

## DEPARTMENT OF THE TREASURY

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

#### **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's 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 to restore and protect the Gulf Coast region's ecology and economy. 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, 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 to conduct research. The States select these centers through a competitive process and fund their work through subawards. Each State has an equal share of the Centers of Excellence Research Grants Program Trust Fund allocation. Only the grants to the States are covered by this program supplement. The subawards to 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 <http://www.treasury.gov/services/resto-re-act/Pages/default.aspx>.

## III. COMPLIANCE REQUIREMENTS

**In developing the audit procedures to test compliance with the requirements for a Federal program, the auditor should first look to Part 2, Matrix of Compliance Requirements, to identify which of the 12 types of compliance requirements described in Part 3 are applicable and then look to Parts 3 and 4 for the details of the requirements.**

### 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; and
- k. Administrative costs (31 CFR sections 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)).

**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).

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**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:

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

The CDFI Fund provides financial assistance 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 grants 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 financial assistance through the CDFI or NACA Program must be either a certified CDFI or present a plan to be certified. Organizations that are Emerging CDFIs or Sponsoring Entities may only apply for technical assistance grants.

### **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 <http://www.cdfifund.gov/docs/2014/CDFI/Approved%20FY%2014%20Assistance%20Agreement%20Template.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@cfdi.treas.gov](mailto:cdfihelp@cfdi.treas.gov).

## **III. COMPLIANCE REQUIREMENTS**

**In developing the audit procedures to test compliance with the requirements for a Federal program, the auditor should first look to Part 2, Matrix of Compliance Requirements, to identify which of the 12 types of compliance requirements described in Part 3 are applicable and then look to Parts 3 and 4 for the details of the requirements.**

### **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* - Such technical assistance 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 such 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 awardee expenses the funds for the authorized uses outlined in the awardee's assistance agreement, and (2) technical assistance awards are considered Federal awards expended once the awardee expenses the funds for goods or services for the authorized uses outlined in the awardee'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.