

U.S. EPA Region 9 Grants Management Section

Budget Review of Applications
Grants Workgroup - Summer RTOC 2016



2 CFR Part 200 Subpart E

Cost Principles

Key Factors Affecting Allowability of Cost (200.403)

- Necessary & Reasonable
- Conform to any limitations or exclusions
- Consistent with policies & procedures
- Consistent treatment (federal & nonfederal)
- Adequately documented



Budget Review Questions

- Are these costs allowable?
- Are these costs eligible under the grant program?
- Are these costs necessary to achieve the grant's purpose?
- Are these costs reasonable (200.404)?
- Can these costs be allocated to the grant (200.405)?



Discussion Items

- ▶ Office Space (rent) charged to EPA grants or Office Space used as Cost Share
- ▶ GSA Vehicles used under EPA Grant Programs



Office Space (Rent)

SCENARIO: Tribe owns the structure/building that houses its Environmental Program Office with 3 staff members.

QUESTIONS:

- Can the Tribe charge rent to their EPA grant using the square footage used by the 3 staff members?
- Can the Tribe use rent as a cost share for their EPA grant?



Office Space (Rent)

ANSWER: "NO" to both questions. Since the Tribe owns the structure/building, this constitutes a "less-than-arms-length lease."

Rent itself is not allowable per 2 CFR §200.465, but eligible costs associated with the rental space can include depreciation, maintenance/repairs, taxes and insurance. Also, when calculating the value of depreciation, maintenance/repairs, taxes and insurance, the Tribe must ensure these costs are not currently included in the indirect cost pool used by the Tribe to calculate their indirect cost rate.



Office Space (Rent)

If the structure/building is owned by an entity unrelated to the Tribe, then cost of rent is allowed -- for cost share purposes, the comparable market value is allowed. However, you need to ensure rent for that particular building is not included in the Tribe's indirect cost rate, because the Tribe may not also seek reimbursement of rental costs as a direct cost.



Use of GSA Vehicles

GSA Order 4800.21, Section 8, Ineligible Activities:

Except for the acquisition of excess personal property through sponsoring agencies, which is governed by FMR 102-36.185 - 102-36.205 and not this GSA Order, or in accordance with paragraph 7.d(6)(d) above regarding state and local governments expending Federal grant funds in response to Public Health Emergencies, Federal grantees are ineligible to use GSA sources of supply and services.



Use of GSA Vehicles

Along with the definition of eligible Tribes and Tribal Organizations on Page 4, Section 5, **Federal grant funds**, other than those used under the Indian Self-Determination and Education Assistance Act (i.e., BIA and IHS funds) or for **public health emergencies**, **cannot be used to procure GSA supplies or services.**



Use of GSA Vehicles

Questions about GSA Order? Contact:

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