

## 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://home.treasury.gov/policy-issues/financial-markets-financial-institutions-and-fiscal-service/restore-act>.

## 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 have been identified as subject to the audit (noted with a “Y” in the summary matrix below), and then determine which of the compliance requirements that are subject to the audit are likely to have a direct and material effect on the federal program at the auditee. For each such compliance requirement subject to the audit, 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. **When a compliance requirement is shown in the summary below as “N,” it has been identified as not being subject to the audit. Auditors are not expected to test requirements that have been noted with an “N.”** See the Safe Harbor Status discussion in Part 1 for additional information.

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 & Debarment	Program Income	Reporting	Subrecipient Monitoring	Special Tests and Provisions
Y	Y	N	N	Y	Y	N	Y	N	N	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*

Effective May 3, 2019, Treasury issued a final rule to revise the method by which the statutory three percent limitation on administrative costs is applied under the Direct Component, Comprehensive Plan Component, and Spill Impact Component under the RESTORE Act. Through this revision, the three percent limit on administrative costs may be applied to the total amounts of funds received by a recipient under each of the three components either on a grant-by-

grant or on an aggregate basis as described in 31 CFR Part 34.204 **Limitations on administrative costs and administrative expenses.**

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. The three percent limitation does not apply to the administrative costs of subrecipients (31 CFR sections 34.2 and 34.204). The instructions and tools for calculating allowable costs are available on the Treasury RESTORE Act website at <https://home.treasury.gov/policy-issues/financial-markets-financial-institutions-and-fiscal-service/restore-act>.

## **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**

Effective May 3, 2019, Treasury issued a final rule to revise the method by which the statutory three percent limitation on administrative costs is applied under the Direct Component, Comprehensive Plan Component, and Spill Impact Component under the RESTORE Act. Through this revision, the three percent limit on administrative costs may be applied to the total amounts of funds received by a recipient under each of the three components either on a grant-by-grant or on an aggregate basis as described in 31 CFR Part 34.204 **Limitations on administrative costs and administrative expenses.**

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## **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)).

## **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 4-20.001-4).

## DEPARTMENT OF THE TREASURY

### CFDA 21.016 EQUITABLE SHARING PROGRAM

#### I. PROGRAM OBJECTIVES

The purpose of the Equitable Sharing Program (Program) is to foster greater law enforcement cooperation among state, local, tribal, and federal law enforcement agencies. State and local law enforcement agencies can request federally forfeited funds or tangible assets through the Program based on their qualitative and quantitative contributions to an investigation resulting in federal forfeiture. Equitably shared funds must be used by law enforcement agencies for law enforcement purposes only.

#### II. PROGRAM PROCEDURES

##### A. Overview

The Program is managed by the Treasury Executive Office for Asset Forfeiture (TEOAF), a section within the Department of the Treasury's Office of Terrorism and Financial Intelligence (TFI). TEOAF manages the Treasury Forfeiture Fund, which is the receipt account for non-tax federal forfeitures made by Treasury and Department of Homeland Security law enforcement agencies. State, local, or tribal law enforcement agencies that assist in federal investigations resulting in forfeiture may seek a portion of the federally forfeited funds in an amount commensurate with their efforts resulting in the forfeiture.

A law enforcement agency seeking a share of federally forfeited funds must meet eligibility requirement of being a law enforcement agency, must file an annual Equitable Sharing Agreement and Certification (ESAC) form, and must be in compliance with program requirements at the time of payment. The payment must bear a reasonable degree to the level of the recipient agency's participation in the total law enforcement effort resulting in the forfeiture.

Shared funds may be used for a variety of law enforcement purposes, including but not limited to training, equipment, accounting services, joint law enforcement/public safety operations, drug, gang and other prevention or awareness programs.

#### Source of Governing Requirements

The Equitable Sharing Program is authorized by 31 USC Section 9705(b)(4); 18 USC Section 981(e)(2); 19 USC Section 1616a(c); and 21 USC sections 881(e)(1)(A) and (e)(3). The specific program requirements are implemented by guidelines, set forth in the *Joint Department of Justice/Department of Treasury Guide to Equitable Sharing for State, Local, and Tribal Law Enforcement Agencies (Guide)* (July 2018).

**Availability of Other Program Information**

More details regarding the Program, including the *Guide* are available at [www.treasury.gov/resource-center/terrorist-illicit-finance/Pages/Equitable-Sharing.aspx](http://www.treasury.gov/resource-center/terrorist-illicit-finance/Pages/Equitable-Sharing.aspx), as well as the Department of Justice website at <https://www.justice.gov/criminal-mlars/equitable-sharing-program>.

**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 have been identified as subject to the audit (noted with a “Y” in the summary matrix below), and then determine which of the compliance requirements that are subject to the audit are likely to have a direct and material effect on the federal program at the auditee. For each such compliance requirement subject to the audit, 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. When a compliance requirement is shown in the summary below as “N,” it has been identified as not being subject to the audit. Auditors are not expected to test requirements that have been noted with an “N.” See the Safe Harbor Status discussion in Part 1 for additional information.**

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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 & Debarment	Program Income	Reporting	Subrecipient Monitoring	Special Tests and Provisions
Y	Y	N	Y	Y	Y	N	Y	N	Y	N	N

**A. Activities Allowed or Unallowed**

1. *Financial Assistance*

Section V.A through V.B of the *Guide* sets forth examples of the authorized activities and uses of shared funds. The ESAC form, and *Guide* in general, sets forth the general terms and conditions for a recipient of shared funds.

2. *Transfer of Tangible Assets*

Section V.D of the *Guide* sets forth requirements pertaining to tangible assets or, rarely, real property, transferred to a state or local agency in lieu of forfeited proceeds.

**B. Allowable Costs/Cost Principles**

As a direct payment for specified use, these funds are considered federal financial assistance and are subject to only the following sections of the *Code of Federal Regulations*, Title 2, Subtitle A, Chapter II, Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (“2 CFR”): Subpart A; Subpart B (excluding Sections 200.111 to 200.113); Subpart D (only sections 200.303 – Internal Controls and 200.330 to 332 – Subrecipient Monitoring in the limited case of where a cash transfer is permitted); and Subpart F. All other provisions of 2 CFR are inapplicable to the Program.

**E. Eligibility**

**1. Eligibility for Recipient State or Local Law Enforcement Agencies**

Recipients of shared funds must meet the eligibility requirements set forth in the *Guide, Sections I.B, II, and III*. Generally, this mean they must be in compliance with all applicable civil rights requirements, must be deemed a law enforcement agency (determined by Treasury or Department of Justice (DOJ)), must be in compliance with program requirements, and must have had some participation in the investigation resulting in the forfeiture for which it is seeking funds.

**2. Eligibility for Individuals**

Not applicable

**3. Eligibility for Groups of Individuals or Area of Service Delivery**

Not applicable

**4. Eligibility for Subrecipients**

Transfer of cash from one recipient to another is not permitted except in rare circumstances were TEOAF has granted a waiver. In that case, the subrecipient monitoring requirements of 2 CFR 200.330 to 332 would apply.

**F. Equipment and Real Property Management**

See *Guide, Section V.C* for Program-specific requirements.

**G. Matching, Level of Effort, Earmarking****1. Matching**

Not applicable

**2. Level of Effort**

Agencies may supplement, not supplant, their appropriated funds. See *Guide, Sections I.C and V* for Program-specific requirements.

**3. Earmarking**

Not applicable

**I. Procurement and Suspension and Debarment**

1. Procurement – Agencies are required to follow their respective jurisdiction’s procurement policies. See *Guide* for Program-specific requirements.

2. Suspension and Debarment – Not applicable, unless required by jurisdiction policies.

**L. Reporting**

See *Guide, Section VII* for Program-specific requirements.

**IV. OTHER INFORMATION**

The Department of Justice also manages its own Equitable Sharing Program under CFDA 16.922. Funds from each Program must be maintained and managed separately.

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**DEPARTMENT OF THE TREASURY****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 and underserved people and communities that lack access to affordable financial products and services.

**II. PROGRAM PROCEDURES****A. Overview**

The CDFI Program is 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. 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 must be a certified CDFI when the Notice of Funding Availability is released in order to be eligible to apply for a financial assistance award through the CDFI Program. Organizations that are Emerging CDFIs or Sponsoring Entities may only apply for 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.

**B. Subprograms/Program Elements**

The CDFI Fund provides financial assistance and technical assistance awards to help certified and emerging CDFIs sustain and expand their services and build their technical capacity. Financial and technical assistance awards are provided through a yearly competitive nationwide evaluation and selection process. After selection, each CDFI

Program award recipient enters into an assistance agreement, which includes performance goals and other terms and conditions.

### 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.

### Availability of Other Program Information

Additional information on the CDFI Program is available on the CDFI Fund website at <https://www.cdfifund.gov>. A template of the assistance agreement is available on the CDFI Fund website. 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](mailto: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 have been identified as subject to the audit (noted with a “Y” in the summary matrix below), and then determine which of the compliance requirements that are subject to the audit are likely to have a direct and material effect on the federal program at the auditee. For each such compliance requirement subject to the audit, 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. When a compliance requirement is shown in the summary below as “N,” it has been identified as not being subject to the audit. Auditors are not expected to test requirements that have been noted with an “N.” See the Safe Harbor Status discussion in Part 1 for additional information.**

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Y	Y	N	Y	N	Y	N	Y	N	Y	N	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 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; 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).

**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 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 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, unless waived by Congress in the appropriation for the program. 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 Funding 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 <https://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 award recipient will not exceed the amount of match that the award recipient has in hand.

- b. *Technical assistance* – There is no match requirement for technical assistance amounts under the CDFI 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 FY 2018 and older technical assistance awards only
- d. Single Audit Report

**2. Performance Reporting**

- a. Uses of Award Report (UOA) (OMB Control Number 1559-0032) – The UOA is used to determine whether the Recipient used funds in compliance with authorized activities and to demonstrate how award funds are expended. Auditors should review reports for the Category of Activity, Description of Activity, and Total Dollar Amount against the Recipient’s Assistance Agreement and financial reports. The UOA Report is available on the CDFI Fund website at <http://www.cdfifund.gov/> under the Compliance Resources and Reporting section for the CDFI Program.
- b. Transaction Level Report (TLR) (OMB Control Number 1559-0027) – Applicable to financial assistance awards only –The TLR is used to collect compliance and performance data and provides transactional information on an organization’s portfolio. The TLR requires reporting on newly originated loans and investments closed as of a Recipient’s fiscal year end. Key data points auditors should validate against the organization’s records are the “original amount of a loan or investment,” date originated, and

purpose. The CDFI TLR Data Point Guidance is available on the CDFI Fund website at <http://cdfifund.gov>. It is accessible by selecting “Tools & Resources” at the top of the website and then “Compliance and Performance Reporting Resources.”

### **3. Special Reporting**

Not Applicable

## **IV. OTHER INFORMATION**

For determining whether the audit threshold is met and determining Type A programs: financial assistance and technical assistance awards are considered expended once the Recipient expends the funds for the authorized uses outlined in the Recipient's assistance agreement.

Recipients that received assistance in the form of a loan are required to submit both performance and financial reports for the period of performance designated in the assistance agreement. However, this does not relieve the borrower of the requirement to file financial reports on these loans or otherwise comply with program requirements until the loan is repaid to the CDFI Fund.

Note: All capitalized terms used herein but not defined have such definitions as specified in the Program's Interim Rule, Notice of Funding Availability, or applicable Assistance Agreement.