Federal Financial Assistance Readiness Guide

by Pecan Street Inc.

Target Audience

Nonprofit organizations, in the environmental justice ("EJ") space, with limited experience engaging with the federal government as source of program funding.

Objectives

- Inform - to provide information and point to sources of useful information on federal financial assistance readiness.

- Empower - to provide experience-based actionable insights and strategies to aid EJ organizations looking to explore federal funding opportunities.

- Support – help organizations in our eco-system with context for seeking / hiring necessary assistance to fill gaps.

Structure

- Part I – Fundamentals of Accessing Federal Funding.

- Part II – Preparing the Application Package & Award-readiness

PART I

Fundamentals of Obtaining Federal Financial Assistance

Basics - Sponsor Terms

- Federal Financial Assistance is:
  - a mechanism by which the federal government makes funding available in service of the public.
- Types of Federal Financial Assistance :
  - there are several types, we focus here on two: grants and cooperative agreements.
- Funding Opportunity Announcement (FOA):
  - notice to the public of a federal agency's intention to award funding. Usually includes: award information, eligibility criteria, evaluation criteria, application requirements, and application submission instructions.

Basics- Applicant Terms

- Prime Awardee:
  - is the primary federal award recipient. This is the entity that signs the grant or cooperative agreement with the government and is ultimately responsible and financially accountable for the use of the federal funds received for performance of the project, as well as, legally responsible for carrying out the terms and conditions of the award.

- Subrecipient:
  - receives a subaward (under a subaward agreement) from the Prime Awardee to carry out portions of the program. The entity's performance is measured in relation to whether objectives of the program are met and it usually has responsibility for programmatic decision making. Subject to fewer federal compliance responsibilities.

- Contractor:
  - receives a contract from the Prime Awardee (or subrecipient, if approved) to purchase goods or provide services needed to carry out the project. The primary difference between the contractor and subrecipient is the substance of the relationship. The contractor is ancillary to the program and may provide goods/services to the org. in its normal course of business. No federal compliance obligations.

Subrecipient → Prime awardee → Federal Agency

Contractor → Prime awardee

Basics- Award Instruments

Grant vs. Cooperative Agreements

- The key distinction is **sponsor involvement**.

- Grant - provides funding to support a public purpose with few restrictions and with no substantial involvement expected between the federal agency and recipient when carrying out the activity contemplated in the grant agreement.

- Cooperative agreement - provides funding to support a public purpose with substantial involvement expected between the federal agency and recipient when carrying out the activity contemplated in the cooperative agreement.

The difference is worth noting in assessing which opportunities are best suited to an organization's capabilities.

Funding Sources

These agencies fund projects in the environmental space:

- U.S. Department of Energy (DOE).

- U.S. Environmental Protection Agency (EPA).

- U.S. Department of Agriculture (USDA).

- U.S. Department of Defense (DOD).

- U.S. Department of Housing and Urban Development (HUD).

- U.S Department of the Interior (DOI).

- U.S Department of Transportation (DOT).

- National Oceanic and Atmospheric Administration (NOAA).

- U.S. Economic Development Administration (EDA).

- U.S. Department of Homeland Security (DHS).

- National Science Foundation (NSF)

Finding Funding Opportunities

WWW.GRANTS.GOV

- All federal agencies publish funding opportunities designated for organizations on **grants.gov**.

- Some agencies also receive FOA application responses and communicate status and decision information to applicants via grants.gov.

- Some agencies notify about FOAs (with a brief synopsis) on grants.gov but only receive application submissions via the particular agency's website.

- Grants.gov is useful as a one-stop-shop for conducting multi-agency FOA searches. Under the "Search Grants" tab, users can enter specific words and phrases, filter by eligibility, agency, and other criteria.

- Grants.gov also allows users set alerts to receive email notices of new FOAs based on the user's desired criteria.

GRANTS.GOV SEARCH TAB

PART II

Preparing the Application Package & Award-readiness

Sample
DOE FOA

Recipient Readiness

All organizations considering applying for federal funding must do/have the following:

1. Pre-application preparation

2. Agency-specific preparation

3. Eligibility assessment

4. Capability assessment

5. Eligibility & Capability Gaps Mitigation

6. Application package preparation and submission

7. Preparation for contract negotiation, program execution, funding administration, and compliance.

#1 - Pre-application Preparation

Universal Requirements

All organizations considering applying for federal funding must do/have the following:

1. Obtain an Employer Identification Number (EIN)
   - www.irs.gov

2. Obtain a Data Universal Number System (DUNS) Number
   - fed.gov.dnb.com/webform

3. Register with the System for Award Management (SAM)
   - www.sam.gov

4. Register for a Grants.gov account

Completion timeline: 3 days to 5 weeks, so start early!

#2 – Agency-specific Preparation

Agency-specific Preparation

Each federal agency has its specific pre-application requirements. Examples of agency-specific requirements:

1. DOE ARPA-E funding
   - Requires an account on ARPA-E's Funding Portal (https://arpa-e-foa.energy.gov).

2. NSF Funding
   - Some proposals require an account on NSF FastLane System or Research.gov

3. EPA, DOT, and other agencies
   - None. Submit applications via grants.gov

It is critical to visit the applicable agency's website and register early (if applicable). Completion timeline can last up to 5 weeks, so start early!

#3 – Eligibility Assessment

Eligibility

Is your entity structure listed in the FOA as one of those invited to apply or is it barred from applying?

Example of an EPA "eligible applicants" list:

- states or state agencies, territories, city or township governments, county governments, the District of Columbia, American Indian Tribes (federally recognized), and possessions of the U.S.

- public and private universities and colleges, hospitals, laboratories, or public or private nonprofit institutions.

- nonprofit organizations described in Section 501(c)(4) of the Internal Revenue Code that engage in lobbying activities as defined in Section 3 of the Lobbying Disclosure Act of 1995 are not eligible to apply for funding.

- for-profit organizations, including proprietary colleges and universities, are not eligible.

Ineligibility to submit an application is not necessarily dispositive. More on next slides.

#4 – Capability Assessment

Capability

2 Main Areas of Capability Assessment

- Programmatic Capability:

Assess existing skills-set and resources; identify and characterize gaps (relative to FOA ask); and determine whether the org. possesses or can acquire the necessary capabilities to adequately perform the scope of work and timely produce the FOA deliverables without jeopardizing its other commitments.

- Administrative Capability:

Assess existing financial systems for org's ability to manage funds in the magnitude of the budget request, comply with procurement standards, perform consistent monthly financial reporting, perform auditable record-keeping, and produce administrative reports/certifications necessary for grant closeout.

Incapability on some aspects is not necessarily dispositive. More on next slides.

#5 – Eligibility & Capability Gaps Mitigation

Ineligible
or
Lack Capability?

Orgs can overcome ineligibility / incapability challenges in several ways:

1. **<u>Teaming</u>**: is an arrangement where:

- more than one entity pursues a funding opportunity in a joint application package;

- one eligible entity is deemed the "prime" applicant while the other entities join as subrecipients, contractors, or other participants. An otherwise ineligible or less capable organization could still participate in an FOA as either a subrecipient or contractor.

<u>Benefits of Teaming:</u>

- Efficiencies because team members can complement each other's unique capabilities.

- Lower risk way for smaller organizations to gain experience with federal funding (ex. with budgeting and progress reporting).

- Where cost-share is required, the team may be more capable.

- An organization with an ineligible structure may be able to participate as subrecipient or contractor.

Note: it is important to read the FOA to ensure that teaming is permitted and the rules specific to each FOA

Ineligible
or
Lack Capability?

2. Scoping to size:

- Where the burden of compliance is the barrier to application, smaller organizations should detailed-review the FOA for compliance thresholds that they may be able to strategically fall below.

- For example, in the areas of procurement, single audits, vendor management, cost categories (ex. supplies vs. equipment), the proposal narrative can be strategically scoped and budgets developed /structured to fit in a lower compliance category.*

Note: in all cases, receipt of federal funds comes with compliance requirements.

#6 – Application Package Preparation & Submission

Application Stages

Application requirements vary by agency; typical decision points are:

- Letter of interest (LOI) submission:
  - Typically, a paragraph notifying agency of interest in submitting an application.

- Concept paper submission: 2-3-page write-up to describe and demonstrate understanding of the problem posed in the FOA; identify how your proposed project will address this challenge; describe why and how your org/team would be best suited to effectively & efficiently execute the work and deliverables; and identify how your project fits the mission/priorities of the funding agency.
  - Usually followed by an agency "encourage" or "discourage" decision. Neither decision bars full application.

- Full application submission:
  - Full proposal package including statement of work, detailed budget, along with supporting schedules required by the agency.

Full Proposal

- Critical to read and re-read each FOA's specific requirements and follow to the letter.

- Prepare with the reviewer in mind. Each awarding agency is required to review and assess each application to determine the following:
  - ✓ The applicant is eligible for the specified program.
  - ✓ The costs and activities in the application are for allowable, allocable, necessary, and reasonable costs.
  - ✓ The applicant possesses the responsibility, financial management, fiscal integrity, and financial capability to administer federal funds adequately and appropriately.

EXAMPLE OF A DOE FULL APPLICATION COMPONENTS
(ILLUSTRATION PURPOSES ONLY)

Submission	#	Components
Full Application (PDF, unless stated otherwise)	1	Technical Volume – 30 page limit
	2	Statement of Project Objectives - 10 page limit
	3	Application for Federal Assistance (Form SF-424)
	4	Budget Justification (Form EERE 335)
	5	Summary for Public Release - 1 page limit
	6	Summary Slide - 1 page limit
	7	Subaward Budget Justification, if applicable (Form EERE 335)
	8	SF-LLL Disclosure of Lobbying Activities
	9	Data Management Plan
	10	Letters of Commitment (if applicable)
	11	Environmental Questionnaire (EQ)

Note:
1) An org. teaming as a subrecipient would only need to submit #7, #8 and #10 to the lead applicant.
2) An org. teaming as a contractor would only need to submit a services price quote to the lead applicant.