

CCG: Preparing a Grant Budget

Key considerations for creating an effective grant budget

Community Change Technical Assistance

WEBINAR SERIES

ENDYNA



March 19, 2024



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Disclaimer

Disclaimer: This webinar is designed to describe and clarify aspects of the Community Change Grants Program Notice of Funding Opportunity (NOFO). As an EPA technical assistance provider for this program, EnDyna, and its subcontractors, strive to present accurate information and technical assistance about the NOFO. However, none of the statements, advice, or opinions made by EnDyna or its subcontractors during this webinar constitute official EPA advice, interpretations, or positions.

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Using the Q&A Function

Participant Q&A: Please use the Q&A function for your comments. We will attempt to answer as many questions as we can, but questions specific to an individual applicant or project will be addressed through individual TA.

EPA is regularly updating the *Frequently Asked Questions—Community Change Grants NOFO* (**found on the EPA's CCG Website** <https://www.epa.gov/inflation-reduction-act/inflation-reduction-act-community-change-grants-program>).

No Soliciting will be allowed.





About This Webinar Series

Grant Budgets

Creating effective grant budgets that cover budget categories, indirect costs, and allowable expenses.

The CCG Program Offers:

- ✓ Unprecedented Opportunity: Reshape disadvantaged communities into vibrant, resilient, and prosperous areas.
- ✓ Historic Support: Significant funding dedicated to overcoming deep-rooted environmental issues and fostering sustainable solutions for immediate and long-term community benefits.
- ✓ Community Engagement: Grants are designed to foster community engagement.





Today's Program

Welcome and Speakers

Budgeting for Grants

References

Q & A Session

Closing Remarks





Featured Presenters



Julie Milazzo

*Grants Program
Analyst
EPA*

- Specializes in grants policy and training development for EPA's Office of Grants and Debarment.
- 15 years of experience with EPA grant programs.



Jim Drummond

*Attorney,
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- **EPA's Office of General Counsel**, with a focus on financial assistance law issues.
- National grants attorney for the Environmental and Climate Justice Program.





Overview of Today's Presentation

Application Budget Requirements



1. *Interim General Budget Development Guidance*
2. *General Principles of Cost Allowability*
3. *NOFO Requirements & Forms*
4. *Budget Template*
5. *Cost Categories*
6. *Evaluation Criteria*



Federal Financial Assistance Budget Components



1. *Personnel & Fringe Benefits*
2. *Travel Costs*
3. *Equipment & Supplies*
4. *Contractual*
5. *Construction Costs*
6. *Other Direct Costs*
7. *Indirect Costs & Budget Revisions*





Importance of Grant Budgeting

- Proper overview of cost is important and effective management for EPA financial assistance awards.
- Clearly outlining what is expected and/or delivered is beneficial for both parties (EPA and recipients) and less likely to be questioned by auditors.
- It is important that recipients consult with their EPA Project Officer (PO) and Grant Specialists (GS) when considering what costs will be incurred and if it will be covered by the regulatory requirements.
- The project activities and proposed workplan should tightly align with the grant budget narrative.

See Interim General Budget Development Guidance for Applicants and Recipients of EPA Financial Assistance for detailed guidance





Interim General Budget Development Guidance

- EPA-created document that serves as a resource for applicants as they begin developing a budget.
- This document helps applicants create a budget template and recipients effectively manage financial assistance awards.
- It is important that applicants reference this document to help understand the various components to grant budgets and correctly characterize costs.

*See NOFO Appendix G for detailed guidance
See Reference slide for a link to the Guidance.*

Things to consider when using the guidance

- It provides uniform standards across all EPA grant programs and is not tailored to CCG grants.
- EPA has budget training available.

Interim General Budget Development Guidance for Applicants and Recipients of EPA Financial Assistance

(Last Revised: January 12, 2023)

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General Principles of Cost Allowability

Things to consider during budgeting

- All costs in the budget must be essential for the performance of the EPA award and must comply with 2 CFR Part 200, Subpart E, program guidance, or the terms of the award.

				
<p>Eligible Permitted by statute, regulations, or program guidance</p>	<p>Reasonable Cost should be aligned with the “prudent person” standard, ensuring expenses do not exceed what is typically considered</p>	<p>Allocable Incurred either directly or indirectly to carry out the scope of work</p>	<p>Allowable Allowed to be charged to EPA assistance agreements. Statutes do not specifically prohibit these costs</p>	<p>Necessary All costs are essential for achieving the project’s goals and objectives and align with the grant’s purpose</p>

See Interim General Budget Development Guidance section I, A for detailed guidance





Pre-Award and Prior Approval Costs

Things to consider during budgeting

- Costs incurred after selection and prior to the award date may be allowable.
- If selected, contact your project officer about pre-award costs.



Pre-award Costs

- Costs incurred in anticipation of an award and necessary for the efficient and timeline performance of the project scope of work.
- To receive EPA approval, all eligible costs must be incurred during the budget/project period as defined by the start and end date shown on the grant award.
- Pre-award costs must be incurred after applicants are notified by EPA of selection, based on EPA's interpretation 2 CFR § 200.458.
- Applicants incur pre-award costs at their own risk. 2 CFR § 1500.9

See Interim Budget Guidance Section I.B for more detailed guidance



Prior Approval Costs

- Applicants may seek prior approval for certain costs if the reasonableness and allocability of the cost is difficult to determine.
- Budget narrative must provide precise descriptions for items requiring EPA approval and clearly articulate EPA the cost will be incurred during the project period.

See Interim Budget Guidance Section I.C for more detailed guidance



Application Budget Requirements





Application Budget Components



Required Budget Components For Track I & II Proposals

1. SF-424A: Budget Information for Non-Construction Programs
2. Attachment A: Program Budget
 - Appendix G: Budget Template (Optional format)
3. Project Narrative: Program Budget Description

Please see NOFO Budget Evaluation Criteria





Application Budget Component – SF-424A

Overview of SF-424A

- All applicants must use this form for all CCG program costs even if they have construction costs. **Don't be confused** by the name of the form!
- Applicant must explain how the costs associated with each category relate to the implementation of the work plan and achievement of grant goals.

Budget Information for Non-Construction Programs (SF-424A)

6. Object Class Categories	SECTION B - BUDGET CATEGORIES				Total (5)
	(1)	(2)	(3)	(4)	
	GRANT PROGRAM, FUNCTION OR ACTIVITY				
a. Personnel	\$	\$	\$	\$	\$
b. Fringe Benefits					
c. Travel					
d. Equipment					
e. Supplies					
f. Contractual					
g. Construction					
h. Other					
i. Total Direct Charges (sum of 6a-6h)					\$
j. Indirect Charges					\$
k. TOTALS (sum of 6i and 6j)	\$	\$	\$	\$	\$
7. Program Income	\$	\$	\$	\$	\$





Application Budget Component – Attachment A

Attachment A: Program Budget

- This section provides an opportunity for a narrative description of the budget, or aspects of the budget found in the SF-424A.
- Optional template provided and not required. Applicants can express this information in a different way if they prefer.

Attachment A: Program Budget Template
(Reference Section IV.B and optional template in Appendix G)

Other Attachment File(s)

* Mandatory Other Attachment Filename:

Add Mandatory Other Attachment

Delete Mandatory Other Attachment

View Mandatory Other Attachment

To add more "Other Attachment" attachments, please use the attachment buttons below.

Add Optional Other Attachment

Delete Optional Other Attachment

View Optional Other Attachment





Application Budget Component – Optional Budget Template

Highlights from the NOFO:

- Budget template is an attachment to the application and does NOT **count toward the Project Narrative's page limit.**
- Applicants must itemize costs related to personnel, fringe benefits, travel, equipment, supplies, contractual costs (including acquisitions of intangible property), construction, and other cost (including subawards and participant support costs) as direct costs.
- Direct costs plus the indirect costs equal the total project costs.
- To facilitate consideration of an application for partial funding, EPA recommends that applicants separate costs for financial assistance in the program budget by project category, to the extent practicable.

NOFO Appendix G

NOFO Budget Template - Appendix G

[Appendix G. Budget Template](#)

[\(back to the Table of Contents\)](#)

(This template is optional, and applicants may use a different format for the template).

Category	Description	Total
Personnel		
Fringe Benefits		
Travel		
Equipment		
Supplies		
Contractual		
Construction		
Other (separate by participant support costs, subawards, and other costs)		
Total Direct Costs (sum of the above categories)		
Indirect Costs		
Total Project Costs (sum of direct and indirect costs)		

Applicants can use other formats to detail itemized costs





Project Narrative – Program Budget Description

Project Narrative Section B (Project Workplan)

Program Budget Description: **“Provide a detailed budget description and estimated funding amounts for each project component / task similar to that on the budget found in SF-424A, which includes the EPA funding requested to be expended over the three-year period of performance. This section provides an opportunity for a narrative description of the budget, or aspects of the budget found in the SF-424A. In the description, explain how the budget is reasonable to accomplish the projects, and the cost-effectiveness of the budget in terms of maximizing the share of funds used for the delivery of benefits to disadvantaged communities (both the direct costs of funds passed through for financial assistance as well as associated indirect costs).”**

NOFO Section IV. B for complete Track 1 and Track 2 guidance.





Budget Evaluation Criteria Review

8 pts

Track I: Written Application 155 Points

Oral Presentation 45 points

8 pts

Track II: Written Application 100 Points

Reasonableness of the budget and allowability of the costs for each component / activity of the projects in the application.

4 points

Cost effectiveness of the budget / project in terms of maximizing the share of funds used for the delivery of benefits to disadvantaged communities.

4 points

See NOFO Sections V.C (Track 1) and V.D (Track 2) for complete guidance.

Total

8 points



Federal Financial Assistance Budget Components





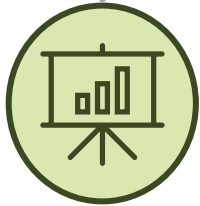
Example Scenario for Lead Applicant's Budget



What kind of grant?
EPA Community Change Grant



What is the project about?
Building a new Community Resilience Hub.



What is the goal of the project?
Creation of a disaster hub for climate emergencies and increased community awareness of emergency preparedness





Lead Applicant Personnel Costs

Highlights from the NOFO:

- Personnel category include only direct costs for the salaries of those individuals who will perform work directly for the program (paid employees of the applicant organization as reflected in payroll tax records (W-2)).
- Personnel category DO NOT include:
 - Cost for services of contractors, including consultants (IRS 1099).
 - Costs for employees of subrecipients
 - Effort that is not directly in support of the proposed program.

See NOFO Appendix G for detailed guidance

Things to consider when preparing Personnel Costs

- Recipients may also depict their personnel costs based on hourly rated and numbers of anticipated hours that will be charged to assistance agreement.

Personnel Cost Guidance	Fringe Benefit Guidance
<ul style="list-style-type: none">• When incorporating personnel salaries into your budget, ensure that your budget narrative includes<ul style="list-style-type: none">• Staff position• Annual salary or other rate• Number of personnel proposed for each position• Time each employee will devote to the EPA-funded project	<ul style="list-style-type: none">• Fringe benefits are additional compensation provided to employees beyond salaries and wages example includes:<ul style="list-style-type: none">• Cost of leave• Employee insurance• Pensions and unemployment• Car and phone allowance• Holiday bonuses• Similar benefits





Sample Lead Applicant Personnel Budget

Sample Budget Narrative:

Senior Personnel

This project requires the use of 11 staff members.

- Project Manager (1 Full Time Employee/FTE) will be responsible for the overall management and direction of the project.
- Engineers (3 at 75%) will oversee building development and infrastructure safety.
- Committee Outreach Coordinators (2 at 50%) will oversee and coordinate outreach and marketing materials to local neighborhoods.
- Senior Architect (1 FTE) will oversee building design, construction activities, and safety measures.
- Interior Designer (1 at 30%) will spearhead the overall layout and design of the Center.

Subject Matter Experts (SMEs)

- SMEs (3 at 30% each) will help develop exhibits and programming.

Sample Budget:

Type	Number of Personnel	Annual Salary	Percentage of time on project	Total Personnel Costs
Project Manager	1	\$150,000	100%	\$150,000
Engineers	3	\$200,000	75%	\$450,000
Community Outreach Coordinator	2	\$85,000	50%	\$85,000
Senior Architect	1	\$175,000	100%	\$175,000
Interior Designer	1	\$100,000	30%	\$30,000
Disaster recovery Subject Matter Experts	3	\$100,000	30%	\$90,000
			TOTAL	\$980,000

Personnel Cost

- $\text{Number of Personnel} \times \text{Annual Salary} \times \text{Percentage of time on project}$
 - Ex: 3 Engineers \times \$200,000 \times 75% = \$450,000





Sample Lead Applicant's Fringe Benefits Budget

Sample Budget Narrative

The calculated fringe benefit rate for the Lead Applicant is 22% and includes social security, *unemployment/ worker's compensation, retirement, and health insurance.*

Sample Budget:

Type	Personnel Costs (as calculated on previous slide)	Fringe Benefit Rate	Fringe Benefit Costs
Project Manager	\$150,000	22%	\$33,000
Engineers	\$450,000	22%	\$99,000
Community Outreach Coordinator	\$85,000	22%	\$18,700
Senior Architect	\$175,000	22%	\$38,500
Interior Designer	\$30,000	22%	\$6,600
Disaster recovery Subject Matter Experts	\$90,000	22%	\$19,800
		TOTAL	\$215,600

Fringe Benefit Costs

- **Calculated Personnel Cost x Lead Applicant's Fringe Benefit Rate**
 - Ex: $\$450,000 \times 22\% = \underline{\$99,000}$





Lead Applicant Travel Costs




Highlights from the NOFO:

- Travel may be integral to the purpose of the program, related to program activities, or for technical training that supports implementation of program.
- Travel costs should specify the mileage, per diem, estimated number of trips in-state or out-of-state, number of travelers, and other costs for each type of travel.
- Only include travel costs for employees (not program participants) in the designated travel categories.

See NOFO Appendix G for detailed guidance



Things to consider when preparing Travel Costs

Travel Costs	
<ul style="list-style-type: none">• Payment or reimbursement for transportation fares• Lodging• Per Diem	
Other	
<ul style="list-style-type: none">• Cost for renting vans without services of a driver• Travel for trainees, interns, fellows, or anyone who's not an employee	
Contractual	
<ul style="list-style-type: none">• Costs for hiring transportation (i.e., a bus and driver) for long-distance travel• Cost of travel for contractors	





Sample Lead Applicant Travel Budget

Sample Budget Narrative:

This project requires a trip to the National Community Resilience Hub to develop a model for resilience center community training. Programming will include best practices on outreach to historically disadvantaged communities, preparing for future storms, and developing a plan for emergency operations.

6 senior staff members will attend the conference scheduled for December 2024.

Sample Budget: Travel Costs for a trip to Memphis, TN

Item	Estimated Cost	Duration	Number of travelers/cars	Total Cost
Airfare	\$450	N/A	6	\$2,700
Hotel	\$90	3 Nights	6	\$1,620
Hotel Tax	\$4	3 Nights	6	\$72
Per Diem	\$65	4 Days	6	\$1,560
Rental Cars	\$60	4 Days	2	\$480
Total				\$6,432

Total Travel Costs:

Purpose	Destination	Estimated Travel Costs
Visit to National Community Resilience Center	Memphis, TN	\$6,432
Attend Disaster Recovery Conference	Stout Creek, MS	\$2,100
	TOTAL	\$8,532





Lead Applicant Equipment & Supplies

Highlights from the NOFO:

- Tangible, non-expendable, personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit.
- Includes accessories and services included with the purchase price necessary for the equipment to be operational.
- If installation costs are included in the equipment costs, labor expenses shall be itemized with the detailed number of hours charged and the hourly wage.
- Items valued at less than \$5,000 are considered supplies and must be separated by category.

See NOFO Appendix G for detailed guidance

Things to consider when preparing Equipment Costs

- Recipient remains responsible for reporting, overseeing any contracts, or subawards entered and for managing any equipment and supplies which are acquired or leased.
- Remember! Projects requiring the purchase of goods, products, and materials for infrastructure projects must comply with Build America, Buy America.

Equipment Cost Guidance

- Recipients must have prior EPA approval for equipment purchases.
- Recipients should provide detailed explanations for proposed purchases of certain items such as automobiles and scientific devices that have useful lives beyond the project period.
- Short-term rental of such equipment may be more economical **depending on the nature of the project and the extent of EPA's funding relationship with the recipient.**





Lead Applicant Equipment & Supplies

Equipment Costs **DO NOT** include:



- Tangible property with a unit cost of less than \$5,000.
- These items must be categorized as SUPPLIES.



- Equipment service or maintenance contracts that are not included in the purchase price for the equipment.



- Equipment planned to be leased / rented, including lease / purchase agreement.





Lead Applicant Sample Equipment Budget

Sample Budget Narrative:

This project requires five essential equipment listed below:

- *Wastewater Installation Equipment: Needed for renovation of bathrooms and sanitary environment*
- *Backup Generator: Backup generator in case of power outage during emergency*
- *Exterior Sign: Sign on outdoor perimeter used to advertise new Center*
- *HVAC System: 3 HVAC Systems used to regulate temperature of the building*

Sample Budget:

Item	Unit Cost	Number of Units	Estimated Costs
Wastewater Installation Equipment	\$80,000	2	\$160,000
Backup Generator	\$6,500	4	\$26,000
Exterior Sign	\$50,000	1	\$50,000
HVAC System	\$40,000	3	\$120,000
		TOTAL	\$356,000





Sample Lead Applicant Supplies Budget

Sample Budget Narrative:

This project requires four types of supplies to support the fieldwork, data analysis, and community training.

- *Desk: Desks are designed for community use and education*
- *Laptop: For emergency and educational activities*
- *First Aid Supplies: Stockpile of medical supplies in case of emergency*
- *Office Supplies: Administrative supplies needed for Center operations.*

Things to consider when preparing Supplies Costs

- All supplies should be categorized by major supply categories (e.g., office supplies, computing devices, monitoring equipment) with estimated costs by category.

Sample Budget:

Supply Category	Item	Units	Unit Cost	Estimated Cost
Furniture	Desk	20	\$1,000	\$20,000
Computing Device	Laptop	20	\$2,000	\$40,000
First Aid Supplies	First-aid Kit	30	\$300	\$9,000
Office Supplies	Note pads	150	\$1	\$150
Office Supplies	Pens (50 per unit)	100	\$8	\$800
			TOTAL	\$69,950





Contractual Costs – Contractors, Not Subrecipients

Highlights from NOFO:

- Contractual services (including consultant services) are those services to be carried out by an individual or organization, other than the applicant, in the form of a procurement relationship.
- EPA does not require applicants to identify specific contractors
- In the budget description, the applicant should list the proposed contract activities along with a brief description of the anticipated scope of work or services to be provided, proposed duration, and proposed procurement method

See NOFO Appendix G for more information

Things to consider when preparing Contractual Costs

- Applicants must provide the aggregate amount they propose to issue as acquisitions of intangible property as a separate line item in the “Contractual” category

Contractual Cost Guidance

- Any proposed non-competed / sole-source contracts more than the **applicant’s micro**-purchase threshold (generally \$10,000) must include a justification.
- EPA rarely accepts proposed sole source contracts for goods and services (e.g., consulting) that are widely available in the commercial market absent a copyright, patent, or equipment warranty requirement or similar restriction that establishes that only one source can provide the necessary good or service
- Recipients can use contracts that were awarded competitively for multiple grants provided the scope of work is broad enough.





Sample Lead Applicant Contractual Costs Budget

Sample Budget Narrative:

Consulting costs are expected in this project

- Outreach Contractors: Needed to perform door-to-door outreach to disadvantaged communities
- Disaster Recovery Instructors: Experts used for instructional purposes related to Center programming

Event-related contractual costs for annual training event for community engagement on disaster recovery.

- Speaker Fee: Needed expert to provide insights and training.
- Audio-Visual Services: Needed for effective communication and engagement.
- Refreshments: Needed for promote attendance.

Equipment maintenance contract cost needed for construction accuracy and reliability

Sample Procurement/Contractor Budget:

Contractor Type	Rate per Hour	Number of Hours	Contractor Cost
Outreach Contractors (20)	\$30	400	\$240,000
Disaster Recovery Instructors (6)	\$100	100	\$60,000
TOTAL			\$300,000

Sample Overall Contractual Budget:

Contractor Costs	
Outreach Contractors	\$240,000
Disaster Instructors	\$60,000
Contractor Cost Subtotal	\$300,000
Training Event Costs	
Speakers Fee	\$1,500
Audio-visual Services	\$700
Refreshments	\$1,000
Training Event Cost Subtotal	\$3,200
Other Contracts	
Equipment Maintenance Contract	\$2,700
Other Contracts Subtotal	\$2,700
TOTAL	\$305,900





Lead Applicant Construction Contract Costs

Highlights from the NOFO:

- Construction costs may include site preparation, demolishing and building facilities, making permanent improvements to facilities or other real property, major renovations of existing facilities, remediation of contamination and related architectural or engineering services.
- Any proposed non-competed / sole-source **contracts more than the applicant's micro-purchase threshold** (generally \$10,000) must include a justification.

See NOFO Appendix G for detailed guidance

Things to consider when preparing Construction Costs

- Costs associated with hiring contractors, which typically includes a general contractor **and an architecture/engineering (A/E) firm, should be classified as “contractual.”**
- Remember! Projects requiring the purchase of goods, products, and materials for infrastructure must comply with Build America, Buy America.
- Remember! Construction is subject to Davis-Bacon Act prevailing wage requirements.

Construction Cost Guidance

- When incorporating construction costs into your budget, ensure that your budget detail includes the following:
 - list of planned construction contracts
 - brief description of the scope of work or services to be provided
 - planned duration
 - planned procurement method
- EPA rarely accepts proposed sole source contracts for goods and services (e.g., consulting) that are widely available in the commercial market





Sample Lead Applicant Construction Budget

Sample Budget Narrative:

Old building in city center that has been vacant for many years will be transformed into community resilience hub. The building has been out of code for years and needs significant renovations (HVAC/plumbing/electrical) to be functional.

New second floor will be equipped with audio, visual, and interactive technologies that will be used for educational and community purposes.

Sample Budget:

Construction Project: Transformation of old building that will be turned into community resilience hub	
Second Floor Construction	\$3,000,000
First Floor Renovation	\$2,000,000
Paving	\$500,000
Technology Installation/Special Purpose Room(s)	\$500,000
Scaffolding	\$500,000
Parking lot (250 spots)	\$487,500
Roof Scaffolding	\$435,000
Asbestos Removal	\$550,000
Flooring (10,000 square feet)	\$300,000
Landscaping	\$127,000
Total Construction Cost	\$8,399,500





Subawards, Participant Costs, and Other Costs

Subawards

- Identify each major subaward in the budget
- Show the individual and aggregate amounts proposed to issue as subawards.

Participant Costs

- To increase community meeting attendance, provide comprehensive incentives and financial support. (E.g., childcare, transportation, gift cards, and stipends)

“Other Costs”

- This category should include only those types of direct costs that do not fit in any of the other budget categories (e.g., insurance, costs for acquiring real property, rental / lease of equipment or supplies, equipment service or maintenance contracts, and printing or photocopying).





Other Lead Applicant Direct Costs Budget

Sample Budget Narrative:

Rental and Leasing Costs

Equipment rentals for demolition of parts of old building in first phase of renovation.

Participant Support Costs

Stipends for community members to attend initial disaster recovery community programming and provide feedback.

Subawards

Subaward to Regional Disaster Resilience Group to help analyze historical responses to natural disaster in the region for optimization of preparedness

Additional Direct Costs

Cost of distributing informational pamphlets to community members

Sample Budget:

Rental and Leasing Costs	
Excavator	\$80,000
Bulldozer	\$20,000
Rental and Leasing Costs Subtotal	\$100,000
Participant Support Costs	
Community Stipend	\$10,000
Participant Support Costs Subtotal	\$10,000
Subawards	
Regional Disaster Resilience Group	\$50,000
Subawards Subtotal	\$50,000
Additional Direct Costs	
Document Reproduction at Office Depot	\$3,000
Additional Direct Costs Subtotal	\$3,000
TOTAL	\$163,000





Indirect Costs

Highlights from NOFO:

- If applicant includes indirect costs in the budget, specify the approved rate or 10% de minimis rate and what it is based on.
- Indirect costs are shared expenses not directly linked to one project
- Indirect costs must be based on a rate approved **by the applicant's cognizant federal agency** or use the 10% de minimis rate.
- Modified Total Direct Cost (MTDC) * indirect cost rate = Total Indirect cost

See NOFO Appendix G for detailed guidance

Things to consider when preparing Indirect Costs

- The limit does not extend to indirect costs on procurement contracts.
- Pass-through entities are responsible for ensuring compliance with the indirect cost limitation by their subrecipients.

Limitation on indirect costs for grants and cooperative agreements

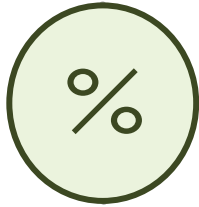
- The indirect costs charged against shall NOT exceed 20% of the total amount of the federal award.
- Cap on indirect costs does not apply to Indian Tribes as defined in section (r) of the Clean Air Act or to intertidal consortia that meet requirements of 40 CFR 35.504(a) and (c).
- The limitation on indirect costs applies to both the initial direct assistance award amount and any subaward of the federal funds.





Indirect Costs

Things to consider



Applicants are allowed to use negotiated indirect cost rate agreement (NICRA) which can be higher than 20%. However, the total indirect cost cannot exceed 20% of the total project.



If applicant does not have negotiated indirect cost rate, then EPA recommends using de minimis rate in accordance with 2 CFR Part 200 guidance.



For applicants with a negotiated indirect cost rate: Applicants should first multiply their approved IDC rate to their approved base (MTDC or direct labor). Applicants should then multiply 20% to the total award amount. The lower amount is the total amount of allowable indirect costs.





Sample Lead Applicant Indirect Cost Budget

Sample Budget Narrative:

Total Direct Charges for the grant are \$10,498,482.

The budget includes modified total direct costs exclusions such as equipment purchasing costs (\$356,000), equipment and laboratory rental costs (\$100,000), and participant support costs to pay for training fees for community members (\$10,000). MTDC also includes the first \$25,000 from each subaward (\$50,000).

Total Indirect Cost is \$2,001,496

Sample Budget:

Recipient entity's Indirect Cost Rate 20%

Item	Cost
Total Direct Charges	\$10,498,482
Equipment Costs	-\$356,000
Rental Costs	-\$100,000
Participant Support Cost	-\$10,000
Subaward	-\$25,000
Modified Total Direct Cost	\$10,007,482

MTDC * Indirect Cost Rate = Total Indirect Cost

$$\$10,008,832 * 20\% = \$2,001,496$$



References





References

Applicants can use following references for additional guidance and suggestions

CCG NOFO	EPA Community Change Grants Notice of Funding Opportunity
Interim General Budget Development Guidance	For Applicants and Recipients of EPA Financial Assistance
Best Practice Guide	For Procuring Service, Supplies, and Equipment under EPA Assistance Agreements
EPA Subaward Policy	EPA Subaward Policy for EPA Assistance Agreement Recipients
Indirect Cost Guidance	Indirect Cost Guidance for Recipients of EPA Assistance Agreements
Training Requirement for New Applicants	https://www.epa.gov/system/files/documents/2024-03/rain-2024-g01.pdf
EPA's Training for Budgeting	https://www.epa.gov/grants/how-develop-budget
EPA's Training for Grant Management	https://www.epa.gov/grants/epa-grants-management-training-applicants-and-recipients
EPA's Training on Indirect Costs	https://www.epa.gov/grants/indirect-cost-rates-webinar-december-6-2023
EPA's Davis-Bacon Grant Term and Condition Webinar	https://www.epa.gov/grants/new-epa-davis-bacon-grant-term-and-condition-webinar-march-28-2024



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Selection of FAQs

Does the 20% indirect cost cap apply to all indirect cost expenses, and are there flow-down requirements to subrecipients?

Yes, the cap is on all eligible indirect cost expenses. This limitation will extend to direct recipients of grants and cooperative agreements under the CCGP, as well as to subrecipients as defined in 2 CFR 200.1. Therefore, both direct recipients and subrecipients may charge up to 20% of their respective award or subaward-- e.g., up to 20% of the direct award (if they are the Pass-through entity) or up to 20% of the total subaward (if they are a subrecipient). Due to the sovereign status of Indian tribes that meet the Federal recognition requirement in section 302(r) of the Clean Air Act, and the unique burdens placed on these entities due to the composition of their tax base where chargeable indirect costs can be an essential financing component for the Tribe, EPA is exempting Indian tribes and Intertribal consortia comprised of eligible Indian tribes from this 20% indirect cost limitation, provided the Intertribal Consortia meets the requirements of 40 CFR 33.504(a) and (c).

All FAQs are available online at:

<https://www.epa.gov/system/files/documents/2024-02/community-change-grants-nofo-faq-2.1.2024.pdf>





Selection of FAQs

Do Collaborating Entities need to be identified in the budget description / template described in Appendix G?

Yes, Collaborating Entities are subrecipients and must be identified in the budget description and in the **“other” budget category in line-item amounts** as described in Appendix G. As stated in the instructions for **subawards in Appendix G, applicants must “identify each major subaward including those with the Collaborating Entities.** Applicants must show the individual and aggregate amounts they propose to issue **as subawards.”** Please also see the **Community Engagement and Collaborative Governance Plan** described in Section I.G of the NOFO.

All FAQs are available online at:

<https://www.epa.gov/system/files/documents/2024-02/community-change-grants-nofo-faq-2.1.2024.pdf>





Selection of FAQs

Can subaward funds directly go to subrecipients from EPA?

No, EPA does not pay subrecipients directly. The Lead Applicant (the Pass-through entity as defined in 2 CFR 200.1) draws down funds from EPA and then transfers the funds to the subrecipient in amounts necessary to **meet the subrecipient's immediate need for cash as provided in 2 CFR 200.305(b).**

All FAQs are available online at:

<https://www.epa.gov/system/files/documents/2024-02/community-change-grants-nofo-faq-2.1.2024.pdf>





Questions Submitted During Registration and Open Q&A

- *Will we need to submit a budget in narrative form?*
- *Will the funding support post-doctoral hires?*
- *Are there limitations on any budget items such as equipment? Could grant funds be used to buy land?*
- *Can development right acquisition be part of a budget item?*
- *Will there be budget templates provided?*
- *How to budget indirect costs; how to account for in-kind (if required or recommended), etc.?*
- *What are the most prevalent unforeseen costs that people don't plan for?*
- *How do we address federal and state rebates available (solar panels)?*
- *Can we allocate a flat percentage of construction costs to the grant? (It is a climate resilient health center facility)?*



Closing Remarks

- Key Messages
- TA Update
- Next Steps



Key Messages

- Grant budgeting is necessary to ensure the project stays on track and realistic
- Budget Narrative allows for applicants to explain and justify costs described in the SF-424A document
- Budget Narrative and Project Workplan should closely align in scope, proposed activities, and planned outcomes
- Separate proposed costs by categories in the optional template
- Reference the [Interim General Budget Development Guidance](#) for tips on creating your project budget

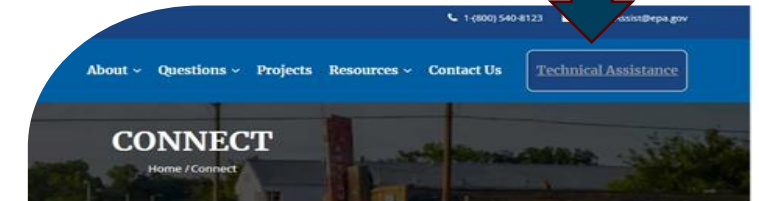


Technical Assistance Update: Status and Expert Matching

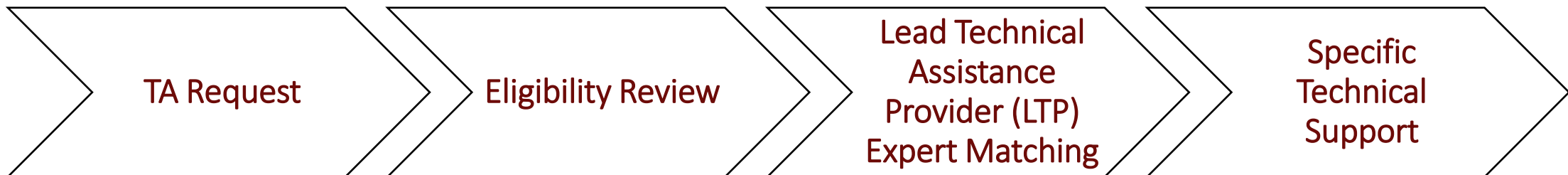
ENDYNA

TA Current Status

- **Total TA Requests Received:** 488
- **Eligibility Review:** Completed
- **Lead TA Provider/Expert Matching & Community Contact Progress:**
 - 251 communities have been contacted or will be by their assigned LTP/TAP by 3/22.
 - An additional 86-122 communities, totaling 337-373, are scheduled to be contacted by an LTP/TAP by 4/1 at the latest but many before then.
 - Nearly every community that applied for TA before 2/13 will have been contacted by their LTP by 4/1 at the latest, but the vast majority will begin TA before then.



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Community Change Technical Assistance (CCTA)

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30 JAN

**Kickoff & Program
Overview**

TA Process, CCG Overview

6 FEB

Eligibility & Partnerships

Applicant Criteria,
Partnership Dynamics

13 FEB

**Defining Disadvantaged
Communities**

Community Mapping, EJ
Indicators

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CCG NOFO Track I Overview

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Community Needs

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CCG NOFO Track II Overview

Policy, Capacity Building

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**Community Engagement &
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Engagement Models,
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**Federal Grants Requirements
& Compliance**

Compliance Requirements

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Preparing a Grant Budget

Budgeting Techniques

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- ❑ Please note that the Spanish translation of the slides and the recording may take 2-3 weeks to be uploaded onto the website.

EPA FAQs - Community Change Grants NOFO

- ❑ Visit the EPA's CCG Website <https://www.epa.gov/inflation-reduction-act/inflation-reduction-act-community-change-grants-program>

Still Have Technical Assistance Questions?

- ❑ Send your Community Change Technical Assistance questions to EJ_TechAssist@epa.gov or call 1 (800) 540-8123