

DEPARTMENT OF THE TREASURY

CFDA 21.015 RESOURCES AND ECOSYSTEMS SUSTAINABILITY, TOURIST OPPORTUNITIES, AND REVIVED ECONOMIES OF THE GULF COAST STATES (Gulf RESTORE)

I. PROGRAM OBJECTIVES

The objectives of the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act of 2012 (RESTORE Act) program are to restore and protect the natural resources, ecosystems, fisheries, marine and wildlife habitats, beaches, coastal wetlands, and economy of the Gulf Coast Region.

II. PROGRAM PROCEDURES

The RESTORE Act established the Gulf Coast Restoration Trust Fund (Trust Fund) to hold 80 percent of the administrative and civil penalties paid by parties responsible for the Deepwater Horizon oil spill after July 6, 2012, plus interest on investments. Amounts in the trust fund are allocated among the five components: Direct Component, Comprehensive Plan Component, Spill Impact Component, the National Oceanic and Atmospheric Administration RESTORE Act Science Program, and a Centers of Excellence Research Grants Program. The Department of the Treasury (Treasury) is responsible for administering the Direct Component and the Centers of Excellence Research Grants Program.

Through the Direct Component, Treasury makes grants for ecological and economic restoration of the Gulf Coast Region. Thirty-five (35) percent of the penalties paid into the trust fund is used for grants to support eligible activities proposed by the States of Alabama, Louisiana, Mississippi, and Texas; the Florida counties of Bay, Charlotte, Citrus, Collier, Dixie, Escambia, Franklin, Gulf, Hernando, Hillsborough, Jefferson, Lee, Levy, Manatee, Monroe, Okaloosa, Pasco, Pinellas, Santa Rosa, Sarasota, Taylor, Wakulla, and Walton; and the Louisiana Coastal Zone parishes of Ascension, Assumption, Calcasieu, Cameron, Iberia, Jefferson, Lafourche, Livingston, Orleans, Plaquemines, St. Bernard, St. Charles, St. James, St. John the Baptist, St. Martin, St. Mary, St. Tammany, Tangipahoa, Terrebonne, and Vermilion. Each State, county, and parish has a defined share of the amount of the Direct Component. Recipients may choose to make subawards to complete eligible activities if approved by Treasury.

Through the Centers of Excellence Research Grants Program, Treasury awards grants to the five Gulf Coast States (Alabama, Florida, Louisiana, Mississippi, and Texas) for the establishment of Centers of Excellence focused on science, technology, and monitoring in at least one of five disciplines listed in the RESTORE Act. The States select these Centers through a competitive process and fund the research work through subawards. Each State has an equal share of the Centers of Excellence Research Grants Program Trust Fund allocation.

This program supplement covers only Treasury's grants to the States, counties, and parishes under the Direct Component and grants to States under the Centers of Excellence, which, at the State level does not include research activity. However, subawards under the Centers of Excellence will be audited as part of the R&D Cluster in Part 5 of the Supplement.

Source of Governing Requirements

The primary source of program requirements is the RESTORE Act (Subtitle F of Pub. L. No. 121-141) (33 USC 1321(t) and 33 USC 1321 note). Program implementing regulations are in 31 CFR part 34.

Availability of Other Program Information

Other program information regarding grants under the RESTORE Act is available at the Treasury website at <https://www.treasury.gov/services/restore-act/Pages/home.aspx>.

III. COMPLIANCE REQUIREMENTS

In developing the audit procedures to test compliance with the requirements for this Federal program, the auditor must determine, from the following summary (also included in Part 2, “Matrix of Compliance Requirements”), which of the 12 types of compliance requirements apply, and then determine which of the applicable requirements is likely to have a direct and material effect on the Federal program at the auditee. For each such requirement, the auditor must use Part 3 (which includes generic details about each compliance requirement other than Special Tests and Provisions) and this program supplement (which includes any program-specific requirements) to perform the audit.

Compliance Requirements											
A	B	C	E	F	G	H	I	J	L	M	N
Activities Allowed or Unallowed	Allowable Costs/Cost Principles	Cash Management	Eligibility	Equipment/Real Property Management	Matching Level of Effort, Earmarking	Period of Performance	Procurement/Suspension and Debarment	Program Income	Reporting	Subrecipient Monitoring	Special Tests and Provisions
Y	Y	Y	N	Y	Y	Y	Y	Y	Y	Y	Y

A. Activities Allowed or Unallowed**1. *Activities Allowed in the Direct Component***

All activities must be included in, and conform to, the description in the recipient's grant agreement, and may include the following:

- a. Restoration and protection of the natural resources, ecosystems, fisheries, marine and wildlife habitats, beaches, and coastal wetlands of the Gulf Coast Region;
- b. Mitigation of damage to fish, wildlife, and natural resources;
- c. Implementation of a federally approved marine, coastal or comprehensive conservation management plan, including fisheries monitoring;
- d. Workforce development and job creation;
- e. Improvements to or on State parks located in coastal areas affected by the Deepwater Horizon oil spill;
- f. Infrastructure projects benefitting the economy or ecological resources, including port infrastructure;
- g. Coastal flood protection and related infrastructure;
- h. Promotion of tourism in the Gulf Coast Region, including promotion of recreational fishing;
- i. Promotion of the consumption of seafood harvested from the Gulf Coast Region;
- j. Planning assistance;
- k. Administrative costs; and
- l. The non-Federal share of the cost of any project or program authorized by Federal law that is an eligible activity under the RESTORE Act (31 CFR sections 34.2, 34.200 and 34.201).

2. *Activities Unallowed for the Direct Component*

Activities that were included in any claim for compensation presented after July 6, 2012, to the Oil Spill Liability Trust Fund authorized by 26 USC 9509 (31 CFR section 34.200(a)(3)).

3. *Activities Allowed for the Centers of Excellence Research Grants Program*

All activities must be included in, and conform to, the description in the recipient's grant agreement, and include:

- a. *Recipient* – program administration.
- b. *Subrecipient* – Costs for the establishment of Centers of Excellence that focus on science, technology, and monitoring in at least one of the following disciplines:
 - (1) Coastal and deltaic sustainability, restoration, and protection, including solutions and technology that allow citizens to live in a safe and sustainable manner in a coastal delta in the Gulf Coast Region;
 - (2) Coastal fisheries and wildlife ecosystem research and monitoring in the Gulf Coast Region;
 - (3) Offshore energy development, including research and technology to improve the sustainable and safe development of energy resources in the Gulf of Mexico;
 - (4) Sustainable and resilient growth, economic and commercial development in the Gulf Coast Region; and
 - (5) Comprehensive observation, monitoring, and mapping of the Gulf of Mexico (31 CFR section 34.704).

B. Allowable Costs/Cost Principles

Costs incurred for administrative duties of the Alabama Gulf Coast Recovery Council are not allowed to the extent those duties were performed by public officials and employees who are not subject to the ethics laws of the State of Alabama (31 CFR section 34.302(a)).

G. Matching, Level of Effort, Earmarking

1. **Matching** - Not Applicable
2. **Level of Effort** - Not Applicable
3. **Earmarking**

Under the Direct Component, administrative costs are limited to no more than three percent of the total amount of funds received by a recipient under each grant. Administrative costs, for purposes of this limitation, are defined as indirect costs for administration incurred by the Gulf Coast States, coastal political subdivisions, and coastal zone parishes that are allocable to activities authorized under the Act. Administrative costs do not include that portion of indirect costs that are identified specifically with, or readily assignable to, facilities as defined

in 2 CFR section 200.414. For example, if a recipient has a 12 percent federally negotiated indirect cost rate (regardless of the applicable base) and its accounting system cannot identify specifically the facilities portion of its indirect cost rate, the maximum amount of indirect costs allowable under a \$100,000 grant would be \$3,000. If the facilities portion of indirect costs can be separately identified, the recipient may claim those costs at their full reimbursable rate. In this example, if such costs represent 2 percentage points of the 12 percent indirect cost rate, the maximum amount of allowable indirect costs would be \$5,000 (\$3,000 + \$2,000). The three percent limitation does not apply to the administrative costs of subrecipients (31 CFR sections 34.2 and 34.204).

I. Procurement and Suspension and Debarment

1. When awarding contracts under the Direct Component, a recipient may give preference to individuals and companies that reside in, are headquartered in, or are principally engaged in business in the State of project execution (31 CFR section 34.305(b)).
2. Under the Direct Component, the acquisition of land, or interests in land, can only be from a willing seller (31 CFR section 34.803(f)).

L. Reporting

1. Financial Reporting

- a. *SF-270, Request for Advance or Reimbursement* – Not Applicable
- b. *SF-271, Outlay Report and Request for Reimbursement for Construction Programs* – Not Applicable
- c. *SF-425, Federal Financial Report* – Applicable

2. Performance Reporting – Not Applicable

3. Special Reporting – Not Applicable

N. Special Tests and Provisions

Wage Rate Requirements

Under the Direct Component, for contracts that exceed \$2,000 that are for the construction, alteration, or repair of treatment works as defined at 33 USC 1292(2), all laborers and mechanics employed by contractors and subcontractors must be paid wages at rates not less than those prevailing for the same type of work on similar construction in the immediate locality, as determined by the Secretary of Labor, in accordance with the Wage Rate Requirements (33 USC 1372).

See Wage Rate Requirements Cross-Cutting Section (page 4-20.001-1).

DEPARTMENT OF THE TREASURY**CFDA 21.012 NATIVE INITIATIVES****CFDA 21.020 COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS PROGRAM****I. PROGRAM OBJECTIVES**

The purpose of the Community Development Financial Institutions (CDFI) Program is to use Federal resources to invest in, and build the capacity of, CDFIs to help them serve low-income people and communities that lack access to affordable financial products and services.

The Native Initiatives or Native American CDFI Assistance (NACA) Program provides funding to build the community development capacity of certified CDFIs serving Native Communities, Emerging Native CDFIs, and Sponsoring Entities, and to increase access to capital in Native Communities.

II. PROGRAM PROCEDURES

The CDFI Program and the NACA Program are administered by the Community Development Financial Institutions Fund (CDFI Fund), Department of the Treasury. Through the CDFI Program, the CDFI Fund provides two types of monetary awards to CDFIs - Financial Assistance awards and Technical Assistance awards. CDFIs may use the funds to pursue a variety of goals, including:

- a. Promoting economic development to develop businesses, create jobs, and develop commercial real estate;
- b. Developing affordable housing and to promote homeownership; and
- c. Providing community development financial services, such as basic banking services, financial literacy programs, and alternatives to predatory lending.

The CDFI Fund provides Financial Assistance awards to strengthen the capital position and enhance the ability of a CDFI Program or NACA Program award recipient to provide financial products and financial services. The CDFI Fund provides Technical Assistance awards to build the capacity of a CDFI or an entity that proposes to become a CDFI. Financial and Technical Assistance awards are provided through a yearly competitive nationwide evaluation and selection process. After selection, each CDFI Program and the NACA Program award recipient enters into an assistance agreement, which includes performance goals and other terms and conditions.

In order to be eligible to apply for assistance, entities must meet or propose to meet specific CDFI eligibility criteria (12 CFR sections 1805.200 and 1805.201). CDFIs include, among others, entities such as banks, credit unions, depository institution holding companies, loan funds, and venture capital funds.

An organization wishing to apply for a Financial Assistance award through the CDFI or NACA Program must be either a certified CDFI or present a plan to become certified. Organizations that are Emerging CDFIs or Sponsoring Entities may only apply for Technical Assistance awards.

Source of Governing Requirements

The CDFI Program is authorized by the Community Development Banking and Financial Institutions Act of 1994 (Pub. L. No. 103-325, 12 USC 4701 *et seq.*). The CDFI Program implementing regulations are codified at 12 CFR part 1805.

The NACA Program is authorized by annual appropriations to the CDFI Fund Program Account and is administered using the implementing regulations for the CDFI Program, which are codified at 12 CFR part 1805.

Availability of Other Program Information

Additional information on the CDFI Program and the NACA Program is available on the CDFI Fund website at <http://www.cdfifund.gov>. A template of the assistance agreement is available at <https://www.cdfifund.gov/Documents/For%20Web%20final%20FY16%20AA%20template%209%2026%2016.pdf>. If there are specific questions regarding the programs, the CDFI Fund may be contacted via telephone at (202) 653-0421 or by e-mail at cdfihelp@cdfi.treas.gov.

III. COMPLIANCE REQUIREMENTS

In developing the audit procedures to test compliance with the requirements for this Federal program, the auditor must determine, from the following summary (also included in Part 2, “Matrix of Compliance Requirements”), which of the 12 types of compliance requirements apply, and then determine which of the applicable requirements is likely to have a direct and material effect on the Federal program at the auditee. For each such requirement, the auditor must use Part 3 (which includes generic details about each compliance requirement other than Special Tests and Provisions) and this program supplement (which includes any program-specific requirements) to perform the audit.

Compliance Requirements											
A	B	C	E	F	G	H	I	J	L	M	N
Activities Allowed or Unallowed	Allowable Costs/Cost Principles	Cash Management	Eligibility	Equipment/Real Property Management	Matching, Level of Effort, Earmarking	Period of Performance	Procurement/Suspension and Debarment	Program Income	Reporting	Subrecipient Monitoring	Special Tests and Provisions
Y	Y	Y	Y	Y	Y	N	Y	N	Y	Y	N

A. Activities Allowed or Unallowed

1. *Financial Assistance* – Section 3.7 of the terms and conditions in the assistance agreement prescribes the specific authorized activities of Financial Assistance awards for each CDFI Program or NACA Program award recipient (12 CFR sections 1805.300 and 1805.301).
2. *Technical Assistance* – Technical Assistance awards may include training for management and other personnel; development of programs, products, and services; improving financial management and internal operations; enhancing a CDFI’s community impact; or other activities deemed appropriate by the CDFI Fund. Section 3.8 of the terms and conditions in the assistance agreement prescribes the specific authorized activities of the Technical Assistance amounts for each CDFI award recipient (12 CFR section 1805.303).
3. *Community Partnerships* – Assistance provided upon approval of an application involving a community partnership shall only be distributed to the CDFI Program award recipient and shall not be used to fund any activities carried out by a community partner or an affiliate of a community partner (12 CFR section 1805.302(c)).

E. Eligibility

1. **Eligibility for Individuals** – Not Applicable
2. **Eligibility for Group of Individuals or Area of Service Delivery** – Not Applicable

3. Eligibility for Subrecipients

CDFI Program and NACA Program award recipients may not distribute assistance to an affiliate without the prior consent of the CDFI Fund (12 CFR section 1805.302(b)).

G. Matching, Level of Effort, Earmarking

1. Matching

- a. *Financial Assistance* – Each CDFI Program and NACA Program award recipient must match Financial Assistance provided with an amount that is at least comparable in (1) form to the type of Financial Assistance provided by the CDFI Fund, and (2) value, on a dollar-for-dollar basis, to the Financial Assistance provided by the CDFI Fund. Such match must come from sources other than the Federal Government, and must consist of non-federal funds. The applicable time frame for meeting the match is set forth in the Notice of Funds Availability (NOFA) published in the *Federal Register* for each funding round. The most recent NOFAs can be retrieved from the CDFI Fund’s website at <http://www.cdfifund.gov> (12 CFR sections 1805.500 through 1805.504).

The amount of Financial Assistance disbursed by the CDFI Fund to a CDFI Program or NACA Program award recipient will not exceed the amount of match that the award recipient has in hand. As a result, the CDFI Fund may make multiple disbursements of Financial Assistance as the CDFI Program or NACA Program award recipient receives the requisite matching funds.

- b. *Technical Assistance* – There is no match requirement for Technical Assistance amounts under the CDFI Program and NACA Program (12 CFR section 1805.303(d)).

2. Level of Effort – Not Applicable

3. Earmarking – Not Applicable

L. Reporting

1. Financial Reporting

- a. SF-270, *Request for Advance or Reimbursement* – Not Applicable
- b. SF-271, *Outlay Report and Request for Reimbursement for Construction Programs* – Not Applicable
- c. SF-425, *Federal Financial Report* – Applicable to Technical Assistance awards

2. **Performance Reporting** – Not Applicable
3. **Special Reporting** – Not Applicable

IV. OTHER INFORMATION

Starting with awards in Federal Fiscal Year 2011, the CDFI and NACA Program assistance agreements have clarified guidance for determining Federal awards expended. For determining whether the audit threshold is met and determining Type A programs: (1) Financial Assistance awards are considered Federal awards expended once the recipient expenses the funds for the authorized uses outlined in the recipient's assistance agreement, and (2) Technical Assistance awards are considered Federal awards expended once the recipient expenses the funds for goods or services for the authorized uses outlined in the recipient's assistance agreement. Assistance provided in the form of a loan requires the recipient to submit annual audited financial statements until the loan is repaid.