration that led to the funding of habitat restoration actions in the CCMP;
- partnered with stakeholders so that non-NEP resources (e.g., Supplemental Environmental Project funds) were directed to CCMP activities;
- solicited and received funds and in-kind support for NEP operations (e.g., office space); or
- received CCMP project funds from partners based on NEP's demonstrated ability to execute work.

Significant role definition: the NEP Director, staff, and/or committees actively participated in, but did not lead, the effort to obtain additional resources for CCMP implementation.

For example, the NEP Director, staff, and/or committees:

- wrote parts of a grant proposal that was funded to help implement the CCMP;
- provided matching funds that partners needed to obtain grants to help implement the CCMP;
- established a local land trust that raised money for CCMP implementation;
- actively participated in a stormwater utility workgroup that raised funds for CCMP implementation;
- developed lists of lands for acquisition to help implement the CCMP and funders used these lists to make acquisition decisions; or
- developed a list of priority projects that others use to secure grants that helped implement the CCMP.

Support role definition: the NEP Director, staff, and/or committees played a minor role in channeling resources toward CCMP implementation. For example, the NEP Director, staff, and/or committees:

- wrote a letter of support for a partner grant application that helped fund CCMP action(s);
- included habitat acquisition as a CCMP action, but other entities raised funds and identified lands for acquisition;
- included invasive species as a CCMP action, but other entities conducted activities that resulted in eradicating invasive species in the watershed; or
- included climate change adaptation as a CCMP action, but other entities conducted activities that helped implement this action.

NEP Regional Coordinators have responsibility for conducting quality assurance/ quality control reviews needed to ensure the accuracy of reported leveraging data. NEP Regional Coordinators should make every effort to ensure that the data are accurate and be comfortable with an NEP's explanation of the role it played in obtaining leveraged resources. This role information should be clearly explained by the NEP in NEPORT.

APPENDIX 5

NEP Comprehensive Conservation and Management Plan Revision and Update Guidelines

Background

This Funding Guidance broadly communicates expectations for CCMP Revisions and Updates. As such, these requirements discussed below do not pertain to the original CCMP that each NEP produced and EPA approved (see *National Estuary Program Guidance, Comprehensive Conservation and Management Plans: Content and Approval Requirements (October 1992)*) but are meant to address subsequent versions of that document.

However, each CCMP contains goals and objectives and provides a long-term framework for action. The documents also include strategies to: monitor progress, finance CCMP implementation, engage in habitat protection and restoration, and communicate with stakeholders. The EPA's CCMP Content Checklist, provided below, is designed to help you navigate through the CCMP Revision and Update process, beginning with general definitions and principles.

Scope of CCMPs – All CCMP action plans must be consistent with CWA §320. Action plans must identify the needed resources and sources of resources expected to be secured. It is especially important to distinguish between actions funded under §320 and those to be implemented with other sources.

CCMP Revisions versus Updates – The Funding Guidance describes when a CCMP Revision or an Update would apply. Revisions involve a significant change. For example, a CCMP Revision could be driven by: 1) new CCMP goals, as directed by the MC; 2) new information obtained through monitoring that would require revisiting and changing the actions in a CCMP; or 3) an expansion of the study area. Note that an expansion of the study area would require MC approval based on a sound rationale for the boundary revision. A Revision would also be necessary in cases where original CCMPs have not yet been revised, or 10 years have passed since the last CCMP Revision. Minor changes to action plans or insertion of a few new actions would be considered an Update. Reformatting, streamlining or reorganizing core actions to reflect new ways of accomplishing original CCMP goals would also be considered an Update. EPA recommends that NEPs review their CCMPs and associated documents every three to five years to determine if an Update is needed.

CCMP Formats – The EPA is not prescribing any particular CCMP format as long as the CCMP meets the Content Checklist.

Review Process – The Region is in the lead with respect to CCMP Revisions and Updates. The Region will work in concert with HQ, using the CCMP Content Checklist and the NEP Funding Guidance as a basis for engaging in the concurrence process. Regional Coordinators will work with the NEP Director and MC to follow the checklist so that the set of content requirements are reflected in the final CCMP and associated documents.

To ensure a common understanding and level of support for the final CCMP, this process assumes that the HQ and Regional Coordinators are regularly communicating and collaborating as needed throughout the process. The Regional Coordinator is responsible for timely communication and for managing the overall review schedule. The EPA expects that the NEP will make the changes necessary to the CCMP and associated documents to reflect the Content Checklist. HQ Coordinators will need to honor the CCMP review schedule, while Regional Coordinators need to share documents to allow adequate time for review.

Program Evaluations – To ensure the seamless integration among key NEP products, the EPA expects that the Program Evaluations will consider the need, if any, for revisions or updates to the CCMP. The EPA also expects that State of the Bay (SOB) or State of the Estuary (SOE) Reports will inform any CCMP Revisions and Updates. SOB and SOE Reports that communicate status and trends to the public should be produced every three to five years.

Content Checklist - Essential Components of a Revised CCMP

(major changes)

A Revised CCMP should:

1.____ Identify clearly if there are any changes between the existing and draft CCMP so that reviewers and the public can easily determine what has changed and why. These changes include program priorities and goals; any new information that suggests more promising approaches or currently unaddressed issues, etc.

2.____ Describe how the NEP has contributed to or supported activities that helped develop new information, if applicable, when highlighting major changes due to new information. Major changes could be informed by the latest Status and Trends or SOB and SOE Reports, Indicator Reports, and associated monitoring programs where adequate monitoring data are available. This is where a discussion of the NEP's broad, risk-based climate change vulnerability assessments, other climate-related work, and/or adaptation strategies should appear.

3.____ Include a map of the study area. If there are any boundary changes, provide the reasons for those changes. Any NEP study area boundary changes should be based on sound science with the support and approval of the NEP's Management Conference in a transparent and open process.

4.____ Describe the NEP's Management Conference and membership with any proposed changes and explain how the structure will support the NEP's ability to oversee and promote CCMP implementation. This would include a discussion about the NEP's approach to achieving financial sustainability and for involving the public and stakeholders in its programs.

5.____ Discuss changes to existing CCMP action plans, and new action plans, including their relationship to previously stated goals and priority problems; the probable causes and sources they address; and measurable objectives, where appropriate, to attain the goal.

Each CCMP Action must identify the key activities expected to be implemented to address the priority problem. It would be very helpful to include a table comparing the old completed or deemed obsolete actions, and new, revised, or on-going actions in the CCMP. This could appear upfront in the document, or within each chapter. A crosswalk from previous action to current action and a description of change should be included as a chart in the document.

CCMP Actions encompass environmental goals, metrics, and milestones that the NEP strives to achieve over time as implemented through annual workplans. They need to be clear, understandable, and plainly link to CWA §320 (See 4th bullet under ***Purpose of Conference in CWA Section 320***). They should:

a) describe each action and what is proposed;

b) identify key activities to implement the action, including affected habitat types, or resource(s) if appropriate; some activities may take place system-wide or involve policy changes rather than on-the-ground projects;

c) identify proposed action plan responsibilities, including likely lead parties, along with any implementing partners;

d) include a timeframe, and where appropriate, key milestones for completion (or indicate on-going);

e) estimate the range of potential costs of the overall action and identify the possible sources of funding; and

f) include performance measures (quantitative measures and intended environmental results wherever possible).

Those CCMP Actions eligible for CWA §320 funding (and as stated in your EPA Assistance Agreement) will be spelled out and included in the NEP workplan submitted to EPA. CCMP Actions not funded by §320 should be clearly identified along with the other potential funding source.

CCMPs are living documents and as such should be re-examined and revised on a regular basis. The EPA recognizes that CCMPs are also critical components of the NEP model of adaptive management as it facilitates a continual process of integrating new data and results. The EPA expects that revised CCMPs will discuss the relevance and applicability of the: 1) monitoring; 2) habitat; 3) finance; and 4) outreach component strategies, including any needed substantive changes. If such changes are not discussed in the revised CCMP as a chapter, they should be described in a separate document and completed within 3 years of the final Revised CCMP.

1.____ Include a Monitoring Plan to track and detect changes and/or improvements within the study area (so change in environmental indicators can be detected over time), and effectiveness of CCMP Actions. This can be described in a separate document, or chapter in the CCMP. The Monitoring Plan should identify: a) objectives; b) data the NEP and partners are collecting for which parameters/indicators; c) the party/parties responsible for collecting the data; d) frequency of collecting and reporting the monitoring data; e)

how the data are shared, reported, and used; f) data gaps; and g) additional funding needed for monitoring activities and filling data gaps. This section should explain how monitoring has/will change as a result of new/modified actions and priorities, and any new environmental indicators. Monitoring should be tied to the SOB or SOE Report produced every three to five years and has similar components.

Note: A Quality Management Plan or Quality Assurance Project Plan can supplement the Monitoring Plan but does not in and of itself meet this requirement.

2.____ Include a Finance strategy that will establish long-term financial sustainability to implement the CCMP through diverse resources and partners. The strategy can be a separate document or chapter in the CCMP. The strategy should discuss: a) priorities for funding; b) current funding and other support such as staff assignments, or in-kind partnering; c) short- and long-term resource needs; and d) proposed actions or strategies to maintain or garner new resources for CCMP implementation and their timeframe.

3.____ Include a Habitat Protection/Restoration strategy. The strategy should clearly tie back to habitat or ecosystem issues addressed in the CCMP, including those habitats and species prioritized for protection and or restoration efforts. Strategies can be addressed in a separate document or a chapter in the CCMP and should discuss: a) relevant habitat types and key species in the study area; b) goals and measurable objectives to address them; and c) actions that reflect a climate change vulnerability assessment. The strategy can make it easier for NEPs to plan and report on their habitat protection results under GPRA.

4.____Include a Communication/Outreach strategy to ensure community involvement and ownership in CCMP implementation that can be represented as a stand-alone document, chapter, or a series of actions in the CCMP that includes: a) guiding principles, or goals and objectives; b) a target audience(s); c) a narrative description of activities, including any tool used such as branding and messaging, behavior change campaigns, or social media; d) implementers for those activities; e) any key deliverables; and f) a budget and timeframe for implementing the activities.

Note: Make sure to include a public review process that extends beyond the Management Conference members. Responses to comments should be summarized and be made publicly available. A 60-day comment period should be employed when Revising a CCMP.

Content Checklist - Essential Components of an Updated CCMP

(minor changes)

Once a CCMP has been Revised, EPA recommends that NEPs review their CCMPs and associated documents every three to five years thereafter to determine if they need to be updated. An Updated CCMP can take the form of: 1) an Addendum to the Current CCMP; 2) a Strategic Plan or updated Implementation Plan that serves as a companion piece to the CCMP; or 3) changes to Action Plans in the current CCMP.

CCMP-associated documents can be stand-along reports or a chapter in the Updated CCMP. NEPs should examine the CCMP-associated documents (monitoring plan, finance strategy, habitat strategy, communication strategy) and determine in what ways they may need to be revised as a result of the CCMP update. If new important information has come to light or actions have been significantly revised, it may be necessary to modify the entire CCMP-associated document or CCMP chapter. An updated CCMP should:

1.____ Describe clearly the priorities, goals, measurable objectives (where possible), and Action Plans. Changes made from the previous CCMP, and if appropriate NEP study area boundary changes should be described in the document. This could include a summary table listing the prior CCMP's actions as either: completed, revised, new, ongoing, or those deemed obsolete.

2.____ Clarify whether Action Plans are new, replacements for or enhancements of former/previous Action Plans. Clearly articulate how CCMP and Actions relate to the previous CCMP (this enables the reader to understand what changed and why, which actions are new, what was completed, and why actions were not implemented, etc.). The discussion of changes may be contained in the Introduction or an Appendix that might include a comparative table of original and revised actions.

3.____ Be clear, understandable, and consistent with and linked to CWA §320 (See 4th bullet under ***Purpose of Conference in CWA Section 320***). Action plans should:

a) describe the activity/what is proposed;

b) articulate where the action will take place or location and/or resource (s) it will affect;

c) identify the entities responsible for implementing the action, including likely lead parties, along with any implementing partners;

d) include a timeframe, and where appropriate, key milestones for completion;

e) provide the potential cost of the action (can be a range) and potential sources of funding; and

f) address performance measures (quantitative/environmental results measures where possible).

Those CCMP Actions eligible for CWA §320 funding (and as stated in your EPA Assistance Agreement) should be fleshed out and contained in the NEP Workplan submitted to EPA. CCMP Actions not funded by §320 should be clearly identified along with the potential funding source.

4.____ Describe any other changes to your existing CCMP and identify those changes. This may be done in an Appendix.

5.____ Depending on the extent and magnitude of the changes, stakeholder involvement could simply involve an internal Management Conference member discussion. If the NEP decides to send the Updated CCMP out more broadly for public comment, response to comments should be summarized and be made available.

Process for CCMP Revisions and Updates

Regional and Headquarters Coordinators will collaboratively review Updated and Revised CCMPs and CCMP-associated documents so that EPA can respond with one voice to the proposed changes. NEPs are required to include EPA Regional offices in draft development of CCMP Updates and Revisions and CCMP-associated documents as partners in restoration of the estuaries. EPA Regional Coordinators will then engage with HQ for comment and review.

- A key element of this cooperation is early communication between Coordinators as the process unfolds. The Regional Coordinator will take the lead in identifying potential issues in a timely manner and securing the endorsement of Regional management in providing the final CCMP or CCMP-associated document which has been reviewed and approved by the Management Conference for Headquarters review. The checklist is a means to ensure common review and comment criteria. Note that delivery and review will be through email or other digital means.

- Regional Coordinator shares early draft versions of the Revised or Updated CCMP, and/or the CCMP-associated documents with the HQ Coordinator. Coordinators confer and discuss initial feedback on documents. Regional Coordinator shares feedback with NEP Director and may invite the Headquarters Coordinator to participate in discussions.

- Regional Coordinator sends final draft of the Revised or Updated CCMP and/or CCMP-associated documents to HQ Coordinator for comment. Region works with HQ to develop and provide integrated EPA comments to the NEP Director.

- The NEP addresses EPA comments. If any issues remain, the Regional Coordinator will work with the NEP Director, Management Conference, and Regional Managers to resolve as necessary. The Regional Coordinator may invite the HQ Coordinator in these discussions, as necessary.

- Upon review and approved by the Management Conference, the Regional Coordinator shares the revised final draft CCMP and/or CCMP-associated documents with the HQ Coordinator to ensure that the documents reflect and address: 1) elements identified in the NEP Funding Guidance; 2) CCMP Checklist components; and 3) HQ comments, upon which review, the HQ and Regional Coordinators jointly agree that the draft CCMP is ready for submission as final.

- HQ Coordinator confirms with the appropriate HQ Manager* that the document addresses all comments and requirements and will be submitted as final by the Regional Manager.

- The Regional Coordinator formally requests the Regional Manager to send a concurrence email to the appropriate HQ Manager* certifying that the final CCMP and/or CCMP-associated document submission meets the CCMP Guidelines with a copy to the HQ and Regional Coordinators.

- The appropriate HQ Manager* acknowledges the Regional Manager's certification that the CCMP and/or CCMP-associated document meets the Guidelines. The CCMP, any associated documents, and the HQ email acknowledgement (with copy to the HQ and Regional Coordinators), serves as the final and official record of the CCMP Revision or Update.
- The Regions communicate the concurrence to the NEP. Each Region has the flexibility on how and when that will be done.

*Division Director for CCMP Revisions and Branch Chief for CCMP Updates

APPENDIX 6

Examples of Scenarios Relating to Directly Charging NEP Grants for Proposal Preparation Costs and Fundraising Costs

Example 1. Recipient requests EPA approval to directly charge costs for developing a proposal for a HUD grant to develop affordable housing. The project will take place in a low-income community in the area covered by the CCMP for the estuary. Will EPA approve the request?

No. While an initiative to develop affordable housing may benefit the community, that activity would not carry out an activity eligible for funding under CWA §320 because it is outside of the scope of the CCMP. The purpose of CCMPs, as provided at CWA §320(b)(4), is to recommend:

> priority corrective actions and compliance schedules addressing point and nonpoint sources of pollution to restore and maintain the chemical, physical, and biological integrity of the estuary, including restoration and maintenance of water quality, a balanced indigenous population of shellfish, fish and wildlife, and recreational activities in the estuary, and assure that the designated uses of the estuary are protected;

Funding under CWA §320(g) is available only to develop and implement CCMPs. Therefore, direct costs for preparing a proposal for a project to develop affordable housing would not meet the "necessary, reasonable and allocable" requirements for allowability in 2 CFR 200.403 and Item 1 of the NEP Program Guidance on Proposal Preparation Costs.

Example 2. An NEP grant applicant's proposed workplan indicates that it intends to use up to 3% of the amount of the grant for direct costs associated with preparing proposals for federal and state research grants to study the impact of nonpoint pollution on shellfish population in the estuary. The CCMP for the estuary includes studies of this type. The primary costs associated with preparing the proposals are attributable to the time a scientist spends developing the proposals and the time an accountant spends providing financial information for the proposals. The salary for the accountant is included in the "overhead base" for the recipient's 18% indirect cost rate but the scientist's salary is not. Are the costs for compensating the scientist and accountant for their work on the proposals allowable as direct charges for proposal preparation?

The compensation for the scientist's time is allowable as a direct cost, but the compensation for the accountant's time may not be charged directly to the grant. This is because under 2 CFR 200.403(b) "[A] cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost." The accountant's salary is a component of the overhead costs used to calculate the 18% indirect cost rate which the applicant will add to the charges to the grant to the extent authorized by its negotiated indirect cost rate agreement. Allowing the applicant to charge the compensation for the accountant's time directly as well would be "double dipping."

Note also that the applicant's proposal to use up to 3% of the amount of the NEP grant (which includes both the federal and non-federal share) for direct costs of proposal preparation is

consistent with the NEP Program Guidance on Proposal Preparation Costs which places a 5% cap on the amount of grant funds that may be expended for proposal preparation.

Example 3. Recipient requests prior EPA approval to use NEP grant funding for direct costs of a fundraising campaign to purchase a conservation easement to prevent development in a sensitive area in the estuary that is to be protected under the CCMP. The fundraising campaign will involve postal and e-mailing requests for donations to residents and businesses in the area as well as outreach to local community organizations. Costs associated with the campaign include compensation for time a development specialist and outreach coordinator spend on the effort. Neither employee's salary is included in the "overhead base" for the recipient's 22% indirect cost rate.

Are the costs for the time the development specialist and outreach coordinator spend on the fundraising campaign allowable as direct costs under the recipient's NEP grant?

Yes. As 2 CFR 200.442(a) indicates, fundraising consists of organized activities such as "financial campaigns, endowment drives, solicitation of gifts and bequests" designed to "raise capital or obtain contributions". Although these costs are generally unallowable, the regulation also provides that "[F]und raising costs for the purposes of meeting the Federal program objectives are allowable with prior written approval from the Federal awarding agency." In this case, the funds raised will be used to carry out an activity described in the recipient's CCMP so the requirement of meeting the objectives of the NEP program are met under Item 1 of the NEP Program Guidance on Proposal Preparation Costs.

Can the Project Officer send the recipient an email approving the fundraising costs?

No. Prior approvals for matters covered by the grant regulations must be provided by EPA's Award Official of Grants Management Officer as provided in Delegation 1-14-A. The PO should work with the Grant Specialist for the NEP grant to arrange for an authorized EPA Official to provide the prior written approval.

Does the assistance agreement have to be amended to authorize the fundraising costs?

It depends on whether the recipient's budget includes estimated amounts for program income. An Authorized EPA Official may approve requests to use EPA grant funds for fundraising through an informal modification such as an email unless a budget amendment is necessary. EPA's guidance on the allowability of fundraising costs states:

> Funds a recipient raises with costs borne by an EPA financial assistance agreement are considered program income under 2 CFR 200.80 and 200.307. As provided at 2 CFR 1500.7(b), program income must be added to direct EPA funding and used under the purposes and conditions of the award unless the terms of the assistance agreement provide for a different disposition (i.e. to meet a cost share requirement) of program income.

The projected value of program income that will be generated and used during the grant period will be shown on line 7 of the SF-424A budget form under either the "addition" or "cost share" method for using program income. (Additional guidance on program income and other budget

related matters is available in EPA's Interim General Budget Development Guidance for Applicants and Recipients of EPA Financial Assistance). If the recipient's budget includes estimated amounts for program income, then there is no need for an amended budget for the NEP grant. It is a different case if the recipient's budget does not include program income; a formal budget amendment would be necessary.

The recipient's fundraising plan includes a silent auction and gala that includes a cash bar. Can the recipient charge the cost for renting the facility for this event to its NEP grant as a direct charge or as an authorized use of program income?

No. The EPA would not grant prior approval for charging the cost of renting the facility for such an entertainment-oriented event to the NEP grant or for the recipient to use program income for that purpose. EPA's guidance on the allowability of entertainment costs provides:

> EPA considers costs for evening receptions and banquets as entertainment. EPA policy precludes [Authorized EPA Officials] from approving costs for meals, light refreshments, and space rental for any portion of these events where alcohol is served, purchased, or otherwise available as part of the event, even if EPA funds are not used to purchase the alcohol and the recipient identifies a programmatic purpose for the event.

The recipient is holding an all-day community workshop to discuss environmental challenges and solutions for the estuary as described in the CCMP. There will be a speaker at the lunch who is an expert on water quality. In order to raise funds for a project that is included in the CCMP, the recipient intends to charge a fee for attending the lunch and solicit corporate sponsorships. No alcohol will be served at the event. The fees and sponsorships will generate funds in excess of the cost for the lunch. May the recipient charge the cost for lunch (space rental, food, service) and soliciting corporate contributions to the NEP grant as fundraising costs?

Yes. As provided in EPA's Selected Items of Cost, EPA funds may be used for costs for events to disseminate environmental information relating to the scope of work for the EPA grant. Soliciting corporate contributions for the event would be an allowable fundraising cost with prior EPA approval. The fees and contributions would be treated as program income.

Example 4. An NEP grant recipient plans to construct a berm to mitigate nonpoint source pollution flowing into the estuary. The CCMP for the estuary includes constructing berms to protect water quality. There is a state grant program that provides 70% of the cost of construction projects for mitigating nonpoint source pollution. One requirement of the state program is that grant recipients give preference to construction contractors with corporate offices in the state when soliciting bids. The EPA approved budget and workplan for the NEP grant authorizes the recipient to use up to 5% of the budget for proposal preparation costs for activities that further the objectives of the CCMP. The NEP recipient does not include the salary of its grant managers or technical staff in the indirect cost pool for its 23% indirect cost rate. Consequently, the recipient may charge the NEP grant for the direct costs for the time the grant manager and technical staff spend preparing the proposal to the state for the berm construction grant.

If the proposal submitted to the state is successful, the funds the NEP recipient receives would not be program income. This is because the funds would be a restricted asset subject to the

requirements of the state grant program rather than for use under the conditions of the EPA assistance agreement. For example, EPA's grant funding includes a condition at 2 CFR 200.319(b) that prohibits recipients from adhering to state requirements for geographic preferences in hiring contractors. EPA would not, as a matter of policy, extend that prohibition to funds the NEP grant recipient receives under a state grant.

The NEP grant recipient intends to use its EPA funding to meet the 30% cost share for the state grant. This is permissible if the state allows federal funds to be used for cost share and the recipient does not comply with the above described state geographic preference requirement for hiring construction contractors. Federal rules on cost share preclude the using funds from one federal grant for cost share on another federal grant without authorization in a federal statute but the regulation (2 CFR 200.306) does not address state cost share. The recipient could use the EPA funds to hire architectural and engineering firms for the construction project and use location of the firm as a selection criterion provided "application [of the criteria] leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract." 2 CFR 200.319(b).

Example 5. The NEP grant recipient in Example 4 also intends to apply to private foundations for funding to install an innovative erosion control system to enhance the effectiveness of the berm. This activity will also further the objectives of the CCMP. If the proposal is successful, the recipient's accounting system must classify the funds as a restricted asset available only for erosion control project. Should the time the recipient's grant managers and technical staff spend developing the proposal to the private foundation be classified as proposal preparation costs subject to the 5% cap in the budget or fundraising costs?

EPA would consider the costs to be for proposal preparation. The distinction between proposal preparation costs and fundraising costs when a recipient applies for private funding is somewhat more complicated than when the recipient is seeking public funds. In this case, however, because the recipient may only use the private foundation funding for the erosion control project the situation is sufficiently similar to other types of grant proposals for EPA to classify the costs as proposal preparation. Consequently, the private funding the NEP grant recipient receives from the private foundation would not be accounted for as program income.