

Better Buildings Neighborhood Program Grant Recipient Management Handbook

Version 2.0
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Preface: Purpose of the Better Buildings Neighborhood Program Grant Recipient Handbook

The Better Buildings Neighborhood Program Grant Recipient Handbook is designed for use by Better Buildings Program grant recipients selected to receive a portion of the \$508 million in Energy Efficiency and Conservation Block Grant (EECBG) Program competitive funding authorized by the American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111-5, Recovery Act) or select State Energy Program (SEP) Competitive (SEP-Special Projects [SP]) funding. This handbook serves as guidance on Management and Administration (M&A) and:

- Provides guidance on how to complete start-up activities, draw down award funds, and conduct other administrative and programmatic activities from the award date through completion of the grant; this includes utilizing checklists outlining required due dates to ensure requirements are met.
- Communicates forms of assistance available to grant recipients that are available upon request through the Better Buildings Program and other U.S. Department of Energy (DOE) contacts.
- Increases grant recipients' understanding of their responsibilities, defined by the award terms and conditions and other regulations to which grant recipients must adhere.
- Promotes good award stewardship by sharing best practices in project management and grant administration, which grant recipients can use to ensure successful implementation and timely project completion.

Guidance contained in this handbook is applicable to both Better Buildings EECBG recipients and SEP-SP awardees. Where differences in guidance exist between EECBG and SEP-SP, they are called out. Guidance may not be comprehensive and DOE reserves the right to update the guidance.

The handbook contains 10 major sections:

- **Sections 1 and 2** define the program's objectives and grant recipient responsibilities.
- **Section 3** summarizes technical assistance and other resources and collaboration tools available to grant recipients.
- **Sections 4 and 5** provide instructions on how to draw down award funds and complete priority start-up activities in a timely manner.
- **Sections 6, 7, 8, 9, and 10** provide guidance on how to complete grant M&A activities throughout the life of the award, including submission of required quarterly and annual reports, programmatic or budget award changes, compliance with award terms and conditions, financing guidance, and successful completion of closeout activities.
- **Appendices** provide guidance documents, fact sheets, contact information, and other grant recipient resources.

Grant recipients are encouraged to review and refer to the guidance in this handbook frequently. It will be updated on a regular basis (at least annually) with additional revisions as needed. The handbook is available to grant recipients on the Better Buildings Google site under "Grant Administration."

Grant recipients may contact their assigned Better Buildings Program Account Manager or Project Officer with any questions regarding award requirements. Grant recipients should know many resources are available at DOE to help them administer their grants. These include account managers, project officers, contracting officers, grants and agreement specialists, attorneys, and others; however, the first point of contact for all grant recipients is normally their account manager, who will then help them get in contact with the appropriate DOE resource.

Updates Since Version 1.1

This updated version of the handbook (Version 2.0) contains a number of updates, including:

- **Notice that Grant Funds Must be Fully Expended by Grant Deadline (Section 5).** Grant Recipients must expend all of their grant funds by their grant deadline consistent with existing laws and regulations and programmatic objectives. Consistent with the objective to promote economic recovery and investment, the Office of Management and Budget (OMB) has instructed all federal agencies to require recipients to complete their ARRA-funded grants no later than September 30, 2013, or return unspent funds to the federal government.
- **Updated Reporting Guidance (Section 6),** including:
 - How to define job hours.
 - How to count commercial and multifamily upgrades.
 - Updated information regarding historic preservation reporting.
- **Updated Grant Administration Guidance (Section 8),** including:
 - How the Davis Bacon Act affects tuition assistance.
 - Clarification on the 10% limitation on use of funds for administrative expenses.
 - Information on the treatment of rebates and utility retroactive discounts earned under energy efficiency and conservation block grants.
 - Program income information concerning contractor and customer revenue streams.
- **Updated URL Links and Email Addresses Throughout Handbook.** All URL links and email addresses have been updated as needed.
- **Guidance Documents and Program Notices Added as an Appendix.** A new Appendix D containing key guidance documents and program notices has been added for easy reference.

1. Better Buildings Neighborhood Program Overview

The Better Buildings Neighborhood Program is part of the Better Buildings Initiative—a program within the U.S. Department of Energy's (DOE's) Office of Energy Efficiency and Renewable Energy (EERE) that is lowering barriers to energy efficiency in buildings by creating self-sustaining markets for energy efficiency in buildings that result in economic, environmental, and energy benefits for communities throughout the United States.

Better Buildings is helping to catalyze a building upgrade industry that can eventually be sustained in the private sector. To overcome several key challenges that have prevented the development of a self-sustaining building upgrade market on the national level, Better Buildings is:

- Working with local and state governments, community organizations, and building contractors to provide homeowners and building owners with easily understandable information about energy efficiency benefits and how to obtain them.
- Using federal funds to attract private sector investments, enabling financial institutions to offer affordable loans for energy efficiency where they have not previously been available to consumers.
- Collaborating with local program partners to ensure that consumers have access to skilled energy professionals and that workers have the training and business skills they need to be successful.

The program is supporting 41 grant recipients as they pave the way for a self-sustaining energy upgrade market—a market that is accessible to hundreds of thousands of homeowners and businesses and that can reliably cut energy bills while also creating good green jobs and reducing our impact on the environment.¹ The energy upgrade models created through this program are expected to save households and businesses approximately \$65 million annually in utility bills, while using private sector resources to create or retain an estimated 30,000 jobs across the country during the next three years.

This initiative will help overcome the barriers to making energy efficiency easy and accessible to all—inconvenience, lack of information, and lack of financing. Block by block, neighborhood by neighborhood, we will make our communities more energy efficient and help families save money. At the same time, we'll create thousands of jobs and strengthen our economy.²

¹ White House Council on Environmental Quality. (October 2009). *Recovery Through Retrofit*.

² U.S. Department of Energy. (April 2010), Dr. Steven Chu, Secretary of Energy. *Vice President Biden Kicks Off Five Days of Earth Day Activities with Announcement of Major New Energy Efficiency Effort [Press Release]*. Retrieved from: <http://www.whitehouse.gov/the-press-office/vice-president-biden-kicks-five-days-earth-day-activities-with-announcement-major-n>.

The program is funded through an \$80 billion American Recovery and Reinvestment Act (Pub. L. No. 111-5, Recovery Act or ARRA) investment in clean energy and energy efficiency and represents a \$508 million portion of the competitive grants allocated through DOE’s Energy Efficiency and Conservation Block Grants (EECBG) Program and through DOE’s State Energy Program (SEP). (Grants allocated through DOE’s SEP applicable to Better Buildings were competitive and are known as SEP Special Projects [SEP-SP].) In 2009, the Recovery Act provided \$3.2 billion in one-time funding for the EECBG Program, of which \$482 million was allocated to the Better Buildings Neighborhood Program. The program is administered by DOE’s Better Buildings Neighborhood Program within the Building Technologies Program in the EERE. In June and August 2010, DOE awarded the \$482 million to 34 grant recipients whose projects represent a diverse portfolio of retrofit strategies and approaches. In November of 2010, DOE awarded \$26 million to seven SEP-SP grant recipients.³ Table 1.1 summarizes the key characteristics of the DOE Better Buildings EECBG and the Better Buildings SEP-SP.

Table 1.1 Key Characteristics of the DOE Better Buildings EECBG and the Better Buildings SEP-SP

	Better Buildings EECBG	Better Buildings SEP-SP
Funding Opportunity Announcement (FOA)	Retrofit ramp-up	Strengthening building retrofit markets
Ultimate Goals	Energy efficiency retrofits—programs sustainable beyond grant period	Energy efficiency retrofits—programs sustainable beyond grant period
Recipients	States, local governments, nongovernmental organizations (NGOs)	States, local governments, NGOs
Award Size	\$1.4 million–\$40 million	\$2 million–\$5 million
Target Sectors	Residential (Single family & Multifamily), Commercial (small and large), Agriculture	Residential (SF & MF), Commercial (small food service)
Leverage	5:1 target	10:1 target
Building Energy Savings	15% minimum energy savings	20% minimum energy savings
Audits	Assessment and/or audit; direct installs OK	Audit with diagnostic tools, including health and safety
QA/QC	Inspection and test-out highly recommended	Inspection and test-out required
Evaluation	Varies	Process for validating cost-effectiveness of retrofits and the program

³ Guidance contained in this handbook is applicable to both Better Buildings EECBG recipients and SEP-SP awardees. Where differences in guidance exist between EECBG and SEP-SP, they are called out. This guidance may not be comprehensive and DOE reserves the right to update this guidance.

Over the course of the grant period, the program's objectives include supporting grant recipients in achieving the following successes:

- Developing sustainable energy efficiency upgrade programs.
- Upgrading more than 150,000 residential and commercial buildings to be more energy efficient.
- Saving consumers approximately \$65 million annually on their energy bills.
- Achieving 15% to 30% energy savings from energy efficiency upgrades.
- Reducing the cost of energy efficiency program delivery by 20% or more.
- Creating or retaining approximately 30,000 jobs.
- Leveraging more than \$3 billion in additional resources.

The accountable and transparent use of Better Buildings awards by grant recipients will help the nation achieve its energy efficiency goals and implement recommendations defined by the White House Council on Environmental Quality in its Recovery Through Retrofit Report. In addition to the \$508 million in Recovery Act and SEP-SP grant funding, Better Buildings grant recipients will use an estimated \$3 billion from other sources over the next three years to enable large-scale, self-sustaining programs of energy efficiency upgrades and improvements on residential, commercial, industrial, and public buildings. With these funds, grant recipients will deliver verified energy savings and incorporate sustainable business models to ensure that buildings will continue to be retrofitted after Recovery Act and SEP-SP funds are spent. DOE will use the lessons learned from grant recipient's retrofit projects to identify best practices and business models that can be adopted and implemented by other communities nationwide.

2. Roles and Responsibilities

DOE's Better Buildings Neighborhood Program and grant recipients must work together to ensure the effective and efficient use of the grant funds. The grant recipient provides the local and regional effort and expertise necessary to carry out approved activities, and DOE offers financial and technical assistance and programmatic guidance. Section 2 summarizes the primary responsibilities of Better Buildings grant recipients and DOE personnel in ensuring project success and compliance and lists the technical assistance resources available to support grant recipients throughout the period of performance of the grant award.

2.1 Better Buildings Neighborhood Program Grant Recipient Responsibilities

By accepting their awards, grant recipients are also agreeing to administer and use the grant funds in a legal and ethical manner. The funding for these grants comes from taxpayers, and grant recipients have a responsibility to use them in the way they were intended. In addition to federal audits, grant recipients should also be aware that their grants may be audited by state or local officials, the U.S. Office of the Inspector General (OIG), and/or the U.S. Government Accountability Office (GAO).

Grant recipients, and their partners, are responsible for ensuring that projects are successfully implemented as approved and administered in compliance with Recovery Act, DOE financial assistance, and Better Buildings Program requirements.⁴ The award is subject to U.S. laws and regulations, including the Recovery Act, which requires an increased level of transparency and accountability in the use of award funds. Inconsistency or conflict in terms and conditions specified in the award will be resolved according to the following order of precedence:

- Public laws and statutes
- Regulations
- Applicable notices published in the Federal Register
- Executive Orders (EOs)
- Office of Management and Budget (OMB) Circulars/Code of Federal Regulations (CFRs)
- DOE standard terms and conditions
- Better Buildings-wide and project-specific terms and conditions, except to the extent that these provisions may take precedence over the DOE standard terms and conditions

Presented below is a list of key Better Buildings grant recipient responsibilities. In addition to these overarching grant recipient responsibilities, all grant recipients of federal financial assistance, including Better Buildings grant recipients, are responsible for the:

⁴ Guidance contained in this handbook is applicable to both Better Buildings EECBG recipients and SEP-SP awardees. Where differences in guidance exist between EECBG and SEP-SP, they are called out. This guidance may not be comprehensive and DOE reserves the right to update this guidance.

...conduct of the project or activity supported and for the results achieved, monitoring of the performance of the project to assure adherence to performance goals, time schedules or other requirements as appropriate to the project or the terms of the agreement...and for monitoring the activities of and pass through requirements to any sub-grantees.⁵

Note: Definitions of grant recipients, sub-grantees, and vendors and a summary of requirements applicable to each can be found in Section 8.3.6.

Table 2.1 Better Buildings Grant Recipient Responsibilities

- **Ensure comprehensive grants administration to avoid waste, fraud, and/or abuse of award funds.** It is the responsibility of the grant recipient to administer their grant in compliance with all regulations to avoid any instances of waste, fraud, and/or abuse of award funds, which includes oversight of sub-grantees. To oversee grants administration, it is recommended that grant recipients create a thorough, systematic, ongoing programmatic and financial monitoring process.

→ **Best Practice:** *Establish rigorous tracking mechanisms for programmatic and financial monitoring of oneself and sub-grantees. Perform internal audits consistently to review accuracy of internal reporting processes.*

- **Comply with the terms and conditions of the grant (Section 4.1).** Upon accepting the Better Buildings award package, grant recipients agree to comply with the standard and project-specific terms and conditions of the grant. Grant recipients should review, understand, and comply with these conditions, which are available in the award package, regulations, and requirements described in the Notice of Funds Availability (NOFA), related Office of Management and Budget (OMB) Circulars, and the CFRs. See Section 2 and the award package for more details on grant recipient responsibilities and award terms and conditions.

→ **Best Practice:** *Read the award package for the terms and conditions applicable to your grant award. Hold a kickoff meeting with your project team to communicate and build understanding around the terms and conditions and award requirements.*

- **Keep files on grant funds and project activities (Section 4.4).** Grant recipients and sub-grantees will be monitored by Better Buildings account managers and DOE project officers, both financially and programmatically, to ensure that project goals, performance, timelines, milestones, budgets, and other requirements are met. Grant recipients are required to maintain comprehensive documentation on all aspects of grants to enable sufficient oversight by federal representatives. See Section 4 for guidance and best practices on creating and maintaining comprehensive grant documentation and Appendix A for a Grant File Checklist.

→ **Best Practice:** *Establish a grants file to ensure Better Buildings documentation is kept in one location, which will simplify the auditing process. Use folders to sort grants documents, such*

⁵ U.S. Department of Energy, Office of Procurement and Financial Assistance Policy. (June 2008). *Guide to Financial Assistance*.

as folders for the application, award package, project budget documents and receipts, quarterly reports, and communications with program and other stakeholders.

- **Manage Better Buildings grant funds, draw-downs, and expenditures (Section 5).** Grant recipients are responsible for the management and administration of funds provided through this award, and they are accountable for all deadlines, requirements, and limitations.
 - *Grant recipients should be aware of payment policies related to draw-downs.* Funds are not disbursed all at once, but rather over time in accordance with the approved project budget. Grant recipients should distribute funds to sub-grantees in accordance with the approved budget. See Section 5 of this handbook for more details on payment policies.
 - *Grant recipients are responsible for managing funds according to restrictions on obligations and expenditures.* Obligations are a legal liability to pay determinable sums for services or goods during the grant period under an award, sub-award, and/or contract. Key restrictions include: 1) funds are available for obligation during the grant period of performance; 2) funds must be expended by the end of the grant period; and 3) any funds not expended must be returned to DOE, which is required to return the funds to the U.S. Treasury. See award terms and conditions and Section 8 of this handbook for allowable costs and funding restrictions on expenditures.
 - *All funds must be obligated within 18 months of award and expended within three years of award. See Section 8 for more details.* (The SEP-SP FOA did not set a timeline for recipient obligation of award funds).

→ **Best Practice:** *To ensure meeting all six types of reporting requirements—Recovery Act quarterly reports, DOE quarterly performance and financial reports, Better Buildings data reports, Davis Bacon reports, and Historic Preservation reports—grant recipients should set calendar reminders and proactively coordinate across their project team and sub-grantees. See Section 4 for details on each reporting requirement.*

- **Report program status and results (Section 6).** EECBG recipients are responsible for collecting and reporting on performance information. Grant recipients will be provided an opportunity to baseline the project milestones and will need to report quarterly and annually on progress made toward those milestones. Grant recipients are required to file reports for each of the four quarters, covering: financial status; progress toward project milestones, tasks, and deliverables; and compliance with Recovery Act requirements. See Section 6 for guidance on reporting requirements and instructions for how to submit the three types of quarterly reports (SF-425 financial status report, progress report, and other monthly and quarterly Better Buildings data reports) each quarter. Better Buildings grant recipients are also required to submit a semiannual Davis Bacon compliance report, as applicable, and an annual Historic Preservation report.

SEP-SP awards require DOE quarterly performance reports, quarterly financial performance reports, Better Buildings reports, and State Historic Preservation Office (SHPO) documentation. Closeout requires property and IP certification and final progress, financial, and Better Buildings reports.

→ **Best Practice:** *Understanding Better Buildings performance measures and program goals at the outset provides a means to track progress and accomplish goals. Use the Better Buildings Implementation Plan, a project management plan, or work plan to evaluate progress against key milestones.*

- **Monitor project activities to ensure compliance (Section 8).** Grant recipients are responsible for monitoring award activities to provide reasonable assurance that awards are administered in compliance with financial and programmatic requirements, including the award terms and conditions and Recovery Act requirements. Grant recipients are responsible for tracking stated goals and milestones of funded projects; accounting for receipts and expenditures, cash management, and budgetary control; maintaining adequate financial records; and refunding disallowed expenditures. See Section 8 for details on basic compliance requirements of Better Buildings awards.

→ **Best Practice:** *Develop a checklist of requirements that apply to your grant and use it to monitor fulfillment of requirements.*

- **Ensure adequate financial management systems are in place (Section 8.3).** DOE requires grant recipients to have adequate management systems to ensure that project objectives are met and funds are properly spent. To ensure adequate financial systems are in place, grant recipients can refer to the checklist in Appendix A of this handbook and DOE's codes and standards (which incorporate applicable OMB Circulars); these are included in the award package and are also listed below.
 - 10 CFR 600.121—Establishes uniform administrative requirements for federal grants and cooperative agreements with institutions of [higher education, hospitals, and other nonprofit organizations](#).
 - 10 CFR 600.220(b)—Establishes uniform administrative requirements for federal grants and cooperative agreements with [state and local governments](#).
 - 10 CFR 600.311—Establishes uniform administrative requirements for federal grants and cooperative agreements with [for-profit organizations](#).
 - Ensures that financial management systems for sub-grant recipients are in place. Grant recipients are responsible for sub-grantees' accounting and should be familiar with sub-grantees' financial operations to ensure funds are managed and expended in compliance with Better Buildings requirements.
 - See Section 8 and the Appendices for guidance and a capability checklist for accounting and financial systems.

→ **Best Practice:** *Work with a financial officer or an auditor to understand Better Buildings audit requirements and ensure that appropriate financial and administrative systems are in place. Use the Financial Capacity Checklist (see Appendix A) to examine your financial management processes, such as use of matching funds, and those of each sub-grant recipient. See Appendix A of this handbook for an Accounting System Checklist to guide proper administration of grant*

funds.

- **Monitor sub-grantee obligations and expenditures (Section 8.3).**

- *Review financial operations.* Grant recipients should be familiar with, and periodically monitor, sub-grantees' financial operations, records, systems, and procedures, and ensure the maintenance of current financial data.
- *Record financial activities.* Sub-grantees' award or contract obligations, as well as cash advances and other financial activities, should be recorded in grant recipient's records in summary form. Sub-grantee expenditures should also be recorded in the grant recipient's records or evidenced by report forms duly filed by the sub-grantee. Non-federal contributions applied to programs or projects by sub-grantees should likewise be recorded, as should any program income resulting from program operations. Financial records must validate expenditures related to the grant.
- *Perform budgeting and budget review.* Grant recipients should ensure that sub-grantees prepare an adequate budget on which award commitments will be based. The details of each project should be maintained on file by grant recipients.
- See Section 8.3.6 for details on sub-grantee and vendor compliance and Appendix A for the Financial Capabilities Checklist.

→ ***Best Practice:** To ensure timely and complete submission of required quarterly reports, request data from sub-grantees and contractors in advance of the quarterly due dates. Conduct a data quality review of sub-grantee data submitted for Recovery Act reports on the FederalReporting.gov website to ensure accuracy.*

- **Ensure compliance with audit requirements (Section 8.4).** Grant recipients should work with a financial officer or auditor to understand and comply with federal, state, and other audit requirements. Grant recipients must also ensure that sub-grantees have met their necessary audit requirements. See Section 8 for guidance on how to adhere to audit requirements and submit audit reports.

→ ***Best Practice:** Establish an audit committee responsible for, among other things, reviewing annual audit plans, determining standards for auditors to follow, reviewing draft Requests for Proposal (RFPs) for audit services, ensuring auditor qualifications, monitoring conduct, and documenting financial and program activities throughout the grant period of performance.*

- **Communicate with the community.** Grant recipients should engage community stakeholders in order to remain aware of stakeholder concerns and interests and promote stakeholder involvement through community outreach and media relations.

→ ***Best Practice:** Grant recipients can expect close scrutiny from the public and media because their projects are funded with federal taxpayer dollars. Designate a spokesperson that can develop a good working relationship with the local media and become a reliable source of information for the media and the local community.*

2.2 Federal Responsibilities

Better Buildings seeks to provide excellence in stewardship of the federal funds awarded by DOE and is responsible for administration and management of all Better Buildings awards through their period of performance. DOE holds responsibility for ensuring that Better Buildings grant recipients effectively use and manage Recovery Act funds for authorized purposes and that program goals are achieved. Better Buildings Program staff will support grant recipients in understanding and adhering to the new high standards of transparency and accountability that apply to administration and management of Better Buildings awards under the Recovery Act requirements.

Federal responsibilities for administering Better Buildings awards focus on three primary areas: 1) program management and grants administration; 2) monitoring of grant recipient activities and projects to ensure success and compliance with federal financial assistance legislative authorities, governing regulations, and policies; and 3) when possible, providing technical assistance when requested by grant recipients.

Presented below is a list of key federal responsibilities for the administration and management of Better Buildings grants.

Table 2.2 Better Buildings Federal Responsibilities

- **Manage and administer Better Buildings grant awards.** DOE holds primary responsibility for managing grant recipients' adherence to their award agreement through administrative activities, such as reviewing and approving modifications to grant recipient projects, certifying receipt of grant recipient quarterly reports, and overseeing requests for advances or reimbursement in drawdown of award funds.

Through these administrative functions, DOE aims to enable seamless, transparent grants administration and ensure consistent management across individual grant recipient awards.

- **Monitor grant recipient performance and projects to ensure success and compliance.** It is the responsibility of *DOE, grant recipients, and all sub-grantees and other partners* to minimize the occurrence of, and actively respond to, all instances of waste, fraud, and/or abuse of award funds through ongoing programmatic and financial monitoring of Better Buildings grant recipient project activities. Through performance monitoring and compliance activities, DOE provides general oversight to ensure grant recipients implement their Better Buildings projects as agreed upon in the terms and conditions of the award.

DOE has established monitoring activities to engage grant recipients and track programmatic and fiscal performance.

Monitoring is a process whereby the programmatic progress and financial and business management aspects of a financial assistance award are reviewed by assessing

information gathered from program and financial reports, site visits, teleconferences, and other means.⁶

These activities will assist grant recipients in maintaining compliance with statutory and programmatic requirements, mitigating challenges and issues, and demonstrating the grant recipient's ability to be responsible and accountable for use of Better Buildings award funds. While performance and financial reports are critical components of monitoring, ad hoc telephone conversations and email exchanges can be equally important in addressing specific questions and providing timely guidance.

- **Provide technical assistance resources and support to grant recipients to enable project success and desired energy efficiency outcomes.** At the request of the grant recipient, or as needs are identified by the Better Buildings account manager, DOE can provide technical assistance. For example, Better Buildings grant recipients have access to the Technical Assistance Program (TAP, see Section 3), which is designed to provide grant recipients with the resources needed to swiftly implement successful and sustainable clean energy programs.

⁶ U.S. Department of Energy, Office of Procurement and Financial Assistance Policy. (June 2008). *Guide to Financial Assistance*.

3. Technical Assistance and Grant Recipient Collaboration Resources for Developing Successful, Sustainable Projects

Better Buildings Neighborhood Program grant recipients have continuous access to TAP’s online Solution Center, which is the home for the EECBG Program and SEP technical assistance resources. The goal of the Solution Center is to help eligible grant recipients and sub-grantees develop and implement successful energy efficiency and renewable energy projects and share gathered best practices, tools, sample projects, and other related resources. Grant recipients also have access to the Better Buildings Google Site, which is designed exclusively for the Better Buildings Neighborhood Program.

The following table lists the key technical assistance resources provided for Better Buildings grant recipients by DOE.

Table 3.1 Key Technical Assistance Resources

Technical Assistance Resources	Location	Type of Information
TAP Solution Center	http://www1.eere.energy.gov/wip/solutioncenter/default.html	<ul style="list-style-type: none"> Grant recipients will find best practices, templates, webinars, project map, events calendar, the TAP blog, and other resources.
TAP Blog	http://www.eereblogs.energy.gov/tap/	<ul style="list-style-type: none"> Grant recipients can use the blog to ask questions of webinar presenters, enter comments about the presentation, connect with technical and programmatic experts, and share best practices.
Better Buildings Neighborhood Program Website	http://www.betterbuildings.energy.gov/neighborhoods	<ul style="list-style-type: none"> The new website contains information on all grant recipients, media information, and resources for potential partnering organizations and consumers. Grant recipients are encouraged to provide input and suggest updates—Send your comments to: betterbuildingssupport@erg.com.
Better Buildings Neighborhood Program Google Site	To request access, email betterbuildingssupport@erg.com	<ul style="list-style-type: none"> Grant recipients can use this virtual group to collaborate with grant recipient partners. Specific

Technical Assistance Resources	Location	Type of Information
	Access the site at: https://sites.google.com/a/betterbuildingsnetwork.doe.gov/betterbuildings-collaboration-forum/	content includes: <ul style="list-style-type: none"> – Grants Administration – Data and Evaluation – Marketing and Driving Demand – Finance – Workforce Development
Better Buildings Neighborhood Program Webinars and Peer Exchange Calls	<ul style="list-style-type: none"> • Schedules are announced in the Insider Blast. • To participate in the peer exchange calls, email BBPeerExchange@gmail.com 	<ul style="list-style-type: none"> • Webinar provide information, tools, and resources to help your program succeed. • Peer exchange calls are focused on specific topics (e.g., low income, work force, utilities, financing, multifamily, commercial, and driving demand) and offer grant recipients the opportunity to exchange ideas and discuss issues.
Buy American Provision	http://www1.eere.energy.gov/recovery/buy_american_provision.html	<ul style="list-style-type: none"> • Information on the Recovery Act Buy American provision.
DOE Recovery Act Resources (not applicable to SEP-SP awards)	The DOE Recovery Act Clearinghouse can answer questions about federal reporting requirements: 888-DOE-RCVY (888-363-7289) or RecoveryClearinghouse@hq.doe.gov . Monday through Friday, 9:00 a.m. to 7:00 p.m. EST General Recovery Act information http://energy.gov/recovery-act	<ul style="list-style-type: none"> • DOE resources for questions on Recovery Act reporting.
Davis Bacon Act (DBA) (not applicable to SEP-SP awards)	Guidance on DBA labor clauses, training resources, and FAQs: http://www1.eere.energy.gov/wip/DavisBacon_act.html DBA wage rates:	<ul style="list-style-type: none"> • Specific information on DBA from DOE and DOL.

Technical Assistance Resources	Location	Type of Information
	http://www.wdol.gov/ DOL Wage-Hour Toll-Free Information and Helpline: 1-866-4US-WAGE (1-866-487-9243)	
National Environmental Policy Act (NEPA)	http://www1.eere.energy.gov/wip/guidance.html	<ul style="list-style-type: none"> All Better Buildings grant recipients will have a NEPA evaluation performed on the potential environmental impacts of the project receiving DOE funds. See award terms and conditions for any restrictions on the project's activities.
DOE Financial Information	http://www.management.energy.gov/policy_guidance/financial_assistance.htm	<ul style="list-style-type: none"> Includes all financial assistance information related to DOE grants, including links to the OMB circulars and other related documents.
Energy Blog	http://energy.gov/news-blog	<ul style="list-style-type: none"> A blog where grant recipients from different programs can share their stories and read about other successful clean energy projects.

See Appendix C of this handbook for additional technical assistance resources.

3.1 Federal Points of Contact

Federal representatives are assigned to support and provide guidance and oversight of federal funds received by grant recipients throughout the life of the awards and during post-award compliance with federal laws. These representatives and grant recipients share a common goal: to ensure Better Buildings projects are completed successfully and in a timely manner. Grant recipients are encouraged to contact the Better Buildings account manager or project officer assigned to their award with any questions regarding award requirements (Table 3.2).

In addition to account managers and project officers, many other people within DOE are responsible for the administration and oversight of DOE grants, including the contracting officer, legal staff, representatives from the Office of Inspector General (OIG), and others. ***The account managers and***

project officers are available to assist recipients with questions and coordination of award administration responsibilities between DOE and the recipient.

Table 3.2 Federal Points of Contact

Federal Representative	Contact Information	Region
Account Managers	Contact for: <ul style="list-style-type: none"> • Day-to-day management of grant award • Programmatic or technical questions on project implementation • Assistance with project modifications and quarterly report submissions • Requests for technical assistance 	
Nicole Reed	Nicole.Reed@ee.doe.gov 202-287-1848	Northwest and Central States
Jonathan Cohen	Jonathan.Cohen@ee.doe.gov 202-287-1820	Midwest and West States
Claudia Tighe	Claudia.Tighe@ee.doe.gov 202-287-1899	New England States
Cynthia Gunn	Cynthia.Gunn@ee.doe.gov 202-287-1409	Mid-Atlantic States
Lani Macrae	Lani.Macrae@ee.doe.gov 202-586-9193	Southeast and Southwest States
Ely Jacobsohn	Ely.Jacobsohn@ee.doe.gov 202-587-1333	California and Multi-State Project

4. Project Start-Up Activities

Upon acceptance of a Better Buildings Neighborhood Program grant award, grant recipients are encouraged to complete or initiate several important priority actions. Completion of these priority actions will:

- Allow the grant recipient to access the awarded funds.
- Guide the grant recipient in developing or ensuring a robust organizational infrastructure capable of meeting the grant management, administration, and reporting requirements outlined in the terms and conditions of the award.

4.1 Understanding the Award Package

Upon receiving notification of award from DOE, grant recipients electronically accept the award by acknowledging the award in FedConnect. By accepting the award, each grant recipient agrees to complete the specific project as described in the Statement of Project Objectives (SOPO) within the proposed timeframe and budget. The grant recipient also agrees to fulfill the reporting and other requirements mandated by DOE regulations, the Recovery Act, and the terms and conditions included as part of the assistance agreement. Therefore, the first step grant recipients should take after accepting the Better Buildings grant award is to carefully read and understand the contents and terms and conditions of the award package.⁷

The contents of a typical Better Buildings award package include the following core documents. Additional documents may be included based on the unique requirements for each grant recipient project.

Table 4.1 Better Buildings Grant Recipient Award Package Contents

Award Package Contents	Purpose
DOE Assistance Agreement Form	<ul style="list-style-type: none"> • Provides the official offer of the grant award from DOE to the grant recipient.
Special Terms and Conditions	<ul style="list-style-type: none"> • Provides the award special terms and conditions that the grant recipient must comply with; includes the Recovery Act requirements (EECBG awards) and, if applicable, project-specific requirements such as NEPA and historic preservation conditions.

⁷ Guidance contained in this handbook is applicable to both Better Buildings EECBG recipients and SEP-SP awardees. Where differences in guidance exist between EECBG and SEP-SP, they are called out. This guidance may not be comprehensive and DOE reserves the right to update this guidance.

Award Package Contents	Purpose
<p>Other DOE Standard Conditions and Attachments</p>	<ul style="list-style-type: none"> • DOE Assistance Regulations 10 CFR Part 60, also available at: http://ecfr.gpoaccess.gov. • National Policy Assurances incorporated into award terms, also available at: http://energy.gov/management/downloads/national-policy-assurances-be-incorporated-award-terms. • Attachment #1: Describes the Intellectual Property Provisions that grant recipients are subject to according to DOE 10 CFR 600. • Attachment #2: Provides the grant recipient’s SOPO, including retrofit targets and other expected project outcomes. • Attachment #3: Lists the reporting requirements to which grant recipients must comply. Grant recipients will receive an updated list of reporting requirements in 2011. Note: There are different reporting requirements depending on the type of award (i.e., EECBG, SEP-SP). See Section 6 for additional information on reporting requirements. • Attachment #4: The Standard Form 424A, which provides grant recipients with the Better Buildings project budget and financial status.

4.2 Complete Priority Online Registrations

Better Buildings grant recipients, and select sub-grant recipients with delegated responsibility, should register (or renew existing registration) with several entities as soon as possible after accepting an award. These registrations allow the grant recipient to file necessary reports, draw down funds, and submit and receive award-related documents. The entities the grant recipients should register with are listed in the table below. See Section 8.3 for details on sub-grantee responsibilities.

Table 4.2 Priority Online Registrations

Online Registration	Website	Purpose
<p>Dun and Bradstreet (DUNS) Number</p>	<p>http://fedgov.dnb.com/webform/displayHomePage.do</p>	<ul style="list-style-type: none"> • A unique identification number for your organization and prerequisite for registering with CCR. See Section 4.2.1.
<p>Central Contractor Registration (CCR)</p>	<p>https://www.bpn.gov/ccr/default.aspx</p>	<ul style="list-style-type: none"> • Prerequisite for registering with FederalReporting.gov to submit quarterly Recovery Act reports. See Section 4.2.2.

Online Registration	Website	Purpose
FederalReporting.gov Registration (not applicable to SEP-SP projects)	http://www.FederalReporting.gov	<ul style="list-style-type: none"> Required to submit quarterly Recovery Act reports. See Section 4.2.3.
FedConnect	http://www.FedConnect.net	<ul style="list-style-type: none"> Grant recipient location for all documents related to their award. See Section 4.2.4. Also go through FedConnect to apply for project revisions, as described in Section 7.
Automated Standard Application for Payment System (ASAP)	http://www.asap.gov Grant recipients use only ASAP or Vendor Inquiry Payment Electronic Reporting System (VIPERS) to draw down award funds. If, according to award conditions, you are able to draw funds in advance, then use ASAP. Contact your account manager if you have questions.	<ul style="list-style-type: none"> To draw down award funds. See Section 4.2.5.
VIPERS	https://vipers.oro.doe.gov Grant recipients use only ASAP or VIPERS to draw down award funds. If, according to award conditions, you are only allowed to draw down funds for reimbursement, use VIPERS. Contact your account manager if you have questions.	<ul style="list-style-type: none"> To draw down award funds.
Better Buildings Neighborhood Program Insider Blast Newsletter	To sign up to receive, email betterbuildingssupport@erg.com .	<ul style="list-style-type: none"> To receive a weekly newsletter with important program updates and information.
Better Buildings Neighborhood Program Google Site	To request access, email betterbuildingssupport@erg.com . Access the site at: https://sites.google.com/a/betterbuildin	<ul style="list-style-type: none"> To collaborate with grant recipients, get Better Buildings updates, and share best practices and documents.

Online Registration	Website	Purpose
	gsnetwork.doe.gov/betterbuildings-collaboration-forum/	

4.2.1 Register for a DUNS Number

Better Buildings grant recipients and sub-grantees must have a DUNS number in order to register with the CCR and receive federal funding. The DUNS number is a unique nine-character number that identifies your organization. It is a tool the federal government uses to track how federal money is distributed. Most large organizations, libraries, colleges, and research universities already have DUNS numbers.

- Grant recipients and sub-grantees can request a DUNS at the following link: <http://fedgov.dnb.com/webform/displayHomePage.do>. Organizations can also determine if they already have a DUNS number at this site. .
- Help registering with DUNS can be requested by emailing govt@dnb.com. Frequently asked questions are also available at: <http://fedgov.dnb.com/webform/displayFAQPage.do>.

The following information is required to obtain a DUNS number:

Table 4.3 DUNS Number Registration Checklist

Completed	Information Needed to Register
<input type="checkbox"/>	• Grant recipient organization’s official name, as used on tax returns
<input type="checkbox"/>	• Grant recipient organization’s address
<input type="checkbox"/>	• Grant recipient organization’s CEO or owner
<input type="checkbox"/>	• Legal structure of organization (e.g., corporation, partnership, proprietorship)
<input type="checkbox"/>	• Year the organization started
<input type="checkbox"/>	• Primary type of business
<input type="checkbox"/>	• Total number of employees (full and part time)

4.2.2 Register or Renew Registration with Central Contractor Registration

Better Buildings grant recipients must be registered in the CCR in order to register and submit required quarterly reports with FederalReporting.gov. The CCR is the primary registrant database for the federal

government. CCR collects, validates, stores, and disseminates data to support agency acquisition missions.

- **Grant recipients who have not registered with CCR previously** must register with CCR to register with FederalReporting.gov and comply with federal grant regulations. A grant recipient that is not registered with CCR should do so as soon as possible after accepting an award, as it can take several days for the FederalReporting.gov system to sync with the grant recipient’s CCR registration.
- **A grant recipient who has already registered with CCR previously** should confirm that its registration has not expired, nor will it expire shortly. It can take several weeks to reactivate a CCR registration that has expired, which would prevent the grant recipient from submitting required quarterly reports to the FederalReporting.gov website.
- Grant recipients can register with CCR at the following link:
<https://www.bpn.gov/ccr/default.aspx>.
- Sub-grantees do *not* need to be registered in the CCR database.
- Help registering with CCR can be obtained from the CCR Help Desk at: 866-606-8220.

The following information is required to register with CCR:

Table 4.4 CCR Checklist

Completed	Information Needed to Register
<input type="checkbox"/>	• Grant recipient’s official name, as used on tax returns
<input type="checkbox"/>	• Grant recipient’s Employer Identification Number (EIN)
<input type="checkbox"/>	• Grant recipient’s DUNS number
<input type="checkbox"/>	• Grant recipient’s Electronic Funds Transfer (EFT) information
<input type="checkbox"/>	• Statistical information about the grant recipient (For breakdown of data required, visit: https://www.bpn.gov/ccr/StartRegistration.aspx)

4.2.3 Register with FederalReporting.gov

The Recovery Act requires EECBG Better Buildings grant recipients to submit reports via the FederalReporting.gov website (not applicable to SEP-SP awards), if delegated by grant recipients to first-tier sub-grantees with sub-awards greater than \$25,000. This section details the FederalReporting.gov registration process. For information about Recovery Act reporting requirements and the FederalReporting.gov report submission process, see Section 6 of this handbook.

The following information is required to register with FederalReporting.gov:

Table 4.5 FederalReporting.Gov Registration Checklist

Completed	Information Needed to Register
<input type="checkbox"/>	• Grant recipient’s email address
<input type="checkbox"/>	• Better Buildings grant award amount
<input type="checkbox"/>	• Grant recipient’s CCR number
<input type="checkbox"/>	• Grant recipient’s DUNS number

To register with FederalReporting.gov, the grant recipient should:

1. Go to <https://www.federalreporting.gov/>.
2. Click on “Register Now.” If an error message appears, FederalReporting.gov may not yet be synchronized to the grant recipient’s CCR number. The grant recipient should check back periodically to repeat this step until successful.
3. Complete the information as requested.
4. Click on “Submit.”
5. Receive an email from FederalReporting.gov to confirm that registration is complete.
6. Email a copy of the confirmation email to the account manager **and** project officer assigned to the grant recipient’s project.
7. Call 877-508-7386 to request a FederalReporting.gov personal identification number (FRPIN). The grant recipient will need an FRPIN to submit reports to FederalReporting.gov.

Help registering with FederalReporting.gov can be obtained from the following sources:

- FederalReporting.gov help desk (8:00 a.m. to 6 p.m. EST, Monday through Friday).
- Phone: 877-508-7386
- Online: Go to <https://www.federalreporting.gov/> and click on “Live Help” or see frequently asked questions at: <https://www.federalreporting.gov/federalreporting/faq.do>.

4.2.4 FedConnect

FedConnect.net is a secure Web portal that Better Buildings grant recipients can use to download the most recent version of their official award package. The following information is required to register with FedConnect.net:

Table 4.6 FedConnect Registration Checklist

Completed	Information Needed to Register
<input type="checkbox"/>	<ul style="list-style-type: none"> Grant recipient’s CCR number, and potentially the CCR MPIN
<input type="checkbox"/>	<ul style="list-style-type: none"> Grant recipient’s DUNS number

All registration and account information for FedConnect can be found at:
https://www.fedconnect.net/FedConnect/PublicPages/FedConnect_Ready_Set_Go.pdf.

4.2.5 Register with ASAP

Better Buildings grant payments will be made through electronic fund transfers using the U.S. Department of the Treasury’s ASAP system. Grant recipients are required to enroll in the ASAP system to draw down these funds as soon as possible after accepting the award package. Failure to enroll will mean that grant funds are not accessible. The process of using ASAP to draw down award funds is detailed in Section 5 of this handbook.

Grant recipients should use the following resources for assistance:

- DOE ASAP support email: ASAP.Enrollment@go.doe.gov.
- General guidance on the Department of the Treasury’s website: <http://www.fms.treas.gov/asap>.
- ASAP Help Desk in Richmond, Virginia, at 804-697-8384, or at the following regional offices:

Table 4.7 ASAP Regional Office Contacts

Location	Phone	Business Hours
Philadelphia ASAP Regional Office	215-516-8021	7:30 a.m.–4:00 p.m. EST
Kansas City ASAP Regional Office	816-414-2100	7:30 a.m.–4:00 p.m. CST
San Francisco ASAP Regional Office	510-594-7182	7:30 a.m.–4:00 p.m. PST

4.2.6 Register for Better Buildings Collaboration Resources

Better Buildings established several collaboration resources specifically for its grant recipients. It is recommended that grant recipients sign up for these services as soon as possible. These resources provide an online forum for grant recipients to collaborate with partners, leverage each other’s expertise in building retrofit programs, receive program updates, and share best practices and documents. See Section 3 or Appendix C of this handbook for instructions on how to access these and other grant recipient assistance resources.

4.3 Complete Priority Terms and Conditions

Grant recipients should review their award conditions to determine if certain priority actions are applicable. It is recommended that all Better Buildings grant recipients take the following actions related to award conditions a priority, if applicable.

- **Historic preservation:** The grant recipient must follow the Programmatic Agreement (PA), if applicable, between DOE and the SHPO. If a PA has not been adopted, the grant recipient will need to consult with its SHPO before initiating work involving historic properties. The Better Buildings Neighborhood Program has special agreements in place for historic properties. Contact your account manager for details.
- **Waste stream:** The grant recipient assures that it will create or obtain a waste management plan addressing waste generated by a proposed project prior to the project generating waste (e.g., construction and demolition debris, old light bulbs, lead ballasts, piping, roofing material, discarded equipment, debris, asbestos). The plan should be kept on file and be incorporated into subcontractual terms and conditions.
- If the award activities are not categorically excluded from NEPA requirements (see Statement of Work included with Assistance Agreement), a grant recipient is required to submit the environmental questionnaire (EF-1) to DOE for NEPA review and approval of the proposed activity.
- If the cumulative amount of any proposed sub-awards to a sub-grantee exceeds \$10 million, the grant recipient must submit the proposed sub-award to DOE for review and approval by the contracting officer:
 - Submit to the account manager a SF424A detailed budget justification for the proposed sub-award. At that point, DOE will complete a technical evaluation involving a full review of the sub-grantee’s statement of work, scope, and budget, including indirect and fringe rates (if applicable) and allocation of allowable costs. The recipient will be notified by DOE when the sub-award has been approved, or, if any revisions are required.

4.4 Establish Grants File

The grant recipient should establish a grant file to facilitate and document compliance with programmatic, financial, and audit requirements. In general, the grant file should include:

- Approval documentation
- Any leveraged funds from state or other partners’ procurement documentation
- Reporting documents
- Better Buildings Program-related correspondence
- Audit documentation
- Closeout documentation

The checklist found in Appendix A provides a more specific list of documents that the grant recipient should include in the grant file, if applicable.

4.4.1 Assess Financial Capabilities

Grant recipients are required to have the legal, financial, and managerial capacity to manage federal grant funds. To ensure that adequate financial systems are in place, the grant recipient should assess its financial management infrastructure. Federal regulations and standard forms that mandate specific standards of financial management systems for federal grant recipients are listed below:

- 10 CFR 600.121—Establishes uniform administrative requirements for federal grants and cooperative agreements with institutions of [higher education, hospitals, and other nonprofit organizations](#).
- 10 CFR 600.220(b)—Establishes uniform administrative requirements for federal grants and cooperative agreements with [state and local governments](#).
- 10 CFR 600.311—Establishes uniform administrative requirements for federal grants and cooperative agreements with [for-profit organizations](#).

In addition to the regulations cited above, grant recipients should be familiar with other relevant laws, regulations, and guidance concerning the grant. The financial capabilities checklist in Appendix A is a tool that the grant recipient can use to audit its financial management systems and procedures.

5. Requesting Award Funds

Grant recipient organizations are responsible for managing their Better Buildings award funds throughout the specified period of performance. The grant recipient should be aware of policies related to draw-downs, payments, obligations, and expenditures. This section provides general guidance on the payment regulations, procedures, and policies, specifically the federal obligation and expenditure restrictions placed on award fund use, and instructions on requesting award funds.⁸

Note: Grant Recipients must expend all of their grant funds by their grant deadline consistent with existing laws and regulations and programmatic objectives.

5.1 How to Request and Draw Down Award Funds

Better Buildings payments to award grant recipients will be made through EFTs using the U.S. Department of Treasury's ASAP system. Funds are not disbursed all at once, but rather disbursed over time as project costs are incurred. To draw down funds, grant recipients are required to enroll in the ASAP system. Failure to enroll will mean that award funds will not be accessible.

Note: Some grantees may be instructed to draw down award funds through a different system called the Vendor Inquiry Payment Electronic Reporting System (VIPERS). If, according to award conditions, you are only allowed to draw down funds for reimbursement, instead of in advance, you may be instructed to use VIPERS instead of ASAP to draw down funds. Contact your account manager if you have questions about which system to use.

To draw down award funds, the grant recipient should:

1. **Review the award terms and conditions and payment policies.**
2. **Enroll in ASAP.** Instructions for enrolling in ASAP are discussed in Section 4 of this handbook. It may take up to 14 days after enrollment steps are complete before funds are certified and available for draw-down in ASAP.
3. **Request and withdraw funds.** Most grant recipients may request payments of obligated funds in advance of costs being incurred, provided that the payment policies and the award terms and conditions are met. Payments are made through preauthorized EFTs, in accordance with the requirements of the Debt Collection Improvement Act of 1996. The following information will be required to make withdrawals in ASAP.

⁸ Guidance contained in this handbook is applicable to both Better Buildings EECBG recipients and SEP-SP awardees. Where differences in guidance exist between EECBG and SEP-SP, they are called out. This guidance may not be comprehensive and DOE reserves the right to update this guidance.

Table 5.1 Information Needed to Draw Down Funds in ASAP

Completed	Information Needed to Draw Down Funds in ASAP
<input type="checkbox"/>	<ul style="list-style-type: none"> • ASAP Personal Identification Number (PIN), which ASAP sends to the grant recipient after enrollment in ASAP.
<input type="checkbox"/>	<ul style="list-style-type: none"> • Award Number, located on the grant recipient’s Assistance Agreement Form in Box 1.
<input type="checkbox"/>	<ul style="list-style-type: none"> • ASAP Account Number, a seven-digit identification number located on the grant recipient’s ASAP home page after logging into the system.
<input type="checkbox"/>	<ul style="list-style-type: none"> • U.S. Department of Energy Awarding Agency Location Code (ALC), 8900 • Funding Agency Code, 8900
<input type="checkbox"/>	<ul style="list-style-type: none"> • U.S. Department of Energy Region Code (RC), 03601

The grant recipient can initiate the request for funds via the Internet, and no forms are required. To withdraw funds via the Internet, go to www.ASAP.gov and log on using the above information.

If the grant recipient encounters a technical problem when attempting to draw down funds from ASAP, technical assistance is available from the following sources:

- The ASAP Support Hotline: 804-697-8384
- ASAP Regional Offices (See Appendix C for ASAP contact information)

For additional information and guidance on ASAP, please refer to the following sites:

- <http://www.fms.treas.gov/asap/>
- <http://www.fms.treas.gov/asap/background.html>

5.2 Payment Policies

The grant recipient should be aware of policies related to draw-downs, payments, obligations, and expenditures. Grant recipients are responsible for:

Table 5.2 ASAP Payment Policies Checklist

Completed	ASAP Payment Policies Checklist
<input type="checkbox"/>	<ul style="list-style-type: none"> • Ensuring that all costs incurred are allowable. Additional information on financial requirements and allowable costs are included in the award terms and conditions

Completed	ASAP Payment Policies Checklist
	and in Section 8 of this handbook.
<input type="checkbox"/>	<ul style="list-style-type: none"> • Requests for advances or reimbursements, which must be made through the ASAP system. Grant recipients may submit requests as frequently as required to meet needs to disburse funds for the federal share of project costs. <ul style="list-style-type: none"> – Treasury regulations (31 CFR Part 205) set forth rules for the transfer of funds between federal agencies and grant recipients for federal assistance programs. A State and federal agency must minimize the time between transfer of funds from Treasury and the State’s payout of funds, whether the transfer occurs before or after the payout of funds. The agency and State must limit the amount of funds transferred to the minimum required to meet a Grantee’s “actual and immediate cash needs” (31 CFR § 205.11(a)-(b)). Once a federal agency transfers funds to States via a cash advance, no more than three business days can elapse before the day the grantee recipient issues checks or initiates payments (31 CFR § 205.12). EECBG and SEP-SP guidance on payment procedures can be found at: http://www1.eere.energy.gov/wip/pdfs/eecbg_sep_asap_draw_down_guidance.pdf. – Advances are limited to the minimum amount necessary to meet immediate disbursement needs and should not exceed the amount of cash required for a 30-day period. The grant recipient may otherwise draw down Better Buildings funds from ASAP as often as required to meet current and allowable obligations. If the grant recipient over-estimated project costs in its budget, the grant recipient may expend the extra funds on additional project-related items. – <i>All funds must be obligated within 18 months of award and expended within three years of award.</i>
<input type="checkbox"/>	<ul style="list-style-type: none"> • Payments. All payments are made by EFT to the bank account identified on the ASAP Bank Information Form that grant recipients filed with the U.S. Department of Treasury. See Section 4.2.3, <i>Register with ASAP</i> for instructions.
<input type="checkbox"/>	<ul style="list-style-type: none"> • Adjusting payment requests for available cash. Grant recipients must disburse any funds that are available from repayments to and interest earned in excess of \$100 (or \$250 depending on Uniform Administrative Requirements) on a revolving fund, or from program income, rebates, refunds, contract settlements, audit recoveries, credits, discounts, and interest earned on any of those funds before requesting additional cash payments from DOE.
<input type="checkbox"/>	<ul style="list-style-type: none"> • Maintaining advances of Better Buildings funds in insured, interest-bearing accounts (requirement only for nonprofit organizations; recommended for all other grant recipients). <ul style="list-style-type: none"> – Advances or reimbursements made in error must be refunded if the erroneous

Completed	ASAP Payment Policies Checklist
	payment creates excess cash on hand or a negative “balance authorized.”
<input type="checkbox"/>	<ul style="list-style-type: none"> • Assuring that the grant recipient’s and sub-grantees’ financial management system(s) meets the standards for fund control and accountability, as prescribed in the OMB Circular A-110 and applicable DOE CFRs, and as described in the grant recipient’s award terms and conditions. The primary grant recipient is responsible for monitoring sub-grantees and confirming that the sub-grantee has financial management systems capable of maintaining complete and accurate records, and that sub-grantees’ expenditures are also recorded by the grant recipient.
<input type="checkbox"/>	<ul style="list-style-type: none"> • If applicable, restricting funds drawn down in accordance with terms detailed in NEPA environmental terms and conditions until the requirements of the environmental conditions are satisfactorily fulfilled and any restrictions are lifted through an award action request.

A detailed explanation of the grant recipient’s financial management responsibilities can be found in Section 8, which includes links to relevant federal regulations. Funds may not be obligated or expended after the project’s closeout date.

Federal funds should be promptly refunded to DOE when the funds advanced are in excess of immediate disbursement needs. The only exceptions to the requirement for prompt refunding are when the funds involved: (1) will be disbursed by the recipient organization within 7 calendar days; or (2) are less than \$10,000 and will be disbursed within 30 calendar days. These exceptions to the requirement for prompt refunding should not be construed as approval by Treasury for a recipient organization to maintain excessive funds; they are applicable only to excessive amounts of funds erroneously drawn (DOE Accounting Handbook, Chapter 7).

Grantees that have drawn down more funds than they need can return funds via ASAP within 30 calendar days of when the funds have been drawn. Instructions for the return of funds by grant recipients to DOE via ASAP can be found at the following link: <http://www.fms.treas.gov/asap/pay-return2.pdf>. If the funds need to be returned after 30 days, grantees should contact DOE for guidance on procedures for returning funds.

6. Grant Recipient Reporting

Reporting provides an effective way for both the grant recipient and the federal government to track and monitor progress made toward financial, programmatic, and energy efficiency objectives. Additionally, DOE will use the information submitted by grant recipients to understand how existing techniques and technologies in energy efficiency retrofitting can reduce energy use, cut energy bills, and expand green job opportunities in the national home retrofit workforce. Therefore, it is important that grant recipients ensure that reports are accurate, complete, and submitted on time. The Better Buildings Neighborhood Program understands that completion of these reporting requirements may be time consuming, but failure to comply may result in withholding of future payments, suspension or termination of the current award, and withholding of future awards. Account managers are available to assist grant recipients with any questions on reporting requirements.

The latest guidance, resources, and links regarding reporting requirements can be found on the Better Buildings Network Google Site at <https://sites.google.com/a/betterbuildingsnetwork.doe.gov/betterbuildings-collaboration-forum/home/grant-administration/reporting-resources>.

Reporting requirements vary and depend on the type of award (EECBG, SEP-SP).⁹

As discussed in Section 1, *Roles and Responsibilities*, EECBG grant recipients are responsible for a monthly retrofit and audit report and four types of **quarterly** reporting:

1. Recovery Act Progress Report
2. DOE Financial Status Report (SF-425)
3. DOE Performance Progress Reports (PPR)
4. Better Buildings Quarterly Program Report

Additionally, there are annual and semiannual reports that EECBG grant recipients are required to submit:

The DOE Recovery Act Clearinghouse is available to assist grant recipients with reporting questions (<http://energy.gov/recovery-act>):

888-DOE-RCVY (888-363-7289)
RecoveryClearinghouse@hq.doe.gov
Monday – Friday, 9 a.m.–7 p.m. EST

Note: The DOE Recovery Act Clearinghouse helps only EECBG recipients and only with ARRA reporting.

⁹ Guidance contained in this handbook is applicable to both Better Buildings EECBG recipients and SEP-SP awardees. Where differences in guidance exist between EECBG and SEP-SP, they are called out. This guidance may not be comprehensive and DOE reserves the right to update this guidance.

1. Annual Historic Preservation Consultations Report
2. Semiannual Davis Bacon Act Enforcement Report, which is an Recovery Act requirement

See Section 8.3.6 for the differences in reporting requirements among prime grant recipients, sub-grantee, and vendors or contractors.

SEP-SP awardees are responsible for a monthly retrofit and audit report and the following types of quarterly reporting:

1. DOE Financial Status Report (SF-425)
2. DOE Performance Progress Reports (PPR)
3. Better Buildings Quarterly Program Report

SEP-SP closeout requires property certification and IP certification and final progress, financial, and Better Buildings reports.

To the greatest extent possible, DOE seeks to minimize the number of systems into which grant recipients will report. DOE has constructed a “one-stop shop” reporting system called the Better Buildings Neighborhood Information System (BBNIS) that will accept data submission of the DOE quarterly financial and progress reports, as well as the Better Buildings Quarterly Program Reports in XML or Excel formats.

For both EECBG and SEP-SP recipients, the table below provides an overview of the type of reports required, the frequency of reporting, the date when reports are due, and the method for submitting them.

Table 6.1 Summary of Better Buildings Grant Recipient Reporting Requirements

Grant Recipients	Report	Frequency	Due Date	Submission Method
EECBG	<p>Recovery Act Report</p> <p>Required for both grant recipient and delegated first tier sub-grantees with sub-awards greater than \$25,000</p>	Quarterly	<p>Within 10 calendar days after each calendar quarter ending March 31, June 30, September 30, and December 31</p> <p>Due: January 10, April 10, July 10, October 10</p>	<p>Form: Recovery Act Section 1512 Reporting Model</p> <p>Submit at: https://www.federalreporting.gov/</p> <p>Note that you will use the following codes when submitting your reports:</p> <ul style="list-style-type: none"> ○ Awarding Agency Code: 8900 ○ Funding Agency Code: 8900 ○ Program Source (TAS) Code: 89-0331

Grant Recipients	Report	Frequency	Due Date	Submission Method
				CFDA #: 81.128 For details, see Section 6.1.
EECBG SEP-SP	DOE Federal Financial Report (SF-425)	Quarterly	Within 30 days after the end of the calendar quarter ending March 31, June 30, September 30, and December 31 Due: January 30, April 30, July 30, October 30	Form: SF-425 FFR Submit at: Better Buildings Neighborhood Information System: http://betterbuildings.energy.gov/neighborhoods/BBNIS For details, see Section 6.2.
EECBG SEP-SP	DOE Progress Report (PPR) and Narrative Forms	Quarterly	Within 30 days after the end of the calendar quarter ending March 31, June 30, September 30, and December 31 Due: January 30, April 30, July 30, October 30	Forms: Progress Report Forms 1 and 2 (narrative plus project milestone information and spend plan), posted on the Google website Submit at: Better Buildings Neighborhood Information System: http://betterbuildings.energy.gov/neighborhoods/BBNIS For details, see Section 6.3.
EECBG SEP-SP	Better Buildings Neighborhood Program Report	Monthly (number of retrofits) and Quarterly (full dataset)	Monthly Due: 30 days after the end of each month for activities in the months of January, February, April, May, July,	Form: Excel spreadsheet, posted on the Google website Submit at: Better Buildings Neighborhood Information System: http://betterbuildings.energy.gov/neighborhoods/BBNIS

Grant Recipients	Report	Frequency	Due Date	Submission Method
			August, October, November (8 reports) Quarterly Due: January 30, April 30, July 30, October 30	For details, see Section 6.4.
EECBG	Davis Bacon Act Enforcement Reporting Information	Semiannual	Within 20 days after end of reporting period Due: April 20, October 20 (starting in 2011)	Form: Information posted on the Google website Submit at: Better Buildings Neighborhood Information System: http://betterbuildings.energy.gov/neighborhoods/BBNIS For details, see Section 6.1.3.
EECBG	Historic Preservation Consultations Report	Annual	Annually Due: September 1 (starting in 2011)	Form: Word document, posted on the Google website Submit at: Better Buildings Neighborhood Information System: http://betterbuildings.energy.gov/neighborhoods/BBNIS For details, see Section 6.5.

6.1 Recovery Act Quarterly Reporting Requirements

The specific and unique Recovery Act reporting requirements are only applicable to EECBG grant recipients.

According to the Recovery Act award conditions, grant recipients must register on FederalReporting.gov and submit a report on funds received no later than 10 days after the end of each calendar quarter

ending March 31, June 30, September 30, and December 31. Grant recipients report primarily on the type and number of jobs created or retained each quarter resulting from Better Buildings award fund expenditures. The data reported by Better Buildings grant recipients through FederalReporting.gov will be available via the Recovery.gov website, ensuring Recovery Act fund utilization transparency and accountability.

For questions regarding Recovery Act reports or registration on FederalReporting.gov, contact the DOE Recovery Act Clearinghouse at 888-363-7289 or your assigned account manager.

To submit quarterly Recovery Act reports, the grant recipient or delegated first tier sub-grantee should:

1. **Register on <https://www.federalreporting.gov/>** after receipt of the award package. Only registered users will be able to submit and review data through FederalReporting.gov. See Section 4 of this handbook for instructions on how to register on FederalReporting.gov.
2. **Initial Submission (One to 10 days after the end of the quarter):** All grant recipients compile project data at the end of each reporting quarter, enter data, and submit reports at <https://www.federalreporting.gov/>. The grant recipient submits Recovery Act reporting data on a quarterly basis, based on a standard calendar year and beginning with the quarter in which funds were originally obligated. Reports shall be submitted no later than 10 days after the end of each reporting period, unless OMB establishes a different date. This allows time for any data revision, which must be completed within 30 days after the end of the quarterly reporting period. Every grant recipient must be able to implement a data quality review process and ensure that all reported data is correct. The same schedule and deadlines apply to submission of reports beyond the first year. Extensions will not be given. Any data changes after the 30-day deadline will need to be reported in the next quarter's Recovery Act report.

The Section 1512 reporting data model that details the reporting data required from grant recipients and sub-grantees can be found on the FederalReporting.gov website. The Section 1512 reporting model should not be altered, and special attention should be paid to the important reporting requirement of Recovery Act funds pertaining to job creation. OMB guidance requires each grant recipient to calculate the number of full-time equivalent (FTE) positions created or retained each quarter and the total job hours worked. Job totals should not be rounded to the nearest whole number; instead, grant recipients should report the exact result of this calculation. Other important facts about job creation include:

- Calculations of job creation or job retention are reported quarterly and are not a cumulative figure.¹⁰

¹⁰ DOE calculations of total job hours for Better Buildings grant recipients are slightly different from standard Recovery Act Federal Reporting requirements. Better Buildings grantee calculations of total job hours worked includes hours worked administrating or working under projects funded by Better Buildings Recovery Act funds and associated leveraged funds (e.g., additional funding provided by state or local governments, utilities, educational institutions, private contributions). This includes, but is not limited to, administrative staff, consultants, and contractors involved in the management or deployment of Better Buildings retrofit activities.

- A “job created” is a new, or previously unfilled, position that is filled as a result of the use of Recovery Act Funds.
 - A “job retained” is an existing position that would not have been continued to be filled were it not for the use of Recovery Act funds.
 - A job must be counted as either *a job created* or a job retained. A single job cannot be counted as both.
 - Only jobs created or retained and compensated for in the United States or territories should be counted. Recipients should *not* attempt to report on the employment impact on materials supplies, the local community (e.g., induced jobs), and central service providers (e.g., indirect jobs).
- In addition, when completing the report, each grant recipient should provide the date the DOE contracting officer signed its award (located near the bottom of its Assistance Agreement Form) in the “Award Date” field of the Recovery Act report.
3. **Grant Recipient Review (11 to 21 days after the end of the quarter):** All grant recipients review and revise data. The grant recipient is responsible for reviewing and ensuring the accuracy and completeness of sub-grantee information.
 4. **Federal Agency Review (22 to 29 days after the end of the quarter):** Agencies conduct data quality review and notify grant recipients of any necessary corrections; grant recipients make corrections on <https://www.federalreporting.gov/>.
 5. **Reports Published for the Public on Recovery.gov (30th day after the end of the quarter):** This streamlined reporting and reviewing process allows all reported data to be publicly available on <http://www.recovery.gov/> within 30 days of the end of the fiscal quarter.

Note: *The schedule may change based on OMB direction.*

For assistance, please see the ARRA Federal Reporting Guidance (Section 1512) and federalreporting.gov user guide. The website <https://www.federalreporting.gov/> provides up-to-date reporting guidance released by OMB, training webinars, and instructions on the use of the online system to collect the data.

6.1.2 Sub-Grantee Recovery Act Reporting

Grant recipients must report on behalf of all sub-grantees with sub-awards that are less than \$25,000. Grant recipients can choose to report for all other sub-grantees or delegate certain Recovery Act reporting responsibility to sub-grantees if the sub-grantee’s sub-award is greater than \$25,000. If reporting responsibility is delegated, grant recipients are still responsible for coordinating reporting with sub-grantees to make sure that information is reported accurately and on time. Sub-grantees that are designated to report on their own behalf should submit the following information at <https://www.federalreporting.gov/>:

- Amount of Sub-Award
- Total Sub-Award Funds Dispersed
- Date of Sub-Award

- Sub-Grantee Place of Performance
- Sub-Grantee Highly Compensated Officers

Note that reporting on the number of jobs cannot be delegated to sub-grantees, and must still be submitted by the grant recipient, on behalf of all sub-grantees, regardless of sub-award amount. Grant recipients must include the number of sub-grantee jobs in the total reported by the grant recipient.

Sub-grantees may submit Recovery Act reports at <https://www.federalreporting.gov/> without being registered in the CCR database described in Section 4 of this handbook.

6.1.3 Davis Bacon Recovery Act Reporting

The Davis Bacon Act (DBA) is a federal law that requires employees to be paid a prevailing wage if the work is funded through federal financial assistance, specifically through Recovery Act funds. If applicable, grant recipients with projects that involve nonresidential retrofits may be required to submit Davis Bacon reports semiannually. Grant recipients are also responsible for training and monitoring their subrecipients and contractors on DBA requirements. DOE is aware of the unique challenges that grant recipients face in implementing these requirements and has a team of DBA specialists ready to assist grant recipients. However, mere hardship for compliance with the DBA does not allow for non-compliance. Contact your Better Buildings account manager to request assistance.

The DBA reporting requirements contain information on the number and dollar value of contracts awarded by the Better Buildings grant recipients, as well as information on any investigations involving wage restitution for workers paid with Better Buildings grant dollars. Additional guidance on the DBA requirements can be found at the following DOE and Department of Labor (DOL) websites:

- Guidance on DBA labor clauses, training resources, and FAQs: http://www1.eere.energy.gov/wip/Davis_Bacon_act.html
- DBA wage rates: <http://www.wdol.gov/>
- DOL Wage-Hour Toll-Free Information and Helpline: 1-866-4US-WAGE (1-866-487-9243)

To submit semiannual Davis Bacon Reports, grant recipients should:

1. **Complete the Davis Bacon Report for the relevant reporting period.** An optional template for the report is available for download on the Better Buildings Google Site at: <https://sites.google.com/a/betterbuildingsnetwork.doe.gov/betterbuildings-collaboration-forum/file-cabinet/reporting-1..>
2. **Submit the report.** Grant recipients can upload the Davis Bacon Report to the BBNIS Web portal. (This must be done within 30 days of a quarter's end.)

Question: If Better Buildings partner programs want to provide tuition assistance for energy upgrade training programs, does the Davis Bacon Act (DBA) apply?

Answer: In the case where the students are obtaining training that is paid for by EECBG funding but none of the construction-related equipment or materials (e.g. insulation, caulking, etc.) have been funded through the EECBG funding, those trainees are not subject to DBA for work they do when in training, unless the materials/equipment that they are installing are purchased with Recovery Act dollars. However, if the materials and/or equipment that the trainees will be installing are in fact paid for with Recovery Act dollars, then the work anyone (including these trainees) performs installing those Recovery Act purchased materials and equipment will be subject to DBA and paid the appropriate wages plus fringe rates.

Also, regardless of whether you pay for equipment/materials, if you send the student to a worksite that's otherwise covered by DBA, then DBA would apply to the students. For example, let's say you're not paying for the construction materials but you send the students to work on a home that's being weatherized under a program where the weatherization workers are covered by DBA. Then the students you send to that site would most likely be covered by DBA for any work performed on that site.

6.2 DOE Quarterly Financial Reporting Requirements

Grant recipients should submit a quarterly report using the DOE SF-425 Federal Financial Report (FFR). This report must be submitted no later than 30 days after the end of each calendar quarter. The report includes budget and cost information on each quarter's expenses. The grant recipient and federal government can use financial reports to assess the overall financial management and health of each award, to ensure Better Buildings fund expenditures are consistent with the grant recipient's anticipated progress, and to monitor expenditures assuring that all costs are allowable. Better Buildings funds are to be expended in an allowable, reasonable, and timely manner. *All funds must be obligated within 18 months of award and expended within three years of award.*

To submit quarterly financial DOE SF-425 FFR reports, grant recipients should:

1. **Download and complete the SF-425 for the relevant reporting period.** The SF-425 form is available for download on the EERE Project Management Center site at: <https://www.eere-pmc.energy.gov/Forms.aspx>.
2. **Submit the SF-425.** Grant recipients can upload the SF-425 form to the BBNIS Web portal. (This must be done within 30 days of a quarter's end.)
3. **Re-submit the SF-425, if applicable.** If DOE returns the SF-425 report package to the grant recipient with a request to make amendments, make the changes and re-submit the revised SF-425.

6.3 DOE Quarterly Progress Reporting Requirements

In addition to the required Recovery Act and financial reporting, grant recipients are obligated to submit DOE quarterly progress reports. The main objective of the quarterly progress report (which includes two parts—a narrative and spend plan) is to capture key progress and planning data about each grant recipient's project, including budgeted and actual spend amounts and progress made against project

milestones. The quarterly report must be submitted no later than 30 days after the end of each calendar quarter. DOE uses these reports to assess the project's overall health, to monitor progress made against project milestones, and to identify and mitigate areas of concern or risk to project completion and success. Better Buildings account managers or project officers will follow up with grant recipients to correct any data discrepancies and to ensure all reports are submitted on time.

To submit quarterly DOE progress reports, grant recipients should:

1. **Download and complete both parts of the DOE Progress Report (narrative and spend plan) for the relevant reporting period.** The form is available for download on the PMC site at: <https://www.eere-pmc.energy.gov/Forms.aspx>.
2. **Submit the DOE Progress Report (narrative and spend plan).** Grant recipients can upload the DOE Progress Report Forms (Parts I and II) to the BBNIS Web portal. (This must be done within 30 days of quarter's end.)
3. **Re-submit the forms, if applicable.** If DOE returns the progress report package to the grant recipient with a request to make amendments, make the changes and re-submit the revised report.

6.4 Better Buildings Quarterly Program Reporting

The Recovery Act, financial, and progress reporting requirements described in the previous sections request grant recipient information on the project budget, financial status, and progress milestones. The Better Buildings Quarterly Program Report collects additional detailed building, retrofit, and loan-level information, specifically on the characteristics of buildings (from audit data), energy conservation measures installed, empirical energy bills, financial loan underwriting terms and performance, and types of marketing and outreach activities. Grant recipients can consult the Better Buildings Quarterly Program Reporting Template or Better Buildings Reporting Template Definitions document to review the quarterly reporting requirements. Grant recipients can also consult the Reporting Guidance FAQs. These documents can be found on the Better Buildings Google site under Grant Administration-Reporting Resources. Colored fields in the excel spreadsheet indicate mandatory reporting requirements, while non-colored fields indicate voluntary reporting information. Some reporting requirements are mandatory only if they are applicable to the grant recipient's program design. For example, if a program has a commercial buildings component or if a financial institution collects certain underwriting criteria, then the fields corresponding to that information would need to be filled in. The Better Buildings Neighborhood Program is also collecting financial loan performance data on loans that go past due in order to develop a robust dataset that will characterize energy efficiency loans and enable future underwriters and analysts to identify opportunities for developing and marketing new energy efficiency financing products.

DOE will use the information provided in the Better Buildings Quarterly Program Report to understand how existing techniques and technologies in energy efficiency retrofitting can reduce energy use, cut energy bills, drive demand in the marketplace, and expand green job opportunities in the national home retrofit workforce. Financial loan data goals are part of the greater vision to verify and connect the

energy performance of a building retrofit to the performance of the loan. Over time, the information provided by grant recipients in their monthly and quarterly program reports will be used to identify best practices to educate Americans to invest in comprehensive home energy improvements through demonstrated upgrades that eliminate energy waste and avoid high utility bills. In addition, gathering information from energy audits regarding building-level characteristics, energy conservation measures, and empirical utility bills is important to proving the efficacy of energy savings and identifying effective energy-saving measures. To respect data privacy concerns, Better Buildings has consulted with lending institutions and experts to identify the minimum data metrics needed by the financial community to prove loan performance and inform their underwriting process.

Guidance on counting retrofits for monthly reporting: If the audit reports or your contractors' professional judgment show that 15% savings is expected and that the retrofit is completed, grant recipients can count these retrofits in the monthly reporting. Monthly reporting will be required eight times a year, when quarterly program reports are not due.

Guidance on counting retrofits for quarterly reporting: When reporting quarterly, grant recipients should include only those retrofits for which they have complete data (except utility bill uploads to the BBNIS Web portal). Complete data refers to general building data, audit information, installed measures, and financing, which should be completely filled out for a building before reporting it as a completed retrofit in the quarterly report. This enables DOE to count the number of completed retrofits each quarter as having complete data submissions. Please refer to the Quarterly Program Reporting Template for more details on complete data requirements. Quarterly reporting will be required four times a year.

Guidance on counting commercial and multifamily building upgrades: DOE drafted guidance in response to questions many programs have raised about how to count retrofits for commercial buildings of different sizes and requests for clarification about how multifamily buildings are credited toward a program's accomplishments. The full guidance can be found on the Better Buildings Google site under Grant Administration and in Appendix D. Highlights include:

- *Commercial buildings:* DOE will track retrofit accomplishments for the large and small commercial sector relative to either a target number of buildings upgraded or a target square footage of upgraded commercial buildings.
- *Multifamily buildings:* Multifamily buildings are treated by programs as both commercial buildings and residential buildings, depending on how they were initially accounted for in a program's retrofit targets. You can decide which approach works for your program, but you should select one approach consistently for all of your multifamily building upgrades.

Grant recipients can submit Better Buildings Program reports by taking the following steps:

If reporting monthly activities OR if using the excel spreadsheet to report quarterly activities:

1. **Download the Monthly Retrofit Report or the Better Buildings Quarterly Program Report from the Better Buildings Google website for the relevant reporting period.**
2. **Complete and submit the Monthly Retrofit Report or Better Buildings Quarterly Program Report into the BBNIS.**

3. **Re-submit the Monthly Retrofit Report of the Better Buildings Quarterly Program Report, if applicable.** If DOE returns the Program Report to the grant recipient with a request to make amendments, the grant recipient should make the necessary changes and re-submit the revised report.

If using XML to report quarterly activities:

1. **Consult the XML reporting resources on the Better Buildings Google website.**
2. **Coordinate with your IT teams and/or vendors on the XML transfer.** Refer to the Better Buildings Quarterly Program Reporting Template or the Reporting Template Definitions document available on the Google website to further clarify mandatory versus voluntary reporting requirements and define the reporting requirements for those fields.
3. **Submit the completed Better Buildings Quarterly Program Report into the BBNIS.**
4. **Re-submit the Better Buildings Quarterly Program Report, if applicable.** If DOE returns the Better Buildings Quarterly Program Report to the grant recipient with a request to make amendments, the grant recipient should make the necessary changes and re-submit the revised report.

Please consult the Better Buildings Neighborhood Web Portal User Guide on the Better Buildings Neighborhood Google website for more information on how to log into the BBNIS, change your password, and upload files. The user guide also contains important information on how grant recipients can use both the excel spreadsheet to report certain fields, and the XML to report others. Only certain scenarios apply, so please be sure to consult the user guide to see what combinations of reporting are permissible.

If grant recipients have edits to their reporting template submissions, they are able to amend data up to two quarters prior.

6.5 Historic Preservation Reporting Requirements

Historic preservation reporting is only applicable to EECBG grant recipients.¹¹

Better Buildings grant recipients are required to submit an annual report to ensure compliance with Section 106 of the National Historic Preservation Act (NHPA). NHPA requires federal agencies to take into account the effects of their undertakings¹² on historic properties (e.g., site, building, structure, object, district, archeological sites) listed in, or eligible for listing in, the National Register of Historic Places (the National Register). Section 106 of NHPA requires grant recipients to consult with appropriate entities (e.g., SHPO or Tribal Historic Preservation Offices [THPO])/federally-recognized American Indian

¹¹ As of January 30, 2012, DOE is awaiting OMB approval of the historic preservation reporting form, and therefore historic preservation reports do not need to be submitted. Once DOE receives approval, recipients will be notified and provided with the approved reporting form.

¹² Under the NHPA and 36 CFR Part 800.16(y), an “undertaking” is defined as a project, activity, or program funded in whole or in part under the direct or indirect jurisdiction of a federal agency, including those carried out with federal financial assistance.

Tribes, the Advisory Council on Historic Preservation [ACHP]) as applicable, before an activity commences. A consultation is the process that provides stakeholders with “substantive interest” in the grant recipient’s project with the opportunity to comment on its potential impact to designated historic properties. The goal of consultation is to:

- Identify historic properties that may possibly be affected by the undertaking,
- Assess the undertaking’s potential effects,
- Seek ways to avoid, minimize, or mitigate any adverse effects on historic properties.

DOE received OMB approval on a report template for grant recipients to report the required historic preservation information. The types of information that grant recipients should continue to track and report in the annual Historic Preservation report include:

- Whether a DOE-executed PA is being used to comply with NHPA requirements for all or some Better Buildings activities.
- For any activities for which a PA was used for Historic Preservation review, how compliance with NHPA requirements was completed.
- The total number of activities undertaken with DOE funds. The term “activities” in this context refers to the individual undertakings that constitute a project funded in whole or in part by DOE through EECBG, Better Buildings, or SEP-SP.
- If you are using an executed PA, then:
 - Identify the number of activities that were exempt from further Historic Preservation review under the PA due to property age.
 - Identify the number of activities exempt from further Historic Preservation review per the PA list of exempt activities.
 - Identify the number of activities exempt from further Historic Preservation review under the PA due to a prior review under a Section 106 Agreement for Community Development Block Grants.
- For any activities not identified as exempt from further review under the previous questions:
 - Identify the number of Section 106 reviews completed under the PA.

Grant recipients will report on the required historic preservation information through the DOE Project Management Center (PMC) system. For further questions, please contact your assigned DOE account manager.

Additional guidance on Historic Preservation requirements can be found at:

- DOE, in coordination with the ACHP and the National Conference of State Historic Preservation Officers (NCSHPO), has developed guidance to address its historic preservation requirement for DOE State Energy, Weatherization, and Energy Efficiency Community Block Grant Programs, located at: http://www1.eere.energy.gov/wip/historic_preservation.html.
- DOE will schedule teleconferences with grant recipients to clarify its approach to historic preservation consultation and answer any questions. Inquiries related to historic preservation may be emailed to: historicpreservation@go.doe.gov.

[As of January 30, 2012, DOE is awaiting OMB approval of the historic preservation reporting form, and therefore historic preservation reports do not need to be submitted. Once DOE receives approval, recipients will be notified and provided with the approved reporting form.]

To submit the Historic Preservation Consultation Report, grant recipients should:

1. **Download the form.** (The form will be available for download on the Google website once approved by OMB.)
2. **Submit the Historic Preservation Consultations Report.** Grant recipients can upload the Historic Preservation Consultations Report to the BBNIS Web portal. (This must be done within 30 days of quarter's end.)
3. **Re-submit the forms if applicable.** If DOE returns the Historic Preservation Consultation Report to the grant recipient with a request to make amendments, make the changes and re-submit the revised report.

6.6 Better Buildings Stewardship of Grant Recipient Project Activities

Better Buildings will exercise normal federal stewardship in overseeing the project activities performed by grant recipients under Better Buildings awards. Stewardship activities include, but are not limited to, conducting site visits; reviewing performance and financial reports; assuring compliance with terms and conditions; and providing technical assistance or temporary intervention in unusual circumstances to correct deficiencies that might develop during the project. DOE's authorized representatives have the right to make site visits at reasonable times to review project accomplishments and management control systems and to provide technical assistance, if required. Grant recipients, and sub-grantees, are required to provide reasonable access to facilities, office space, resources, and assistance for the safety and convenience of the government representatives in the performance of their duties. All site visits and evaluations must be performed in a manner that does not unduly interfere with or delay the work.

These activities will assist grant recipients with maintaining compliance with statutory and programmatic requirements, mitigating challenges and issues incurred by the grant recipient, and demonstrating the grant recipient's ability to be responsible and accountable for Better Buildings award administration and management. The project officer, in collaboration with the account manager, leads monitoring activities, including desk reviews and site visits. While performance and financial reports are important components of monitoring, ad hoc telephone conversations and email exchanges can be equally important in addressing specific questions and providing timely guidance.

7. Grant Recipient Project Revisions

Throughout the period of performance for a Better Buildings grant, recipients may need to modify their projects from the plan approved by DOE in the grant recipients' award packages. Project revisions are one-time or irregular events that require modifications to a grant recipient's project, such as changes to contact information, project scope, or budget. This section describes the types of acceptable project revisions and instructions for submitting these requests to DOE.¹³

Grant recipients who are considering a project revision should email their account manager to submit the request. It is important to note that only the DOE contracting officer, in coordination with the account manager, can approve an amendment to an award agreement to change the budget or scope or make other revisions. Any approved modifications to a grant recipient's original award package will be available for download at <https://www.fedconnect.net/Fedconnect/>. The list below describes common types of acceptable project revisions.

Table 7.1 Key Types of Project Revisions

Type of Revision Requested	Description
Change in Project Scope	<ul style="list-style-type: none"> Revisions to the project's scope from the original or modified application. Substantial changes to the project's scope or objectives will require a determination of noncompetitive financial assistance if the changes would not be acceptable under the original announcement. <p>Note: <i>If the project scope is changed, the grant recipient may need to complete a new NEPA evaluation. DOE will notify the grant recipient if this is necessary for approved changes to the project scope.</i></p>
Change in Project Budget or Other Programmatic Changes	<ul style="list-style-type: none"> Revisions to the project budget or programmatic activities from the original or modified application.
Transfer of Funds to Other Categories of Expenses	<ul style="list-style-type: none"> The transfer of funds allotted for training allowances (direct payment to trainees) to other categories of expense. If required by program regulations, the transfer of amounts budgeted for indirect costs to absorb increases in direct costs, or vice versa. Any other transfer of funds to other categories of expenses.

¹³ Guidance contained in this handbook is applicable to both Better Buildings EECBG recipients and SEP-SP awardees. Where differences in guidance exist between EECBG and SEP-SP, they are called out. This guidance may not be comprehensive and DOE reserves the right to update this guidance.

Type of Revision Requested	Description
	<p>Note: DOE has granted a temporary waiver for Better Buildings grant recipients that allows them to make cumulative transfers of funds between direct budget cost categories in budgets already approved by DOE. This waiver is in place through September 30, 2013.</p>
<p>Absence or Change of the Principal Investigator/Project Director or Other Key Person Specified in the Award Documents</p>	<ul style="list-style-type: none"> • The absence or change of the project’s principal investigator/project director for a continuous period of more than three months or a 25-percent reduction in time devoted to the project. • Modifications to the key person or institutional name specified in the original or revised application.
<p>Transfer of Significant Part of Research or Programmatic Effort or Transfer of Sub-Award or Contracting Work Under Award</p>	<ul style="list-style-type: none"> • Transfer of a significant part of the research or programmatic effort or transfer of work or award to a sub-grantee that is not described in the approved application.
<p>Revision to Length of Project Period of Performance</p>	<ul style="list-style-type: none"> • The end date of the project period may be changed as a result of a no-cost extension, or, in some cases, by a renewal modification. • Renewal applications should be submitted no later than six months prior to the scheduled expiration of the project period unless a program rule or other document establishes a different application deadline. Before DOE can make a renewal or formula award, the grant recipient may have to submit additional documentation in accordance with program rules and other instructions from DOE.

7.1 Better Buildings Requirements Related to Project Revisions

Consistent with the statutory purposes of the Better Buildings Neighborhood Program, and pursuant to the controlling DOE regulations and authorities outlined in 10 CFR 600, the program may make certain requirements with which the grant recipient must comply for any post-award project revision, including:

- Project revisions to Better Buildings awards must remain within the programmatic boundaries of the announcement.
- All Better Buildings project scope revisions require the prior written approval of a DOE contracting officer and may require an amendment to the grant recipient’s award agreement.

DOE officers who review the grant recipient's request will consider how the revision impacts the overall success of the project.

- Grant recipients are required to report deviations from budget and program plans and request prior approvals for budget and program plan revisions, in accordance with DOE 10 CFR 600, except for cumulated transfers among direct budget costs, which grant recipients are allowed to perform without prior DOE approval through September 30, 2013.
- Under certain preapproved conditions with prior written approvals, grant recipients may be granted waivers to:
 - Initiate a one-time extension of the expiration date of the final project budget period of up to 12 months unless one or more of the following conditions apply:
 - The terms and conditions of award prohibit the extension.
 - The extension requires additional federal funds.
 - The extension involves any change in the approved objectives or scope of the project.
 - The extension is being exercised merely for the purpose of using unobligated balances. For one-time extensions, the grant recipient must notify DOE in writing with the supporting reasons and revised expiration date at least 10 days before the expiration date specified in the award.
 - Carry forward unobligated balances to subsequent funding periods.
- Grant recipients shall promptly notify DOE in writing whenever the amount of federal authorized funds is expected to exceed the needs of the grant recipient for the project period.

7.2 How and When to Submit Project Revisions

All Better Buildings project revision requests must be submitted by grant recipients to their assigned DOE account manager. ***Grant recipients should report all changes and make all requests to the Better Buildings Neighborhood Program in writing.***

To submit a request for a project revision, grant recipients should do the following:

1. Before submitting a request for a project revision, the grant recipient should contact their account manager for assistance in determining the type of revision that is needed and to discuss the impact of the revision on the overall project.
 - If the request is from a sub-grantee, the request for prior approval shall be addressed in writing to the grant recipient. The grant recipient shall promptly review such request and approve or disapprove the request in writing.
 - Sub-awards made by the prime grant recipient to a sub-grantee and that exceed \$10,000,000 must be approved by DOE.
 - A grant recipient shall not approve any sub-grantee's budget or project revision that is inconsistent with the purpose or terms and conditions of the DOE award. **If the revision requested by the sub-grantee would result in a change to the grant recipient's approved budget or approved project, which requires DOE prior approval, the grant recipient must obtain DOE approval before authorizing this type of revision.**

2. Requests for project revisions must be made in writing. Send an email to your assigned account manager describing the project revision request.
3. DOE shall review the request and notify the grant recipient of a decision.
 - Grant recipients will receive DOE approval or disapproval of a request for a budget or project revision in writing.
 - Grant recipients can download the most recent official award package information from FedConnect.

8. Grants Administration Standards: Complying with Award Terms

This section summarizes the requirements and regulations by which all Better Buildings Neighborhood Program grant recipients must abide.¹⁴ There are five primary sources of Better Buildings grant recipient requirements and regulations, which are described in the following sub-sections:

- American Recovery and Reinvestment Act (Recovery Act) Requirements (these only apply to EECBG recipients)
- Uniform Administrative Requirements (UARs) and Procurement Standards
- Financial Requirements, Allowable Costs, and Cost Principles
- Audit Requirements
- Other DOE Standard Terms and Conditions and Provisions

Please note that this list is not all-inclusive.

SEP-SP awards are also subject to DOE 10 CFR Part 420 and applicable SEP-SP program guidance.

The grant recipient's compliance with any of the requirements and regulations listed or referenced in this section may be examined in an audit. For more details, see the federal regulatory requirements (e.g., OMB Circulars) that are in the DOE Financial Assistance Rules, 10 CFR Part 600 (<http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&tpl=%2Findex.tpl>) and applicable program rules, which establish uniform policies and procedures for the award and administration of DOE grants and cooperative agreements. Contact your Better Buildings account manager for questions regarding these requirements.

It is the responsibility of the grant recipient to administer its grant in compliance with all regulations to avoid any instances of waste, fraud, and/or abuse of award funds, which includes oversight of sub-grantees. To oversee grants administration, it is recommended that grant recipients create a thorough systematic, ongoing programmatic and financial monitoring process. Through performance monitoring and compliance activities, grant recipients can implement their Better Buildings projects as agreed upon in the terms and conditions of the award.

8.1 American Recovery and Reinvestment Act (Recovery Act) Requirements

The Better Buildings Neighborhood Program is authorized by the Recovery Act and, as such, is subject to the general terms and conditions of the Recovery Act (Recovery Act terms and conditions are not applicable to SEP-SP awards). Several key Recovery Act award terms require all grant recipients to

¹⁴ Guidance contained in this handbook is applicable to both Better Buildings EECBG recipients and SEP-SP awardees. Where differences in guidance exist between EECBG and SEP-SP, they are called out. This guidance may not be comprehensive and DOE reserves the right to update this guidance.

comply with reporting on the purchase of American goods, DBA requirements, Recovery Act signage, audit requirements, and energy efficiency requirements.

- DOE guidance on Recovery Act requirements can be found at: <http://energy.gov/communications-and-guidance>.

The following table presents details on the general Recovery Act award terms and conditions that apply to all Better Buildings grant recipients and sub-grantees. This list is not exhaustive; other terms and conditions may apply.

Table 8.1 General Recovery Act Award Terms and Conditions

Reporting and Registration Requirements (Section 1512 of the Recovery Act)

- *Quarterly Recovery Act reports* must be submitted each quarter to <https://www.federalreporting.gov/>.
- Better Buildings grant recipients, and designated first tier sub-grantees, must register and maintain current registration with CCR at all times during the active award period. CCR registration can be completed at <https://www.bpn.gov/ccr/default.aspx>.
- OMB guidance documents (which are incorporated into DOE Financial Assistance Rules, 10 CFR Part 600) are located at:
 - http://www.whitehouse.gov/sites/default/files/omb/assets/memoranda_fy2009/m09-21.pdf
 - http://www.whitehouse.gov/sites/default/files/omb/assets/memoranda_2010/m10-08.pdf.
 - http://www.whitehouse.gov/sites/default/files/omb/assets/memoranda_2010/m10-14.pdf.
- Recovery Act reporting webinars can be found at: <https://www.federalreporting.gov/>.
- DOE guidance on Recovery Act reporting can be found at: <http://energy.gov/help-federalreporting.gov>.

Use of American-Made Equipment and Products (Section 1605 of Recovery Act)

- The Buy American requirement does not apply to grant recipients if they are universities or colleges.
- To the greatest extent practicable, all equipment and products purchased with Better Buildings funds should be American-made.
- If the grant recipient, or sub-grantee, determines at any time that any construction, alteration, or repair activity will be performed **on a public building or public works**, the grant recipient should contact its assigned account manager, as the provisions in Section 1605 of the Recovery Act (Buy American Act) apply regarding use of American iron, steel, and manufactured goods.
- For equipment covered by these requirements, grant recipients may seek waivers on a case-by-case basis. Waivers requesting exemption from this provision must be submitted to the

Better Buildings account manager in writing. DOE approval must be received in writing.

- Additional DOE guidance for grant recipients on the Recovery Act can be found at: <http://energy.gov/communications-and-guidance> and at: http://www1.eere.energy.gov/recovery/buy_american_provision.html.

DBA and Wage Rate Requirements (Section 1606 of the Recovery Act)

- All laborers and mechanics employed by the grant recipient or the grant recipient's contractors or subcontractors on this project shall be paid wages at rates no less than those prevailing on projects of a character similar in the locality, as determined by the Secretary of Labor in accordance with subchapter IV of chapter 31 of Title 40, United States Code.
- With respect to the labor standards specified in this section, the Secretary of Labor shall have the authority and functions set forth in Reorganization Plan Number 14 of 1950 (64 Stat. 1267; 5 U.S.C. App.) and Section 3145 of Title 40 (40 U.S.C. § 3145).
- Additional DOE guidance for grant recipients on DBA can be found at: <http://energy.gov/communications-and-guidance>.

Whistleblower Act (Section 1553 of the Recovery Act)

- Grant recipients shall comply with the Whistleblower Protection requirements of the Recovery Act, Section 553 of Division A, Title XV, Public Law 111-5, which provides protection for non-federal employees making specified disclosures relating to possible fraud, waste, or abuse of Recovery Act funds. **Grant recipients shall display a poster at their job sites.** The poster can be downloaded from the following website: <http://www.oig.doc.gov/Pages/Hotline.aspx>.
- The DOE OIG will verify the appropriate placement of this poster as part of any field work conducted. Failure to display the poster may result in an audit finding.

Single Audit Requirements

- Award terms and conditions require grant recipients—and sub-grantees that are above the audit threshold—to maintain records that adequately identify the source and application of Recovery Act/Better Buildings funds.
 - All expenditures related to the Better Buildings project should be identified on the Schedule of Expenditures of Federal Awards (SEFA) and on the Data Collection Form (SF-SAC).
 - All sub-grantees must be separately identified at the time of the sub-award. At the time of the disbursement of funds, the federal award number, Catalog of Federal Domestic Assistance (CFDA) number, and the amount of Better Buildings funds expended must also be identified.
- For-profit organizations must comply with the program-specific audit requirements set forth in OMB Circular A-133, Subpart B, § 235 (see Section 8.4 for more details).

Access of Offices of Inspector General to Certain Records and Employees (Section 1515 of the Recovery Act)

- Under the terms and conditions of the award, any representative of the DOE OIG has the right to examine any Better Buildings project records pertaining to subcontractors, sub-grantees, or any state or local agency administering the award. The representative also holds the right to interview any officer or employee of the grant recipient's organization, sub-grantee, or agency regarding the project.

First Tier Sub-Grantee Planning Activities

- All first tier sub-grantees are required to obtain a DUNS number no later than the first time Recovery Act data requirements are due. See Section 4 for instructions on how to obtain a DUNS.

Signage Requirements

- All grant recipients are required to use the Recovery Act logo in display signage at construction sites:
 - All projects funded by the Recovery Act shall display signage that features the primary emblem throughout the construction phase. The signage should be displayed in a prominent location on site. Some exclusions may apply.
 - The primary emblem should not be displayed at a size less than six inches in diameter.
- The signage requirement applies when the major purpose of the award is construction. Alteration of facilities incidental to a non-construction purpose is not considered construction in this case.
- Complete guidelines are provided in the signage guidance fact sheet posted at <http://energy.gov/communications-and-guidance>.

8.2 Uniform Administrative Requirements (UARs) and Procurement Standards

Better Buildings grant recipients must comply with UAR requirements. Specifically, UARs include definitions and descriptions of financial and program management, including cost share and program income; property and procurement standards; and reporting and recordkeeping requirements. **Sub-grantees are also required to comply with these regulations.** The administrative requirements for DOE grants are contained in [10 CFR Part 600](http://ecfr.gpoaccess.gov/) (<http://ecfr.gpoaccess.gov/>). The award terms and conditions require grant recipients to follow federal administrative regulations based on the grant recipient organization type, as shown in the following table.

Table 8.2 Uniform Administrative Requirements

Grant Recipient Type	Applicable Regulation or Requirement (as codified in 10 CFR Part 600)
College or University	<ul style="list-style-type: none"> • OMB Circular A-110, Uniform Administrative Requirements for Grants and Cooperative Agreements With Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations • OMB Circular A-21, Cost Principles for Educational Institutions
State, Local, or Tribal Government	<ul style="list-style-type: none"> • OMB Circular A-102, Grants and Cooperative Agreements with State and Local Governments • OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations (the Single Audit Act), and the circulars for cost principles • OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments
Nonprofit Organization	<ul style="list-style-type: none"> • OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations (the Single Audit Act), and the circulars for cost principles • OMB Circular A-110, Uniform Administrative Requirements for Grants and Cooperative Agreements With Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations • OMB Circular A-122, Cost Principles for Non-Profits
For-Profit Commercial Organization	<ul style="list-style-type: none"> • 48 CFR Part 31 and 48 CFR 931.2 • FAR 31.2 • For EECBG/Better Buildings Program grants there is no limit/maximum on units in a multi-family building to determine whether something is commercial. A building can be commercial if it is one unit and owned by a business. A building can have 100 units and not be commercial if it is owned by an individual in his/her own name. <p>Additional for-profit guidance is available at: http://management.energy.gov/business_doe/business_forms.htm</p>
All Grant Recipients (Except States)	<ul style="list-style-type: none"> • OMB Circular A-110, Uniform Administrative Requirements for Grants and Cooperative Agreements With Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations
State Grant Recipients	<ul style="list-style-type: none"> • OMB Circular A-102, Grants and Cooperative Agreements with State and Local Governments

8.2.1 Record Retention

Records must be kept for three years after final closeout, or until an audit, litigation, or claim is resolved, whichever occurs later. The DOE OIG has unrestricted access to these records and may interview the grant recipient's personnel for as long as records are retained

8.2.2 Procurement Standards

All grant recipients must maintain written standards of conduct governing their procurement procedures. In addition, all procurement procedures must contain some form of cost or price analysis determining reasonableness. Grant recipients must also maintain a contract administration system to ensure standards of conduct adherence. Guidance on writing standards of conduct, records, and contract administration are in DOE 10 CFR Part 600 (<http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&tpl=%2Findex.tpl>) and applicable program rules. The following table provides a list of procurement standards that apply to all Better Buildings grant recipients.

Table 8.3 Procurement Standards

- Procurement standards may differ by state, contact the account manager to verify procurement standards.
- All activities by sub-recipient(s) and loan recipients must be consistent with the grant recipient's DOE-approved SOPO (contained in the grant recipient's award package).
- Upon the grant recipient's selection of the sub-grantee(s) and loan recipients, the grant recipient shall notify (i.e., approval not required) the DOE project officer with the following information, regardless of dollar amount:
 - Name of sub-grantee
 - DUNS number
 - Award amount
 - Statement of work, including applicable activities
- For each sub-grant and loan that has an estimated cost greater than \$10,000,000, the grant recipient must submit for approval by the contracting officer, a SF424A Budget Information, Non-Construction Programs, and PMC 123.1 Cost Reasonableness Determination for Financial Assistance.
- Grant recipients must select sub-grantees and contractors in a manner that provides open and free competition, to the maximum extent possible. The grant recipient must be alert to organizational conflicts of interest, as well as other practices among sub-grantees that may restrict or eliminate competition.

8.3 Financial Requirements and Allowable Costs for Better Buildings Awards

To ensure grant funds are properly used, all grant recipients should become familiar with federal regulations specifying the financial requirements and cost principles applied to all federal grants:

- Cost principles governing allowable costs under federal grant awards (OMB Circulars A-21, A-87, or A-122, or the Federal Acquisition Regulation [FAR]).
- Audit requirements, such as those contained in OMB Circular A-133.

All federal grants are subject to certain restrictions defined by law. As part of these restrictions, all grant recipients have agreed to and must commit to the following:

- **Comply with the award terms and conditions of the Better Buildings Program.** The SF-424, which the grant recipient submitted with the Better Buildings application, requires the grant recipient to comply with the terms of the grant.
- **Comply with federal procurement requirements.** The grant recipient should follow the same policies and procedures it uses for procurement from its non-federal funds and should include any clauses required by the federal government. The following are key procurement tenets when using federal funds:
 - All procurement transactions should be conducted to ensure open and free competition.
 - The grant recipient and sub-grantee should avoid noncompetitive practices (e.g., contractors that developed the specifications for a project should be excluded from bidding).
- **Place funds in an interest bearing account.** Funds must be placed in an interest bearing account and are subject to rules outlined in DOE regulations, as applicable.
- **Agree that funds are subject to the Cash Management Improvement Act (CMIA).** The Better Buildings grant recipients may elect to draw down funds up to 30 days prior to expenditure or disbursement; however, the grant recipient should draw down funds as close to expenditure as possible to comply with the CMIA. The CMIA requires that programs remain interest-neutral (i.e., no interest will be gained or lost by the federal government as a result of a federal grant program).
- **Certify that financial management systems are in place.** In the SF-424B or SF-424D submitted with the Better Buildings application, the grant recipient certified that it has the legal, financial, and managerial capacity to manage grant funds. Financial systems must be in place to comply with this federal requirement and manage this federal grant.
- **Use federal grant funds for the purposes that were proposed.** In the SF-424, the grant recipient certified that it will use grant funding and match funding for the proposed and approved purposes. The grant recipient also certified that it will complete its activities in a timely manner.

- **Avoid co-mingling federal funding sources. Better Buildings funds and matching funds must not be commingled with funds from any other federal grant program.** Better Buildings grant funds may not be included as a cost or used to meet matching requirements of any other federal award in the current or prior period. The accounting systems of all grant recipients and sub-grant recipients must ensure that agency funds are not commingled with funds from other awards or federal agencies. Each award must be accounted for separately.
- **Allow the awarding agency and the Comptroller General of the United States access to all documents related to the grant.** The grant recipient should establish a system to keep all records, books, papers, and documents related to the grant. This provision provides the awarding agency and the Comptroller General access to grant records and files for financial and program compliance monitoring and audit purposes.
- **Refrain from using federal grant funds to supplant or replace other funds.** Better Buildings grant funds cannot be used to supplant or replace any other funds that have been budgeted or funded for the same purpose. Potential supplanting will be monitored throughout the grant period of performance. The grant recipient may be required to supply documentation certifying that a reduction in non-federal, non-matching resources occurred for reasons other than the receipt or expected receipt of federal funds.

***Note:** If you are a state grant recipient or a grant recipient using a revolving loan fund, contact your account manager, as different provisions may apply.*

8.3.1 Allowable Costs

The terms and conditions of the Better Buildings award require the grant recipient to follow federal cost principles to determine project costs. Grant recipients should become familiar with the specific cost restrictions imposed on projects through the NOFA (Announcement Number DE-FOA-0000148, dated November 19, 2009) and award terms and conditions to ensure that expenditures are not allocated to cost items deemed ineligible under the Better Buildings Neighborhood Program.

All allowable costs must be:

- **Necessary.** A cost is necessary if it is generally recognized as ordinary and necessary for the operation of the organization or award.
- **Reasonable.** A cost is reasonable if it does not exceed what would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the costs.
- **Allocable.** A cost is allocable to the project in accordance with the relative benefits received by the project.
- **Consistent.** A cost should be treated consistently with policies and procedures applying uniformly to both the award and other organizational activities.

In general, the overall objective of each activity should be the attainment of, or the plan to attain, increased energy efficiency and conservation.

All Better Buildings award activity must take place within the designated jurisdictional boundary of the grant recipient, as defined by its local jurisdictional boundaries, or the boundaries of those units of government that authorized the entity to apply for the grant on its behalf (i.e., grant recipients need a Letter of Authorization; a letter of support is not sufficient for establishing the jurisdictional boundary). State EECBG applicants may perform retrofit activities within any local jurisdiction located within their state. State SEP-SP recipients may perform retrofit activities within any local jurisdiction in their state, but should note that expanding the boundaries of their activities will also broaden their market definition and consequently increase their retrofit targets. Any questions can be directed to the grant recipient's account manager

Note: *There are differences in the eligibility of cost components between the Better Buildings award and other DOE grant program awards (e.g., State Energy Program, Weatherization Assistance Program), so the grant recipient should be sure to consult only the NOFA that is applicable to the Better Buildings grant award for the appropriate eligible cost determinations.*

The Office of Weatherization and Intergovernmental Program has provided guidance regarding the 14 categories of eligible uses of EECBG funds (EECBG Program Notice 10-021), including answers to frequently asked questions. The guidance is not intended to be exhaustive, and if an entity has a question regarding the eligibility of a specific activity, the entity should contact its project officer. The guidance can be found on the Better Buildings Google website under Supplemental Guidance Archive and in Appendix D of this handbook.

Allowable costs for SEP-SP awards are determined by DOE 10 CFR Part 600, DOE 10 CFR Part 420, and referenced circulars and are clarified in program guidance. DOE 10 CFR Part 600 and DOE 10 CFR Part 420 can be accessed at: <http://ecfr.gpoaccess.gov/>.

Frequently Asked Questions Related to Allowable Costs

In addition to the frequently asked questions contained in EECBG Program Notice 10-021 (see Google site under Supplemental Guidance Archive or Appendix D of this handbook), the following presents additional frequently asked questions (FAQ).

How may Better Buildings funds be used for incentives to homeowners and building owners?

Better Buildings grant recipients may use DOE funding to provide incentives to property owners to conduct energy assessments and/or implement building energy efficiency retrofits. Incentive payments may be in the form of rebates, interest rate buy-downs, equipment purchases, or other financial support to the project. Projects receiving retrofit incentives should meet the minimum energy savings requirements (15 percent energy savings for EECBG, 20 percent energy savings for SEP-SP) for Better Buildings retrofit projects. The minimum savings requirement does not apply to direct install measures designed to market the program and encourage participation. This activity is eligible under EECBG activity categories 3 and 4 (residential and commercial building energy audits and financial incentive programs).

How may Better Buildings funds be used for incentives to third-party organizations and contractors?

Community groups, nonprofit organizations, schools, contractors, and other third parties can be effective vehicles to reach residents and businesses and secure commitments to take action. With prior approval, DOE funds may be used to provide incentive payments to third-party organizations for securing retrofit commitments, provided that the incentives are only issued for retrofit projects that are completed or anticipated to reach completion. Prior approval of the incentive program is required so that DOE may review the proposed incentive payment structure. The incentive programs may be eligible under EECBG category 5 (energy efficiency retrofit grants for government agencies and nonprofit organizations).

Can Better Buildings programs complete energy upgrades to unoccupied spaces, renovation projects, and expansion projects?

In general, these projects are allowable on a case-by-case basis, with additional technical review from the project officer and account manager. Please note that funds can only be used for the incremental cost of energy efficiency measures that achieve a minimum of 15-percent* energy savings (i.e., the difference between what is required by local building energy codes and the more efficient equipment that results in 15 percent energy savings*).

**SEP-SP awardees have a 20-percent energy savings requirement.*

New construction, where no existing building is involved, is not allowed. Additional guidance for specific scenarios is as follows:

Unoccupied space: Retrofits of unoccupied spaces are not preferred but are allowed if it is not feasible to complete retrofits in comparable occupied buildings **or** if other program priorities will be met by retrofitting the unoccupied space (e.g., economic development, job growth). Modeled energy use will need to be calculated for the building both pre- and post-retrofit to substantiate achievement of the 15-percent energy savings requirement. DOE will provide guidance and assistance in completing calculations, as needed, in accordance with Building America House Simulation Protocols (http://www1.eere.energy.gov/buildings/building_america/perf_analysis.html). Prior approval from DOE is required for retrofits to unoccupied spaces.

Expansion projects: Expansion projects are only allowed with prior approval from DOE. Expansion projects will be considered on a case-by-case basis if they will achieve significant energy savings (i.e., greater than 15 percent), and other program priorities are met, such as enabling workforce development and market transformation. Projects may also be subject to NEPA review and approval.

If my program is implementing energy efficiency measures to vacant or gutted buildings, what requirements must be met to count against my retrofit targets? How do I measure the energy savings? Is the modeling process different for residential and commercial buildings?

Retrofits to unoccupied buildings can be performed if they meet the 15 percent energy savings performance threshold for Better Buildings.

Residential buildings: The Building America Simulation protocols are used to estimate the 15 percent savings level compared to a benchmark home.

Commercial buildings: The renovation should demonstrate a 15 percent or greater improvement in energy savings, relative to energy use for a benchmark commercial building. This can be demonstrated in several ways, including energy modeling that compares the building to a reference case design (such as the Commercial Buildings Energy Consumption Survey [CBECS]), designing the retrofit to meet ENERGY STAR® (via the ENERGY STAR Target Finder), or other certification, such as the U.S. Green Buildings Council's Leadership in Energy and Environmental Design (LEED).

Programs should develop criteria for energy savings and provide a means for demonstrating that the 15-percent energy savings target is achieved, either through energy modeling, ENERGY STAR design information, or another certification protocol that includes a minimum energy savings target of 15 percent.

DOE project officers and account managers do not need to review individual projects. Rather, the program should describe the criteria that will be applied and how the design levels will be measured and verified as projects are selected and retrofits implemented.

Can Better Buildings funds be used for marketing and incentive programs?

DOE supports the use of marketing and outreach to increase uptake of programs and make energy-efficient practices a social norm. The use of DOE funds for marketing and outreach, incentives to property owners performing energy assessments, and building energy efficiency retrofits is allowable in accordance with applicable OMB cost principles. Incentive payments to third parties are allowable with prior approval. The use of DOE funds for contests, competitions, cash, or other monetary prizes is unallowable because these activities are not covered under the EECBG program. The use of DOE funds for energy efficiency measures or services resulting from contests or competitions is allowable with prior approval. For details, visit the Grants Administration FAQs on the Google site.

Funds may be used to market the program to residents and businesses within the communities that are eligible to receive funding. In developing marketing and outreach programs and activities (e.g., print and electronic media such as TV, ads, Web), all programs must demonstrate that they are necessary to perform the DOE award. Marketing is required to promote the funding recipient's Better Buildings Program, rather than solely promoting the organization conducting the activity. Recipients are encouraged to incorporate the Better Buildings branding information. Where appropriate (e.g., flyers, fact sheets, websites), EECBG recipients should acknowledge that the program is funded by DOE through the Recovery Act. Use of the ARRA logo is allowed and encouraged; the DOE logo shall not be used without prior approval from DOE. SEP-SP awards are not funded through the Recovery Act and therefore should acknowledge that the program is funded by DOE with no reference to ARRA. Marketing and

outreach is eligible under EECBG category 6 contained in Section 544 of EISA of 2007, “energy efficiency and conservation programs for buildings and facilities,” in accordance with applicable OMB cost principles.

More information about the eligibility of marketing and incentive programs is available through Better Buildings guidance issued on February 18, 2011, available on the Better Buildings Google site under Supplemental Guidance Archive and in Appendix D of this handbook.

Can Better Buildings funds be used for contests, competitions, cash, or other monetary prizes?

The use of DOE funds for contests, competitions, cash, or other monetary prizes is unallowable whether for individuals, community groups and organizations, or others that are participating in building energy efficiency retrofit programs, with the exceptions noted below. This restriction also extends to any nonmonetary incentives that are unrelated to energy efficiency. However, competitions or contests based on performance (not on a random drawing) that provide rewards for energy efficiency measures or services may be allowed with prior DOE approval. Grant recipients may conduct competitions within the community to promote the program and encourage participation by residents and businesses. DOE encourages recipients that are developing competition-based programs to utilize recognition and other non-monetary means of rewarding participation. Limited quantities of energy-efficient products (e.g., compact fluorescent lights, energy savings books or guides, energy measurement devices) may be included as part of competitions, provided that the competitions and prizes are available only to businesses and residents within the eligible jurisdiction.

Limitations on the Use of EECBG Funds

There are a number of limitations on the use of EECBG funds. Eligible entities must consult their award agreements for those limitations. Limitations on the use of Better Buildings grant dollars include those outlined in Table 8.4.

Table 8.4 **Limitations on Use of Grant Funds**

- **Renewable Energy Eligibility.** Per EECBG authorizing legislation:
 - Renewable energy systems may only be installed in government buildings. The renewable energy activity must be the development, implementation, or installation of onsite renewable energy technology (i.e., solar energy, wind energy, fuel cells, or biomass) on or in a government building and must be used to provide some portion of the building’s electricity.
 - A renewable energy project for a residential or commercial building may be eligible if it is a component of a broader effort focused on energy efficiency. Prior DOE approval is required.
 - Funds awarded for financial incentive programs may be used for installing renewable energy technologies, as long as the primary purpose of the activity is the

improvement of the energy efficiency of the building to which the renewable energy technology is applied.

If you have questions or concerns about these requirements, contact your account manager.

- **Loan Loss Reserve Limitation.** Grant recipients may not use more than 50 percent of the amount provided for a loan loss reserve to support loans made with private and public funds and to support a sale of loans made by a grant recipient or third-party lenders into a secondary market. (For more information on financing guidance, see Section 9.)
- **Revolving Loan Fund Limitation.** Local governments that received formula EECBG funds (“formula-eligible”) and nonprofits may not use more than 20 percent of the amount provided [Energy Independence and Security Act (EISA) Sec 545 (b)(3)(B)], for the establishment of revolving loan funds. (For more information on financing guidance, see Section 9.)
- **Property Assessed Clean Energy (PACE) Program Limitation.** PACE programs must comply with DOE Best Practices Guidance for PACE lending, and may only be implemented with prior approval from DOE. Contact your account manager for more information. More information on PACE programs is in PACE guidance issued in May 2007 (http://www1.eere.energy.gov/wip/pdfs/arra_guidelines_for_pilot_pace_programs.pdf) and in a status update issued in July 2010 (<http://www1.eere.energy.gov/wip/pace.html>).
- **Administrative Cost Limitations.** Formula-eligible local governments and nonprofits may not use more than 10 percent of amounts provided under this program [EISA Sec 545 (b)(3)(A)] for administrative expenses, excluding the costs of meeting the reporting requirements under Title V, Subtitle E of EISA. Grant recipients are expected to manage their administrative costs. DOE will not amend an award solely to provide additional funds for changes in administrative costs. The grant recipient shall not be reimbursed on this project for any final administrative costs that are in excess of the designated 10 percent administrative cost ceiling. DOE issued clarifying guidance on the administrative cost limitation on July 28, 2011. It can be found on the Better Buildings Google site under Grant Administration and in Appendix D of this handbook.

Key limitations on use of Better Buildings grant funds are summarized below. No obligated award funds shall be expended, directly or indirectly, for gambling establishments, aquariums, zoos, golf courses, or swimming pools (Section 1604 of ARRA). See award terms and conditions, the Better Buildings funding opportunity announcement, and [DOE 10 CFR 600](#) (http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&tpl=/ecfrbrowse/Title10/10cfr600_main_02.tpl) for additional guidance on use of Better Buildings award funds.

	State	Formula-Eligible Unit of Local Government or Tribal	Formula-Ineligible Unit of Local Government or Tribal
Limit on administrative expenses	Not more than 10 percent of the amount provided to the state	Not more than the greater of: a. 10 percent of the amount provided to the eligible unit of local government (or eligible tribe); or b. \$75,000	None
Limit on the amount for establishing a revolving loan fund	None	Not more than 20 percent of the amount provided to the eligible unit of local government (or eligible tribe)	None
Amount required to be provided as sub-grants to units of local government that are not eligible units of local government	Not less than 60 percent of the amount provided to the state (sub-grantees must be within the jurisdiction of the state)	None	None

Table 8.5 Cost Principles

Grant Recipient Type	Regulation That Applies
State, local, or Indian tribal government	OMB Circular A-87
Nonprofit organization (other than an institute of higher education or hospital)	OMB Circular A-122
Educational institution	OMB Circular A-21
For-profit organization (other than a hospital)	48 CFR Part 31 and 48 CFR 931.2
Hospitals	45 CFR Part 74

8.3.1.1 Direct Costs

Direct costs are those that can be identified specifically with a particular final cost objective (i.e., a particular award, project, service, or other direct activity of an organization). However, a cost may not be assigned as a direct cost if another cost incurred for the same purpose, in like circumstances, has been allocated as an indirect cost.

8.3.1.2 Indirect Costs

Indirect costs associated with all Better Buildings project categories are generally allowable if included in the approved budget (as a line item) or subsequently approved by DOE. Indirect costs are the costs incurred by an organization that are not readily identifiable with a particular project or program, but are necessary to the operation of the organization and the performance of its programs. The costs of operating and maintaining facilities, depreciation, and administrative salaries are examples of the types of costs that are usually treated as indirect costs.

Note: *Prior to receiving the award, allowable indirect costs were determined and stated in the awards package. However, DOE does allow indirect costs to be re-negotiated. If the adjustment exceeds the DOE budget review thresholds (currently \$10 million through September 30, 2013), then grant recipients should contact their project officer in advance.*

If actual allowable indirect and/or fringe benefit costs are less than those budgeted and funded under the award, the grant recipient may use the difference to pay additional allowable direct costs during the project period. If, at the completion of the award, the government's share of total allowable costs (i.e., direct and indirect) is less than the total costs reimbursed, the grant recipient must refund the difference.

Table 8.6 Examples of Better Buildings Project Indirect Cost

Examples of indirect costs on Better Buildings projects include:

- Salaries/expenses of executive officers
- Personnel administration
- Accounting
- Office rent (the cost of renting facilities)
- Maintenance (the cost of maintaining facilities)
- Library expenses
- Office supplies (e.g., office equipment, computers, printers, and copiers)

8.3.2 Award Payments

A grant recipient may use the advance payment method of disbursing grant funds, as defined in the guidelines for disbursement of award funds and as stated in the award documents. Advance method is authorized unless otherwise specified in the award terms and conditions.

Note: See Section 5 of this handbook for details regarding drawing down funds and payment policies.

8.3.3 Federal and Non-Federal Cost Sharing

In general, Better Buildings grant recipients do not have any cost sharing requirements. However, cost sharing requirements may apply to individual awards. DOE encourages and recommends using leveraged funding and encourages Better Buildings grant recipients to achieve at least high (five to one) leveraging of grant funds awarded to grant recipients. For the purposes of Better Buildings grant projects, DOE considers this leveraging to include building owner contributions, financial institution funds, partner contributions, in-kind contributions, project revenues, other federal funds (including other DOE funds), and state funds. For example, Better Buildings grant recipients' projects that leverage DOE Weatherization Assistance Program funds and associated resources could constitute one example of a source of leveraged funds.

8.3.4 Obligating and Expending Federal Funds

EECBG recipients are required to obligate their grant funds within 18 months of the dates of award, and expend funds within 36 months. Costs associated with the project may not be incurred beyond the expiration date stipulated in the award. This includes all project related expenditures by the recipient or subrecipients and subcontractors. Administrative costs associated with closeout may be incurred as follows:

- For a period up to 90 days following the award expiration date, costs that are strictly associated with closeout activities may be incurred. Closeout activities are normally limited to compiling final performance and financial reports, unless otherwise approved in writing by the DOE project officer.

8.3.5 Grant Recipient Program Income

Program income means gross income earned by a grant recipient directly generated by a supported activity or earned as a result of the Better Buildings award during the award period. If the grant recipient's organization is assessing fees to outside organizations or individuals for services, such as training, Internet access, or website hosting, and the costs of providing those services are included in the project, the project is earning program income. Further, if costs were incurred to generate the program income, those costs may be deducted from the program income, provided they have not been previously charged to the award. If the project is earning program income, then the grant recipient's organization may add the program income to the funds committed to the Better Buildings award and use them to further project objectives.

During the grant period, Better Buildings programs are restricted from imposing fees upon contractors, customers, facility owners, or other parties in conjunction with building retrofit projects or related activities (e.g., training, workforce development, technical support services, etc.) without prior approval from the DOE Contracting Officer.

This restriction includes:

- One-time or per project contractor fees, such as a percentage commission or annual membership fee.
- All project-based fees, such as a percentage of the retrofit cost.
- Project management fees charged to deliver services and implement energy efficiency projects.
- Performance contracting fees, such as revenue payments from energy cost savings.

Full guidance related to contractor and customer revenue streams can be found on the Better Buildings Google site under Grant Administration and in Appendix D of this handbook.

DOE has also issued guidance for grant recipients who receive rebates for upgrades to their own buildings. The Financial Assistance Memo on the Treatment of Rebates and Utility Retroactive Discounts Earned Under Energy Efficiency and Conservation Block Grants (EECBG) covers rebates and related costs under the EECBG program. The guidance answers the following questions:

- How should the recipients treat rebates that are received during the project and after the project is complete (i.e., no project costs to offset) but before the award is closed by DOE?
- How are utility retroactive discounts (URDs) distinguished from rebates? How should recipients treat URDs that are indirectly received as a result of a DOE funded project (e.g., a utility provides incentives for reaching a certain level of energy efficiency)?

The guidance only applies to projects that grant recipients are funding within their own operations, such as a retrofit to a municipal building. In that case, a grant recipient would apply the utility rebate funds toward the total project cost (reducing the amount of federal funds going to the project). The guidance does not apply to projects performed by an entity separate from the grant recipient (i.e., a homeowner or business). The full guidance is available on the Better Buildings Google site under Grant Administration and in Appendix D of this handbook.

More information about program income is available in [10 CFR Part 600.225\(g\)](#) at <http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&sid=05160a5434aa61696188adecac17142a&rgn=div8&view=text&node=10:4.0.1.3.9.3.20.15&idno=10>.

8.3.6 Sub-Grantees and Vendors Receiving Better Buildings Sub-Awards

A sub-grantee is an organization involved in the activities of the grant recipient's award. The sub-grantee shares responsibility with the grant recipient for adherence to applicable compliance responsibilities,

including completion of the project. With funding flowing through the grant recipient, a sub-grantee performs substantive work on an award project to accomplish the goals of the award. Award terms and conditions applicable to the grant recipient of the award flow down to the sub-grantee. Each sub-grantee must follow the UARs and federal cost principles applicable to its own type of entity, which may be different from that of the grant recipient.

A vendor (contractor) is an organization that is contracted by the grant recipient or sub-grantee to provide goods and services. Characteristics of a vendor relationship include providing similar goods and services to many different purchasers and operating in a competitive environment. The vendor is not subject to all of the Better Buildings compliance requirements applicable to grant recipient and sub-grantee, but must comply with contract terms and conditions imposed by the Recovery Act or required under the UARs or other provisions of federal law.

- A grant recipient partner’s responsibilities depend on whether it is a sub-grantee performing substantive work to accomplish a public purpose authorized by law, or a vendor providing goods or services to directly benefit the grant recipient.
- All awards to sub-grantees must be made in a manner to provide, to the maximum extent practicable, open and free competition. All grant recipients must be alert to organizational conflicts of interest as well as other practices among sub-grantees that might restrict or eliminate competition.
- When selecting a vendor, the grant recipient must follow the procurement standards outlined in the Uniform Administrative Requirements for Grants and Agreements. All procurement transactions must be conducted in a manner to provide, to the maximum extent practicable, open and free competition. This is to ensure objective contractor performance and eliminate unfair competitive advantage.
- The grant recipient must identify and justify pre-selected contractors. The grant recipient should identify the vendor under “Contract Costs” in the budget and should provide an explanation of the relationship with the contractor (e.g., services/goods provided) and document how it selected the contractor.

Better Buildings grant recipients may work with sub-grantees, vendors, and contractors for assistance throughout the course of a project. It is important to understand the definitions of these commonly used terms to ensure that Recovery Act and Better Buildings’ reports are accurate. More information on the terms is captured in the following table.

Table 8.7 Sub-Grantee and Vendor Award Responsibilities

Area	Grant Recipient	Sub-Grantee	Vendor/Contractor
Key Roles	<ul style="list-style-type: none"> • Organization selected to receive the Better Buildings grant. 	<ul style="list-style-type: none"> • Uses its activities to directly execute the mission. • Performs substantive work on an award 	<ul style="list-style-type: none"> • Provides products or services that indirectly support the mission. • Does not perform

		<p>project.</p> <ul style="list-style-type: none"> • Subject to the same terms and conditions of the grant award as the grant recipient. 	<p>substantive work on the project, but rather, provides goods or services to directly benefit the grant recipient.</p>
Recovery Act Reporting*	<ul style="list-style-type: none"> • Responsible for Recovery Act reporting, or may delegate responsibility to sub-grantee(s). 	<ul style="list-style-type: none"> • May have responsibility if delegated by grant recipient. 	<ul style="list-style-type: none"> • None
Audits	<ul style="list-style-type: none"> • Responsible for recordkeeping and retention and compliance with audit requirements for self and sub-grantee. 	<ul style="list-style-type: none"> • Responsible for same audit requirements as prime grant recipient if award amount is above the audit threshold level. 	<ul style="list-style-type: none"> • No audit reporting requirements, but it is recommended to keep a grants file for record.
DOE and Better Buildings Reporting*	<ul style="list-style-type: none"> • Responsible for all DOE and Better Buildings reporting. 	<ul style="list-style-type: none"> • Supports reporting by providing data to grant recipient. 	<ul style="list-style-type: none"> • None
CCR	<ul style="list-style-type: none"> • Must register on CCR. 	<ul style="list-style-type: none"> • Does not need to register on CCR, regardless of whether the prime grant recipient delegated Recovery Act reporting responsibility to the sub-grantee. 	<ul style="list-style-type: none"> • None
DUNS	<ul style="list-style-type: none"> • Each entity (except individuals) receiving Recovery Act funds directly or indirectly should have a DUNS number. 	<ul style="list-style-type: none"> • Each entity (except individuals) receiving Recovery Act funds directly or indirectly should have a DUNS number. 	<ul style="list-style-type: none"> • Each entity (except individuals) receiving Recovery Act funds directly or indirectly should have a DUNS number.
<p>*Reporting requirements are different and vary depending on the type of award (e.g., EECBG, SEP-SP).</p>			

8.4 Audit Requirements

All Better Buildings awards are subject to the requirements of the federal Single Audit Act of 1984, as amended in 1996. Under the Single Audit Act, Congress established uniform audit requirements and organization-wide audit procedures for state, local, and tribal governments; universities; and nonprofit organizations that receive federal funding. This audit is performed pursuant to OMB Circular A-133 and a compliance supplement (http://www.whitehouse.gov/sites/default/files/omb/assets/a133/a133_revised_2007.pdf). For-profit grant recipients agree to comply with OMB Circular A-133, Subpart B, §235 program-specific audit requirements through the terms and conditions of the award.

DOE audit guidance can be found at <http://www.cfo.doe.gov/fmdp/Closeout.pdf>. The grant recipient and sub-grantees that receive funding amounts above the audit review threshold of \$500,000 must adhere to audit requirements defined by the designated grant recipient organization.

Table 8.8 Audit Requirements

Grant Recipient Type	Applicable Regulation or Requirement (as codified in 10 CFR Part 600)
College or University	<ul style="list-style-type: none"> OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations (the Single Audit Act)
State, local, or tribal government	<ul style="list-style-type: none"> OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations (the Single Audit Act)
Nonprofit organization	<ul style="list-style-type: none"> OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations (the Single Audit Act)
For-profit Commercial Organization	<ul style="list-style-type: none"> 10 CFR Part 600 For-profit guidance is available at http://management.energy.gov/business_doe/business_forms.htm

Relevant OMB circulars and regulations are incorporated into Better Buildings' award agreements. Therefore, upon accepting a Better Buildings award, the grant recipient agrees that these requirements become enforceable between DOE and the grant recipient on a contractual basis. If the grant recipient does not adhere to federal, state, and local audit requirements, or an audit produces adverse findings, project costs claimed by and expended to the grant recipient may be disallowed and require repayment of funds.

8.4.1 State, Local, and Tribal Governments; Universities; and Nonprofit Grant Recipients

State, local, and tribal governments; universities; and nonprofit grant recipients are subject to the Single Audit Act of 1996, and therefore, must adhere to audit requirements under OMB Circular A-133. If the entity expends \$500,000 or more of federal funds during a fiscal year, it must have a single audit conducted for that year. If the entity expends less than \$500,000 of federal funds during a fiscal year, it is generally exempt from federal audit requirements for that year, except in certain cases as directed in

OMB Circular No. A-133. Sub-grantees are required to have an audit if they are above the audit threshold of \$500,000.

If a single audit is required, the grant recipient should submit a copy of the audit report to the Federal Audit Clearinghouse at: <http://harvester.census.gov/sac>.

The deadline for submitting an audit report is within 30 days after receipt of the auditor's report, or nine months after the end of the grant recipient's fiscal year audit period, whichever is earlier. The same deadline applies to the audit required when the project's period of performance ends.

8.4.2 Commercial Entities

For-profit recipients and sub-grantees that receive more than \$500,000 in Better Buildings award funds are required to have a compliance audit. The compliance audit and related reporting will generally follow the requirements for a program-specific audit, as set forth in Chapter 14 of the AICPA Audit Guide, *Government Auditing Standards and Circular A-133 Audits*.

- For recipients, the compliance audit submissions are due to DOE within nine months of the end of the grant recipient's fiscal year end date. The grant recipient must submit compliance audits along with audited financial statements to DOE.
- For sub-grantees, financial statements and compliance audit submissions are due to the pass-through entity within six months of the sub-grantees' fiscal year end date. *Subrecipients are required to have an audit if they are above the audit threshold of \$500,000.*

The auditor should follow generally accepted government auditing standards (GAGAS) and accounting principles (GAAP) when completing an audit. The grant recipient then submits a copy of the program-specific audit to the auditing agency at the address provided by the award administrator.

If a recipient does not adhere to Better Buildings audit requirements, or an audit produces findings, project costs claimed and expended to the recipient may be disallowed. A debt would thus be established, and the recipient would owe the disallowed amount to DOE. In accordance with the Federal Register notice dated January 27, 1989, the grant recipient may dispute a proposed disallowance of costs and the establishment of a debt (54 Fed. Reg. 4053 [January 27, 1989]).

Additional for-profit guidance is available at http://management.energy.gov/business_doe/business_forms.htm.

8.5 Other DOE Standards and Terms, Conditions, and Provisions

Better Buildings grant recipients may be subject to other DOE standard and terms, conditions, and provisions, such as those described in this section, including those in the table below.

Table 8.9 Other Award Conditions and Provisions

Condition or Provision	Description
Intellectual Property (IP) Provisions	All Better Buildings grant recipients have intellectual property provisions. The standard DOE financial assistance IP provisions applicable to the various types of grant recipients are located at: http://www.gc.doe.gov/gc/standard-intellectual-property-ip-provisions-financial-assistance-awards .
Lobbying Restrictions	<ul style="list-style-type: none"> None of the funds obligated on the award shall be expended, directly or indirectly, to influence congressional action on any legislation or appropriation matters pending before Congress, other than to communicate to members of Congress as described in 18 U.S.C. 1913.
Federal, State, and Municipal Requirements	<ul style="list-style-type: none"> Grant recipients may be required to obtain permits; ensure the safety and structural integrity of any repair, replacement, construction, and/or alteration; and comply with applicable federal, state, and municipal laws, codes, and regulations for work performed under the award.
NEPA Requirements	<ul style="list-style-type: none"> If a determination has been made that an environmental assessment or environmental impact statement is required, additional environmental information will be required from the grant recipient to perform this evaluation, as well as DOE authorization of expenditure of funds.
Historic Preservation	<ul style="list-style-type: none"> If applicable, grant recipients with a Terms and Conditions provision entitled “Historic Preservation” may be responsible for reporting on an annual basis to DOE on the disposition of all historic preservation consultations each year. NHPA, which some Better Buildings grant recipients are subject to, requires that grant recipients examine and consult with appropriate entities (e.g., SHPO or THPO/federally recognized American Indian tribes) on the potential impacts of Better Buildings’ projects on historical, cultural, and tribal resources. If the Historic Preservation condition is applicable, the grant recipient must contact the SHPO and/or the THPO to coordinate the Section 106 review outlined in 36 CFR Part 800.

<p>Waste Stream</p>	<ul style="list-style-type: none"> The grant recipient assures that it will create or obtain a waste management plan addressing waste generated by a proposed project prior to the project generating waste (e.g., construction and demolition debris, fluorescent light bulbs, lead or PCB ballasts, air conditioning equipment and refrigerants, refrigerators and other appliances, piping, roofing material, discarded equipment, debris, or asbestos). DOE may request this plan to ensure compliance with the requirement. Waste management plan requirements should flow down to all sub-grantees and contractors performing retrofit work.
<p>Insolvency, Bankruptcy, or Receivership</p>	<ul style="list-style-type: none"> Grant recipients shall immediately notify DOE of any cases of insolvency, bankruptcy, or receivership. Upon the occurrence of such event, DOE reserves the right to conduct a review of the grant recipient's award to determine compliance with the terms of the award.
<p>Agreement to Incorporate Best Practices Provided by DOE</p>	<ul style="list-style-type: none"> DOE intends to publish energy efficiency and retrofit best practices pertaining to the use of Better Buildings funds. By accepting the Better Buildings grant award, grant recipients agree to incorporate, to the maximum extent practicable, those best practices and other guidelines into any such program(s) within a reasonable time after notification by DOE that the best practices or guidelines are available. The grant recipient also agrees, by its acceptance of its award, to require its sub-grantees to incorporate, to the maximum extent practicable, the best practices and other guidelines into any such program used by the sub-grantee.

9. Financing Guidance

On March 14, 2011, DOE issued guidance on financing programs for EECBG and SEP-SP awardees:

- The EECBG guidance is contained in EECBG Program Notice 09-002C and can be accessed on the Better Buildings Google site under Supplemental Guidance Archive or found in Appendix D of this handbook.
- The SEP-SP guidance is contained in SEP Program Notice 10-008C and can be accessed on the Better Buildings Google site under Supplemental Guidance Archive or found in Appendix D of this handbook.

The financing program guidance contained the following information related to revolving loan funds, loan loss reserves, interest rate buy-downs, and third-party loan insurance:

- Finance program eligibility
- Obligation and drawing down of funds
- Loan defaults
- Closeout of financing programs
- Interest income from advances
- Program income
- Federal requirements applicable to financing programs
- Grant recipient reporting of financial programs

The following sections provide answers to FAQs and provide links to more information related to financing programs.

Frequently Asked Questions

In a financing program such as a revolving loan fund, loan loss reserve, or interest rate buy-down, what is the definition of a third-party administrator?

The definition of a third-party administrator must be made on a case-by-case basis. Each case depends on 1) any applicable state law or regulation as to how the party is set up and 2) the award or contractual instrument between the grant recipient and party. Consequently, grant recipients must discuss their individual situation with their DOE contracting officer and project officer.

Is expenditure of interest rate buy-downs and loan loss reserves dependent on when the loans supported by these mechanisms are made?

No. While DOE would like the loans supported by the loan loss reserve and interest rate buy-down made as soon as possible, the expenditure of the loan loss reserve or interest rate buy-down is dependent on the expenditure guidelines specified in the *Guidance for Energy Efficiency and Conservation Block Grant*

Grantees on Financing Program (EECBG Program Notice 09-002C) and the *Guidance for State Energy Program Grantees on Financing Programs* (SEP Program Notice 10-008C).

If a state sub-grants funds to a local government for a financing program, is the local government required to repay interest to the U.S. Department of Treasury?

Pursuant to 10 CFR 600.221(i), local governments are responsible for interest repayment on any funds that have been drawn down but not yet expended. This requires interest repayments on the “advanced” funds to be paid quarterly to DOE (with the exception of up to \$100 per year for administrative expenses) based upon the interest rate specified by the Department of Treasury’s Financial Management Service (<http://www.fms.treas.gov/cmia/interest-10.html>). However, local governments are not responsible for interest repayment on any funds transferred to states that were held by the local government as a part of the state energy grant program for a financing program.

More Information

Information related to financing programs can be found through the following resources:

- **Financing Section of the Better Buildings Google Website.** The financing section of the Google website lists Better Buildings resources related to financing programs. It can be accessed at <https://sites.google.com/a/betterbuildingsnetwork.doe.gov/betterbuildings-collaboration-forum/home/finance>.
- **Clean Energy Finance Guide For Residential and Commercial Building.** This guide provides a comprehensive collection of information on the development of financing programs for energy efficiency. It provides an introduction and overview to anyone new to financing energy efficiency projects, while also providing detailed information for more experienced program managers and their consultants. (It is available at <http://www2.eere.energy.gov/wip/solutioncenter/financialproducts/default.html>. Once you are on the “Financing for Energy Efficiency and Renewable Energy” page, see links under “Key Program Elements” to download the guide.)
- **Webinar and Peer-to-Peer Calls.** Better Buildings and affiliated programs host regular webinars to provide grant recipients with up-to-date information from technical experts on finance topics. Webinars are announced in the Insider Blast and are on the Google website calendar. Better Buildings also hosts regular calls for grant recipients to share challenges, needs, strategies, and resources on finance. If you are interested in participating in these calls, email BBPeerExchange@gmail.com and/or watch for announcements in the Insider Blast.
- **DOE Solution Center: Financing for Energy Efficiency and Renewable Energy.** The DOE Solution Center provides grant recipients with information about setting up financing programs. It highlights financing tools that fund energy improvements for buildings and provides links to helpful financing overview, webinars, FAQs, case studies, and other resources. It is available at: <http://www1.eere.energy.gov/wip/solutioncenter/financialproducts/default.html>.

10. Project Closeout

Project closeout is the process by which DOE determines that all applicable administrative actions and required work under the award have been completed. The process includes verifying that the following have been accomplished at the expiration of the acquisition or assistance instrument:

- All terms and conditions have been fulfilled.
- All property issues have been resolved.
- All patent and data issues have been resolved.
- All necessary reports have been submitted to the government.
- All required financial data and other related information have been submitted and resolved.

When all conditions have been met and the final cost has been determined, final payment can be made to the grant recipient and the project may be closed out. Closeout of awards should occur within a reasonable period of time after the completion date of the award or date of termination. In the event a final audit has not been performed prior to the closeout of the grant, DOE reserves the right to recover funds after fully considering the recommendations on disallowed costs resulting from the final audit.

The grant recipient is required to submit the project closeout documentation to both the account manager and project officer. The grant recipient should provide closeout documentation following project completion or expiration of the grant award period, whichever comes first. This section summarizes the documentation that should be submitted to close the project and award.

Within 90 days after the expiration or termination of a Better Buildings grant award, the grant recipient must submit all financial, performance, and other reports required as a condition of the award. These documents may include, but are not limited to:

- **Final Federal Financial Status Report (FFR SF-269).**
 - The final FFR should not have non-liquidated obligations and must indicate the exact balance of unobligated funds.
 - All Better Buildings funds not expended by the end of the award period must be remitted by the grant recipient to DOE. The funds will then be deobligated and returned to the U.S. Department of Treasury.
- **Final Program Progress Report (PPR)** summarizes the project accomplishments. This report should be based on the data submitted during the life of the award.
- **Final Federal Cash Transactions Report (SF-272).**
- **Property Certification Form (SF-428).**

Other project closeout documentation that may be applicable includes:

- **Financial Assistance Property Closeout Certification**, which includes listing property furnished by DOE or acquired under the award. If the grant recipient has residual federally owned

property in its possession, then the grant recipient is required to provide an inventory, see http://www.netl.doe.gov/business/forms.html#PROPERTY_FA.

- **Patent Certification** (DOE F2050.11) may be required at the end of the project period.

DOE will determine if other financial reports, such as the annual indirect cost submission and the audit required by OMB Circular, A-133, have been submitted by the grant recipient. For large dollar or complex awards, DOE may wish to have an incurred cost audit performed to verify funds were spent appropriately.

Grant recipients, and any sub-grantees, must retain records related to the grant for at least three years after the project's completion. During this period, the Secretary of Energy, the Inspector General of Energy, and the Comptroller General have the authority to access documents and records related to the Better Buildings Program. Additional guidance on project closeout documentation will be provided to grant recipients in the future. Details on closeout requirements can also be found at DOE 10 CFR 600, or by contacting your account manager.

Appendices

Appendix A: Master Checklists of Grant Recipient Activities

Project Activities Checklist

Completed	Project Activities Checklist	Due
<input type="checkbox"/>	<ul style="list-style-type: none"> Complete registration in the ASAP system. 	<ul style="list-style-type: none"> As soon as possible
<input type="checkbox"/>	<ul style="list-style-type: none"> Understand payment policies, allowable costs, and restrictions on use of Better Buildings award funds. 	<ul style="list-style-type: none"> Before drawing down funds
<input type="checkbox"/>	<ul style="list-style-type: none"> Register with Central Contract Registration (CCR) (or renew existing registration). 	<ul style="list-style-type: none"> As soon as possible
<input type="checkbox"/>	<ul style="list-style-type: none"> Register with FederalReporting.gov. 	<ul style="list-style-type: none"> As soon as possible
<input type="checkbox"/>	<ul style="list-style-type: none"> Access the Better Buildings Google site. To request access, email betterbuildingsupport@erg.com. Access the site at: https://sites.google.com/a/betterbuildingsnetwork.doe.gov/betterbuildings-collaboration-forum/. 	<ul style="list-style-type: none"> As soon as possible
<input type="checkbox"/>	<ul style="list-style-type: none"> Sign up to receive the Better Buildings newsletter (Insider Blast). To sign up to receive, email betterbuildingsupport@erg.com. 	<ul style="list-style-type: none"> As soon as possible
<input type="checkbox"/>	<ul style="list-style-type: none"> Establish grant file. 	<ul style="list-style-type: none"> Upon award
<input type="checkbox"/>	<ul style="list-style-type: none"> Begin to draw down funds from ASAP into an insured, interest-bearing account. 	<ul style="list-style-type: none"> Within 60 days of award date
<input type="checkbox"/>	<ul style="list-style-type: none"> Assess grant recipient and sub-grantee organization's grant management infrastructure and address any weaknesses. 	<ul style="list-style-type: none"> As soon as possible
<input type="checkbox"/>	<ul style="list-style-type: none"> Ensure plans to display the proper Recovery Act signage, including Whistleblower and Recovery Act logos, at project construction sites (not applicable to SEP-SP awards). 	<ul style="list-style-type: none"> As soon as possible, upon start of project implementation or construction
<input type="checkbox"/>	<ul style="list-style-type: none"> Prepare and submit quarterly Recovery Act progress report to FederalReporting.gov (not applicable to SEP-SP awards). 	<ul style="list-style-type: none"> Due annually: January 10, April 10, July 10, October 10

Completed	Project Activities Checklist	Due
<input type="checkbox"/>	<ul style="list-style-type: none"> Prepare and submit quarterly DOE financial (SF-425) and progress (PPR) reports. 	<ul style="list-style-type: none"> Due annually: January 30, April 30, July 30, October 30
<input type="checkbox"/>	<ul style="list-style-type: none"> Prepare and submit other Better Buildings Activity Report(s). 	<ul style="list-style-type: none"> Due monthly and quarterly on January 30, April 30, July 30, October 30
<input type="checkbox"/>	<ul style="list-style-type: none"> If applicable, prepare and submit Historical Preservation and Davis Bacon reports (Davis Bacon reports not applicable to SEP-SP awards). 	<ul style="list-style-type: none"> Historic Preservation due annually on September 1 (starting in 2011) Davis Bacon due April 20 and October 20 (starting in 2011)
<input type="checkbox"/>	<ul style="list-style-type: none"> Complete required grant recipient and sub-recipient audit activities at the end of each fiscal year. 	<ul style="list-style-type: none"> Within nine months after the end of the grant recipient's fiscal year end. Or, as defined in the award terms and conditions
<input type="checkbox"/>	<ul style="list-style-type: none"> Complete project closeout activities, including submission of final technical report. 	<ul style="list-style-type: none"> Within 90 days from completion of the award

Grant File and Financial Capability Checklists

The following checklists can help guide the creation of a grant recipient’s grants file. These checklists will help the grant recipient be prepared in the event of an audit.

Completed	Grant File Checklist
<input type="checkbox"/>	<ul style="list-style-type: none"> • Copies of signed grant award (Assistance Agreement Form) and award package.
<input type="checkbox"/>	<ul style="list-style-type: none"> • Contact lists.
<input type="checkbox"/>	<ul style="list-style-type: none"> • Original application.
<input type="checkbox"/>	<ul style="list-style-type: none"> • Copies of any project revision requests.
<input type="checkbox"/>	<ul style="list-style-type: none"> • Procurement documentation: <ul style="list-style-type: none"> – A description of the procurement policies and procedures. – Basis for contractor selection, including justification if not competed. – Cost or price analysis. – Data on all contracts awarded (including names of contractors, contact information, type of contractor, and amounts of awarded contracts). • Documentation of contract work (including copies of award letters, inspection reports, contract amendments, payment logs, and evaluations of contractor performance).
<input type="checkbox"/>	<ul style="list-style-type: none"> • Reporting documentation: <ul style="list-style-type: none"> – Copies of submitted Recovery Act progress reports (not applicable to SEP-SP awards). – Copies of submitted DOE financial (SF-425) and progress (PPR) reports. – Copies of submitted Better Buildings Quarterly Program reports. – Copies of submitted Davis Bacon and Historic Preservation reports, if applicable. <p>*Note: Reporting requirements vary depending on type of award (EECBG, SEP-SP).</p>
<input type="checkbox"/>	<ul style="list-style-type: none"> • Financial capability checklist and documentation.
<input type="checkbox"/>	<ul style="list-style-type: none"> • Program-related correspondence.
<input type="checkbox"/>	<ul style="list-style-type: none"> • Audit findings and related documents.

<input type="checkbox"/>	<ul style="list-style-type: none"> Records documenting relevant sub-grantee and vendor contract activities and communications.
<input type="checkbox"/>	<ul style="list-style-type: none"> Project closeout documentation.

Financial Capability Checklist		
Completed	Funds Control	
<input type="checkbox"/>	1. Can federal grant/contract funds and related costs and expenses be distinctly accounted for if grant/contract funds are commingled with grant recipient's funds?	Yes <input type="checkbox"/> No <input type="checkbox"/>
Completed	Financial Capabilities	
<input type="checkbox"/>	1. Did an independent certified public accountant (CPA) ever examine the financial statements?	Yes <input type="checkbox"/> No <input type="checkbox"/>
<input type="checkbox"/>	2. If an independent CPA review was performed, did the grant recipient retain copies of the CPA's latest report and any management letters issued?	Yes <input type="checkbox"/> No <input type="checkbox"/>
<input type="checkbox"/>	3. Is the grant recipient generally familiar with the existing regulations and guidelines containing the cost principles and procedures for the determination and allowance of costs in connection with federal contracts/grants?	Yes <input type="checkbox"/> No <input type="checkbox"/>
<input type="checkbox"/>	4. Did the grant recipient file audits with the federal Audit Clearinghouse in a timely manner, if applicable?	Yes <input type="checkbox"/> No <input type="checkbox"/>
Completed	Property Management	
<input type="checkbox"/>	1. Does the grant recipient's property management system(s) provide for maintaining: (a) a description of the property; (b) an identification number; (c) the source of the property; (d) where the title vests; (e) the acquisition date; (f) the federal share of property cost; (g) the location and condition; (h) the acquisition cost; and (i) the ultimate disposition information?	Yes <input type="checkbox"/> No <input type="checkbox"/>
<input type="checkbox"/>	2. Does the grant recipient's property management system(s) provide for a physical inventory and reconciliation of property at least every two years?	Yes <input type="checkbox"/> No <input type="checkbox"/>
Completed	Procurement Management	
<input type="checkbox"/>	1. Does the grant recipient maintain written procurement	Yes <input type="checkbox"/> No <input type="checkbox"/>

<input type="checkbox"/>	procedures to (a) promote competition; (b) avoid unnecessary purchases; (c) provide an analysis of lease vs. purchase alternatives; and (d) provide a process for soliciting goods and services?	
<input type="checkbox"/>	2. Is there a written code of conduct for procurement staff?	Yes <input type="checkbox"/> No <input type="checkbox"/>
<input type="checkbox"/>	3. What conflict of interest rules apply to the grant recipient's procurement system?	
<input type="checkbox"/>	4. Does the grant recipient include the federal clauses in contracts and sub-grants?	Yes <input type="checkbox"/> No <input type="checkbox"/>
<input type="checkbox"/>	5. Does the grant recipient's procurement system provide for the conduct and documentation of cost or price analysis for each procurement action?	Yes <input type="checkbox"/> No <input type="checkbox"/>
<input type="checkbox"/>	6. Does the grant recipient assess the financial capability of a contractor to perform the contract?	Yes <input type="checkbox"/> No <input type="checkbox"/>
<input type="checkbox"/>	7. Does the grant recipient conduct internal reviews of the procurement files for adherence to statutes, regulations, and organization policies?	Yes <input type="checkbox"/> No <input type="checkbox"/>
<input type="checkbox"/>	8. How are duties and functions segregated within a grant recipient's organization to ensure that adequate checks and balances exist?	
<input type="checkbox"/>	9. What are the policies regarding sub-grantee suspension or debarment?	Yes <input type="checkbox"/> No <input type="checkbox"/>
Completed	Subcontractor Management	
<input type="checkbox"/>	1. Is there a sub-grantee monitoring system in place (i.e., written policies)?	Yes <input type="checkbox"/> No <input type="checkbox"/>
<input type="checkbox"/>	2. Is there regular communication with the sub-grantee?	Yes <input type="checkbox"/> No <input type="checkbox"/>
<input type="checkbox"/>	a. If so, how frequently?	
<input type="checkbox"/>	3. How will the grant recipient review the costs contained in a sub-grant application?	
<input type="checkbox"/>	4. What information will the grant recipient require the sub-grantee to submit to substantiate incurred expenditures?	
<input type="checkbox"/>	5. How often will a sub-grantee be required to submit financial and progress reports to the grant recipient?	

<input type="checkbox"/>	6. Does the grant recipient conduct sub-grantee site visits? a. What is the criteria for visiting a site?	Yes <input type="checkbox"/> No <input type="checkbox"/>
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Reporting Checklist

Grant Recipients	Report	Frequency	Due Date	Submission Method
EECBG	Recovery Act Report (Required for both grant recipient and delegated first tier sub-grantees with sub-awards greater than \$25,000)	Quarterly	Within 10 calendar days after each calendar quarter ending March 31, June 30, September 30, and December 31 Due Annually: January 10, April 10, July 10, October 10	Form: Recovery Act Section 1512 Reporting Model Submit at: https://www.federalreporting.gov/ Use the following codes when submitting reports: <ul style="list-style-type: none"> ○ Awarding Agency Code: 8900 ○ Funding Agency Code: 8900 ○ Program Source (TAS) Code: 89-0331 CFDA #: 81.128 See Section 6.1 of this handbook.
EECBG SEP-SP	DOE Federal Financial Report (SF-425)	Quarterly	Within 30 days after the end of the calendar quarter ending March 31, June 30, September 30, and December 31 Due Annually: January 30, April 30, July 30, October 30	Form: SF-425 FFR Submit at: Better Buildings Neighborhood Information System: http://betterbuildings.energy.gov/neighborhoods/BBNIS See Section 6.2 of this handbook.
EECBG	DOE Progress Report (PPR)	Quarterly	Within 30 days after the end of	Form: Progress Report Forms 1 and 2

Grant Recipients	Report	Frequency	Due Date	Submission Method
SEP-SP	and Narrative Forms		the calendar quarter ending March 31, June 30, September 30, and December 31 Due Annually: January 30, April 30, July 30, October 30	(narrative plus project milestone information and spend plan), posted on the Google website Submit at: Better Buildings Neighborhood Information System: http://betterbuildings.energy.gov/neighborhoods/BBNIS See Section 6.3 of this handbook.
EECBG SEP-SP	Better Buildings Quarterly Program Report	Monthly (number of retrofits) and quarterly (full dataset)	Monthly Due: 30 days after the end of each month for activities in the months of January, February, April, May, July, August, October, November Quarterly Due: January 30, April 30, July 30, October 30	Form: Excel spreadsheet, posted on the Google website Submit at: Better Buildings Neighborhood Information System: http://betterbuildings.energy.gov/neighborhoods/BBNIS See Section 6.4 of this handbook.
EECBG	Davis Bacon Act Enforcement Reporting Information	Semiannual	Within 20 days after end of reporting period Due Annually: April 20, October 20 (starting in 2011)	Form: Information posted on the Google website Submit at: Better Buildings Neighborhood Information System: http://betterbuildings.energy.gov/neighborhoods/BBNIS See Section 6.1.3 of this handbook.

Grant Recipients	Report	Frequency	Due Date	Submission Method
EECBG SEP-SP	Historic Preservation Consultations Report	Annual	Annually Due Annually: September 1 (starting in 2011)	<p>Form: Word document, posted on the Google website</p> <p>Submit at: Better Buildings Neighborhood Information System: http://betterbuildings.energy.gov/neighborhoods/BBNIS</p> <p>For details, see Section 6.5.</p>

Appendix B: Better Buildings Onsite Checklist Questions

The Better Buildings onsite checklist only applies to EECBG recipients.

The primary purpose of the site visits is to help grant recipients complete their activities successfully and meet the requirements of the American Recovery and Reinvestment Act. This is not an audit. The monitoring visit ascertains whether: work is progressing in accordance with the approved strategies and activities; all conditions in the grant are being met; and reporting is accurate. These questions establish a baseline of topics to cover during the onsite visit, as the account manager, project officer, and monitoring team will also discuss other issues as appropriate.

Section 1: Overall Project Management and Compliance

1. Has the grant recipient developed a system to track the progress of each activity, including milestones and completion dates? [Source: 10CFR600.240(a)]
2. Is sufficient progress being made in meeting the DOE-approved scope in the SOPO tasks, subtasks, and project milestones?
3. Are the grant recipient's projects conforming to the scope of work in the Statement of Project Objectives (SOPO)? [Source: Document: Terms and Conditions; FOA]
4. Based on work completed, is the grant recipient on track to obligate all EECBG funds within 18 months and spend all funds within 36 months of the award? [Source: Terms and Conditions; FOA]
5. Is the grant recipient on track to meet the current EECBG program milestones set by DOE to meet the requirements of the Recovery Act?
6. Can the recipient confirm continued compliance with local, state, and federal requirements and regulations (as outlined in the award document) and any modifications?

The following questions pertain to the grant recipient's metrics.

7. Does the grant recipient have an adequate procedure in place to collect, verify, and report performance data, as appropriate, for each project or activity, during and after program completion? [Source: 10CFR600.240; PMC; Terms and Conditions]
8. Does the grant recipient have an adequate procedure in place to estimate and report jobs created and retained for each project and task, consistent with the requirements of OMB Guidance? [Source: 10CFR600.240; PMC; Federal Reporting(1512); Terms and Conditions]
9. Where applicable, is the grant recipient meeting non-federal cost share funding, as approved in the terms and conditions of the grant? [Source: Terms and Conditions]

Section 2: Finance

The following questions pertain to the grant recipient's financial management system and financial monitoring.

10. Is the grant recipient's financial monitoring system capable of tracking and reporting Recovery Act funds separately from leveraged/other funds? [Source: 10CFR600.220(b)(2)and(3)]
11. Does the grant recipient use periodic financial reports (e.g., comparing budget to actual expenditures) as a management control tool? [Source: 10CFR600.220(b)(4)]
12. Does the grant recipient have a regular A-133 audit or annual independent audit performed by a qualified auditor? [Source: 10CFR600.226]
13. Does the grant recipient have records for current, accurate, and complete disclosure of spending by major task, as well as spending on administration costs (as applicable)?

Section 3: Personnel and Procurement

The following questions pertain to the grant recipient's personnel and are applicable only if the grant recipient is paying personnel salaries from a grant.

14. Has the grant recipient designated a principal investigator as the government point of contact for all grant issues? Are other key personnel identified in the grant application performing the duties originally proposed, if applicable? [Source: Source Document: 10CFR600.230(c)(3)]
15. Does the grant recipient have a method in place to track actual personnel costs against the grant? [Source: 10CFR600.220(b)(6)]

The following questions pertain to the grant recipient's procurement process.

16. Does the grant recipient have procurement procedures in place, are they following them, and do the procedures comply with 10CFR600.236? [Source: 10CFR600.236]

Section 4: Grants Management

The following question pertains to the grant recipient's management of subrecipients, sub-grant recipients, and/or vendors.

17. Does the grant recipient have a process to ensure and monitor subrecipient/subcontractor compliance with EECBG requirements? [Source: 10CFR600.240; 10CFR600.237; Terms and Conditions]

The following question pertains to the grant recipient's monitoring of all vehicles and equipment, as defined in 10CFR 600.202 and.232.

18. Does the grant recipient have systems in place to properly inventory, track, and safeguard all equipment and vehicles? [Source: 10CFR600.232; 10CFR600.202]

The following question pertains to Davis Bacon requirements.

19. Based on the information reviewed, are the grant recipient and its subrecipients complying with the Davis Bacon Act? [Source: DBA; Terms and Conditions]

The following question pertains to Buy American Act requirements.

20. Based on the information reviewed, are the grant recipient and its subrecipients complying with the Buy American provisions? [Source: Buy American; ARRA section 1605 Title XVI; Terms and Conditions]

The following questions pertain to the National Environmental Policy Act (NEPA).

21. Does the applicant have a waste management plan or process in place? [Source: NEPA; Terms and Conditions]
22. Based on the information reviewed, are the grant recipient and its subrecipients complying with all NEPA conditions? [Source: NEPA; Terms and Conditions]

The following question pertains to the National Historical Preservation Act.

23. Based on the information reviewed, are the grant recipient and its subrecipients complying with all applicable National Historical Preservation Act conditions in the grant? [Source: SHPO; Terms and Conditions]

The following question pertains to DOE requirements for retention of records.

24. Are the grant recipient and its subrecipients meeting the records retention requirements of 10 CFR 600.242? [Source: 10CFR600.242]

The following questions pertain to states and territories only.

25. Is the state complying with the requirement to sub-grant at least 60 percent of its EECBG allocation to units of local government that are ineligible for the formula-based EECBG? [Source: EISA section 545; Terms and Conditions; FOA]
26. Has the state complied with the 180-day sub-grant requirement? [Source: EISA section 545; Terms and Conditions; FOA]

The following questions pertain to visits to project work sites.

27. Does the project comply with requirements in the terms and conditions of the grant (e.g., waste stream, NEPA, eligible activities)? [Source: Terms and Conditions]

Section 5: Next Steps

The following questions pertain to closing conversations with the grant recipient.

28. Does the grant recipient have any best practices and/or success stories to share?
29. Is the grant recipient receiving sufficient resources and technical assistance from DOE to successfully execute the grant?
30. Are additional follow-up visits required?

Appendix C: Helpful Resources

Resource	Location	Description
ARRA (Recovery Act) Website	http://www.recovery.gov	<ul style="list-style-type: none"> Main Recovery Act website
ARRA (Recovery Act) Reporting	https://www.federalreporting.gov/	<ul style="list-style-type: none"> Webinars to assist with Recovery Act reporting questions and procedures
Automated Standard Application for Payment System (ASAP)	http://www.asap.gov * * Grant recipients use only ASAP or VIPERS to draw down award funds. If, according to award conditions, you are able to draw funds in advance, use ASAP. Contact your account manager if you have questions.	<ul style="list-style-type: none"> Website to draw down award funds
ASAP	http://www.fms.treas.gov/asap http://www.fms.treas.gov/asap/background.html	<ul style="list-style-type: none"> General background information and guidance on using ASAP
ASAP Office Richmond, VA	Eastern Time Zone: 804-697-8384 7:30 a.m.–4:00 p.m.	<ul style="list-style-type: none"> ASAP Help Desk
ASAP Regional Office Philadelphia, PA	Eastern Time Zone: 215-516-8021 7:30 a.m. – 4:00 p.m.	<ul style="list-style-type: none"> ASAP Help Desk
ASAP Regional Office Kansas City, MO	Central Time Zone: 816-414-2100 7:30 a.m.–4:00 p.m.	<ul style="list-style-type: none"> ASAP Help Desk
ASAP Regional Office San Francisco, CA	Pacific Time Zone: 510-594-7182 7:30 a.m.–4:00 p.m.	<ul style="list-style-type: none"> ASAP Help Desk
Better Buildings Neighborhood Program Google Site	To request access, email betterbuildingsupport@erg.com . Access the site at: https://sites.google.com/a/betterbuildingnetwork.doe.gov/betterbuildings-collaboration-forum/	<ul style="list-style-type: none"> To collaborate with grant recipients, get Better Buildings updates, and share best practices and documents

<p>Better Buildings Neighborhood Program Insider Blast Newsletter</p>	<p>To sign up to receive, email betterbuildingssupport@erg.com.</p>	<ul style="list-style-type: none"> • Grant recipients are encouraged to sign up and to contribute stories and ideas to the weekly Insider Blast • Important program updates and best practices will be shared across all Better Buildings grant recipients
<p>Better Buildings Neighborhood Program Website</p>	<p>http://www.betterbuildings.energy.gov/neighborhoods</p>	<ul style="list-style-type: none"> • The website contains grant recipient profiles, Better Buildings Program information, media information, and resources for potential partnering organizations and consumers. • Grant recipients are encouraged to provide input and suggest updates—send your comments to: betterbuildingssupport@erg.com
<p>Better Buildings Neighborhood Information System Web Portal</p>	<p>http://betterbuildings.energy.gov/neighborhoods/BBNIS</p>	<ul style="list-style-type: none"> • Grant recipients need to have a username assigned to them to upload reports.
<p>Buy American Provision</p>	<p>http://www1.eere.energy.gov/recovery/buy_american_provision.html</p>	<ul style="list-style-type: none"> • Information on the Recovery Act Buy American provision
<p>Central Contractor Registration (CCR)</p>	<p>https://www.bpn.gov/ccr/default.aspx</p>	<ul style="list-style-type: none"> • Prerequisite for registering with FederalReporting.gov to submit quarterly Recovery Act reports
<p>Davis Bacon Act (DBA)</p>	<p>Guidance on Davis Bacon labor clauses, training resources, and FAQs: http://www1.eere.energy.gov/wip/DavisBacon_act.html</p> <p>DBA wage rates: http://www.wdol.gov/</p> <p>DOL Wage-Hour Toll-Free Information and Helpline and grant recipient-specific DBA questions: 1-866-4US-WAGE (1-866-487-9243)</p>	<ul style="list-style-type: none"> • Specific information on the DBA from DOE and DOL

<p>DOE Audit Guidance</p>	<p>http://www.whitehouse.gov/sites/default/files/omb/assets/a133/a133_revised_2007.pdf</p> <p>For-profit guidance: http://management.energy.gov/business_doe/business_forms.htm</p>	<ul style="list-style-type: none"> • Audit and contract closeout responsibilities
<p>DOE Federal Financial Report (SF-425)</p>	<p>To submit reports: http://betterbuildings.energy.gov/neighborhoods/BBNIS</p> <p>To download forms: https://sites.google.com/a/betterbuildingsnetwork.doe.gov/betterbuildings-collaboration-forum/file-cabinet/reporting-1</p>	<ul style="list-style-type: none"> • Better Buildings Neighborhood Information System, http://betterbuildings.energy.gov/neighborhoods/BBNIS
<p>DOE Financial Information</p>	<p>http://energy.gov/management/office-management/operational-management/financial-assistance</p>	<ul style="list-style-type: none"> • All financial assistance information related to DOE grants, including links to the OMB circulars and other related documents
<p>DOE Progress Report (PPR) and Narrative Form</p>	<p>To submit reports: http://betterbuildings.energy.gov/neighborhoods/BBNIS</p> <p>To download forms: https://sites.google.com/a/betterbuildingsnetwork.doe.gov/betterbuildings-collaboration-forum/file-cabinet/reporting-1</p>	<ul style="list-style-type: none"> • Google Website to download forms • Submit the Progress Report and Narrative form at the BBNIS site, http://betterbuildings.energy.gov/neighborhoods/BBNIS

<p>DOE Recovery Act Resources</p>	<p>DOE Recovery Act Clearinghouse for reporting questions: 888-DOE-RCVY (888-363-7289) Monday–Friday, 9 a.m.–7 p.m. EST</p> <p>General Recovery Act information: http://energy.gov/recovery-act</p> <p>FAQs: http://energy.gov/frequently-asked-questions-federalreporting.gov</p>	<ul style="list-style-type: none"> • DOE resources for questions on Recovery Act reporting
<p>DUNS</p>	<p>Help registering with DUNS can be requested through govt@dnb.com.</p> <p>FAQ: http://fedgov.dnb.com/webform/displayFAQPage.do</p>	<ul style="list-style-type: none"> • Information on how to register with and request assistance from DUNS
<p>Energy Empowers Blog</p>	<p>http://energy.gov/news-blog</p>	<ul style="list-style-type: none"> • An energy website where grant recipients from different programs can share their stories and read about other successful clean energy projects
<p>FedConnect</p>	<p>http://www.FedConnect.net</p>	<ul style="list-style-type: none"> • Grant recipient location for all documents related to their award • Use FedConnect to apply for project revisions as described in Section 7 of this handbook
<p>FederalReporting.gov Registration and Assistance</p>	<p>https://www.federalreporting.gov/</p> <p>FederalReporting.gov help desk 877-508-7386 Monday–Friday, 8 a.m.–6 p.m. EST</p>	<ul style="list-style-type: none"> • Resources for Recovery Act reporting

<p>Intellectual Property (IP) Provisions</p>	<p>http://www.gc.doe.gov/gc/standard-intellectual-property-ip-provisions-financial-assistance-awards</p>	<ul style="list-style-type: none"> • All Better Buildings grant recipients have IP provisions. The standard DOE financial assistance IP provisions applicable to the various types of grant recipients is on this website
<p>National Environmental Policy Act (NEPA)</p>	<p>http://www1.eere.energy.gov/wip/guidance.html</p>	<ul style="list-style-type: none"> • Some Better Buildings grant recipients may have to complete NEPA requirements regarding the potential environmental impacts of the project receiving DOE funds. See award terms and conditions
<p>Office of the Assistant General Counsel for Procurement and Financial Assistance</p>	<p>http://energy.gov/gc/services/technology-transfer-and-procurement/office-assistant-general-counsel-procurement-and</p>	<ul style="list-style-type: none"> • Important federal resources, including the Federal Acquisition Regulation (FAR), DOE Acquisition and Financial Assistance Regulations, and Policy Guidance for Financial Assistance
<p>Office of Management and Budget (OMB) Guidance Documents</p>	<p>http://www.whitehouse.gov/sites/default/files/omb/assets/memoranda_fy2009/m09-21.pdf</p> <p>http://www.whitehouse.gov/sites/default/files/omb/assets/memoranda_2010/m10-08.pdf</p> <p>http://www.whitehouse.gov/sites/default/files/omb/assets/memoranda_2010/m10-14.pdf</p>	<ul style="list-style-type: none"> • These are incorporated into 10 CFR 600, DOE Financial Assistance Rules
<p>Property Assessed Clean Energy (PACE) Program Limitation</p>	<p>http://www.whitehouse.gov/administratio n/eop/ceq</p>	<ul style="list-style-type: none"> • Vice President's Middle Class Task Force Recovery through Retrofit best practices for PACE Programs outlined in the "Policy Framework for PACE Financing Programs" documents

Quarterly Program Report	https://sites.google.com/a/betterbuildingsnetwork.doe.gov/betterbuildings-collaboration-forum/file-cabinet/reporting-1	<ul style="list-style-type: none"> • Excel spreadsheet that outlines data-gathering requirements for the Quarterly Program Report
Subrecipient Monitoring Guidance	http://www1.eere.energy.gov/wip/pdfs/ecbg_10-019_subgrantee_monitoring_guidance.pdf	<ul style="list-style-type: none"> • Information on subrecipient monitoring and required activities
TAP Solution Center	http://www1.eere.energy.gov/wip/solutioncenter/default.html 877-EERE-TAP (1-877-337-3827)	<ul style="list-style-type: none"> • Grant recipients will find best practices, templates, webinars, project map, events calendar, the TAP blog, and other resources
TAP Blog	http://www.eereblogs.energy.gov/tap/	<ul style="list-style-type: none"> • Grant recipients can use the blog to ask questions of webinar presenters, enter comments about the presentation, connect with technical and programmatic experts, and share best practices
Vendor Inquiry Payment Electronic Reporting System (VIPERS)	https://vipers.oro.doe.gov * * Grant recipients use only ASAP or VIPERS to draw down award funds. If, according to award conditions, you are only allowed to draw down funds for reimbursement, use VIPERS. Contact your account manager if you have questions.	<ul style="list-style-type: none"> • To draw down award funds
Whistleblower Act	http://www.oig.doc.gov/Pages/Hotline.aspx	<ul style="list-style-type: none"> • Downloadable poster for the Whistleblower Act

Appendix D: Program Guidance Documents

The following guidance documents are included:

- Guidance on the Required Period for Grantees to Obligate Funds and the Procedures for Reporting of Obligated Funds for the Energy Efficiency Conservation Block Grant Program (EECBG), 11/1/11 (EECBG Program Notice 11-003)
- EECBG Grantee Update: Contractor and Customer Revenue Streams, 10/21/11
- Accelerating Spending of Remaining Funds from the American Recovery and Reinvestment Act for Discretionary Grant Programs, 9/15/11 (M-11-34)
- Treatment of Rebates and Utility Retroactive Discounts Earned under Energy Efficiency and Conservation Block Grants, 9/1/11 (FAM No. 2011-01)
- Clarification of Ten Percent Limitation on Use of Funds for Administrative Expenses, 7/28/11 (EECBG Program Notice 11-002)
- Guidance for EECBG Better Buildings Neighborhood Program Grantees on Counting Commercial and Multifamily Building Upgrades, 7/26/11
- Guidance for Energy Efficiency and Conservation Block Grantees on Financing Programs, 3/14/11 (EECBG Program Notice 09-002C)
- Guidance for State Energy Program Grantees on Financing Programs, 3/14/11 (SEP Program Notice 10-008C)
- Marketing and Incentive Programs for Building Energy Efficiency Retrofits, 2/18/11
- Guidance for Eligibility of Activities Under the Energy Efficiency and Conservation Block Grant Program, 1/4/11 (EECBG Program Notice 10-021)
- Approach to Minimize Double Counting of Grant Program Impacts Funded by Multiple DOE Sources – Approach to Reporting Leveraged Funds, 12/17/10



Department of Energy

Washington, DC 20585

EECBG PROGRAM NOTICE 11-003 EFFECTIVE DATE: NOVEMBER 1, 2011

SUBJECT: GUIDANCE ON THE REQUIRED PERIOD FOR GRANTEES TO OBLIGATE FUNDS AND THE PROCEDURES FOR REPORTING OF OBLIGATED FUNDS FOR THE ENERGY EFFICIENCY CONSERVATION BLOCK GRANT PROGRAM (EECBG)

PURPOSE

To provide guidance and clarify the required period for obligation of funds as established in the Energy Efficiency Conservation Block Grant (EECBG) Program Funding Opportunity Announcements (FOAs) Number DE-FOA-0000013 and DE-FOA-0000148, and to clarify the procedures for the reporting of funds obligated by the grantees.

SCOPE

The provisions of this guidance apply to grantees of EECBG funds, pursuant to Formula and Competitive Grant Awards under the American Recovery and Reinvestment Act of 2009 (Recovery Act).

LEGAL AUTHORITY

Title V, Subtitle E of the Energy Independence and Security Act of 2007, as amended, authorizes the Department of Energy (DOE) to administer the EECBG Program. All grant awards made under this Program must comply with all applicable laws including the Recovery Act and other procedures applicable to this Program. The EECBG Program Funding Opportunity Announcements (FOAs) Number DE-FOA-0000013 and DE-FOA-0000148, are available at:

http://www1.eere.energy.gov/wip/pdfs/eecbg_foa.pdf and
<http://www.eecbg.energy.gov/Downloads/EECBGCompetitiveFOA148MON.pdf>

which outline grantee requirements for obligating and committing award funds.

GUIDANCE

The FOAs state: “In keeping with the agenda of the Recovery Act, and supporting the goal of immediate investment in the economy, entities are required to obligate/commit all funds within eighteen (18) months from the effective date of the award. In the event funds are not obligated/committed within eighteen (18) months, DOE reserves the right to deobligate the funds and cancel the award.”

Grantees should always refer to their state and local procurement requirements and internal accounting practices and requirements for final guidance to determine whether funds from the Federal award may be considered obligated, committed, or otherwise encumbered. If grantees need further clarification as what constitutes an “obligation” for purposes of satisfying the EECBG award requirements, grantees may rely on the following definition:

“A definite commitment that creates a legal liability of the government for the payment of goods and services ordered or received, or a legal duty on the part of the grantee that could mature into a legal liability by virtue of actions on the part of the other party beyond the control of the grantee. Payment must be made immediately or in the future. A grantee incurs an obligation, for example, when it places an order, signs a contract, awards a sub-grant, purchases a service, or takes other actions that require it to make payments.”

Setting forth an activity or scope of work does not constitute an obligation; it is simply the intention to carry out an activity. Signing a contract would constitute an obligation. It is unlikely that the mere identification of a sub-grantee would qualify as an obligation unless the grantee can establish that it incurred a definite commitment that creates a legal liability.

For Financing Programs, the Office of Weatherization and Intergovernmental Programs has developed guidance defining the term “obligation” specifically regarding Revolving Loan Funds, Loan Loss Reserves, interest rate buy-downs and third-party loan insurance (go to <http://www1.eere.energy.gov/wip/guidance.html> Refer to most recent version of Program Notice 09-002; titled “Guidance for EECBG Grantees on Financing Programs”).

Required Period for Obligating Funds

The 18-month period for obligating funds begins on the effective date of the award, as set forth in Block 3 of the Assistance Agreement. This 18-month period excludes any period of time in which DOE is reviewing substantially complete information submitted by the grantee in order to remove DOE conditions on award activity funding. For example, if a grantee is providing the required obligations through a request for proposals (RFP) and Federal Funding for the project under the RFP, the project is subject to a National Environmental Protection Act (NEPA) condition. The period of time during which DOE is reviewing the information provided by the grantee in order to remove the NEPA condition, does not count towards the 18-month period.

If a grantee is unable to meet the 18-month deadline for obligating funds, the grantee must submit a written request for extension of the deadline with an action plan for approval to the DOE Project Officer that identifies:

1. specific activities requiring the extension,
2. the length of time requested,
3. justification explaining why the extension is requested,
4. plan for obligating funds within the time of the requested extension, and
5. plan for spending all funds by the end of the project period.

DOE may approve the Action Plan and the Contracting Officer may provide additional time for the grantee to obligate funds. In most instances, DOE will limit extensions to 90 days or less unless extreme hardship can be demonstrated. DOE will consider extending the 18-month deadline only if DOE determines that extending the deadline will not put the grantee at risk of missing the expenditure deadlines set forth in the award terms and conditions. If DOE believes that the proposed project or schedule will put the grantee at risk of missing established expenditure deadlines, the grantee will be asked to work with their DOE Project Officer to select activities that will meet required expenditure deadlines.

Should it become clear that a grantee is unable to meet DOE expectations for obligation of funds and successful completion of its award, DOE may find the grantee to be materially noncompliant with the terms of the award. Under 10 CFR 600.243, DOE may exercise a number of actions if a grantee is found to be noncompliant, including, but not limited to, temporarily withholding cash payments; disallowing all or part of the action not in compliance; de-obligating funds and wholly or partially suspending or terminating the award.

Reporting of Obligated Funds

Grantees should report obligation of funds via the Performance and Accountability for Grants in Energy (PAGE) system, and specifically in SF-425 as soon as contracts are signed or subgrants are issued. Obligations must be entered into line 10f of the SF-425 in PAGE as “unliquidated obligations.”

Funds budgeted for administrative expenses and personnel hired by the grantee to work directly on EECBG projects should be reported as obligated at the time that they are budgeted as long as permitted by local statutes, rules, and procedures.

Funds and projects included in the capital improvement and general fund budgets of local government agencies should be reported as obligated once the grantee’s decision maker approves the budget, provided that the capital improvement is permitted by local statutes, rules, and procedures.

High risk grantees with restrictions, or grantees otherwise operating on a reimbursement basis, should check with their Contracting Officer to determine if administrative funds and personnel salaries can be obligated at the time they are budgeted.

Within 180 days of the effective date of their award, states are required to use at least 60% of their grant funds to provide subgrants to ineligible local units of government. Upon meeting this requirement, all states must report at least 60% of their funds as obligated.

EECBG Program Notice 11-003
Effective Date: November 1, 2011

In the case where grantees have met the obligation requirements, but previously obligated funds become available at a later in the project period, such as when a rebate is received or if a project is completed for less than the budgeted cost, the grantee should work to re-obligate the funds as soon as practicable. Extension requests are not required once a grantee has met the initial obligation requirement; however, grantees should work with their assigned Project Officers to determine appropriate activities for re-obligation under these circumstances and to ensure accurate reporting.

Additional guidance related to the EECBG Program's requirements for states to provide 60% of their allocation via subgrants to units of local government can be found at:

http://www1.eere.energy.gov/wip/pdfs/eecbg_10-009_subgrants_program_guidance.pdf

Additional guidance related to EECBG Program reporting requirements can be found at:

http://www1.eere.energy.gov/wip/sep_10_006B_eecbg_10_07C.html



LeAnn M. Oliver
Program Manager
Office of Weatherization and Intergovernmental Program
Energy Efficiency and Renewable Energy

DOE Better Buildings Neighborhood Program

EECBG Grantee Update: Contractor and Customer Revenue Streams

October 21, 2011

DOE supports the development of innovative approaches to enhance the long-term sustainability of each grantee partner's Better Building program, while meeting immediate needs to promote job creation and economic recovery to the maximum extent possible.

DOE supports the development of innovative program models and strategies that are replicable, scalable, and enable continued energy efficiency investment beyond the grant period, after federal grant funds are exhausted. Examples include: revenues from financing investments, enabling private sector capital, workforce development and training, partnering with utility-based programs (e.g., incorporating program designs into utility-based incentive offerings), and leveraging other local, state and federal and private sector programs and capital.

While the development of business models that include identification of revenue streams may begin during the grant period, the intent of developing revenue models and strategies is to ensure program sustainability after federal grant monies are exhausted. During the grant period, grantees are expected to utilize their DOE Recovery Act funds to the maximum extent to support job creation, energy efficiency building retrofits that result in energy and cost savings for home and building owners, and building energy efficiency market development, which are the articulated purposes of the Recovery Act and EECBG. DOE encourages all recipients to maximize their use of DOE funds during the grant period to achieve these objectives in an expeditious manner.

During the grant period, Better Buildings grantees are restricted from imposing fees upon contractors, customers, facility owners or other parties in conjunction with building retrofit projects or related activities (e.g., training, workforce development, technical support services, etc.) without prior approval from the DOE Contracting Officer.

This restriction includes:

- One-time or per project contractor fees, such as a percentage commission or annual membership fee
- All project-based fees, such as a percentage of the retrofit cost
- Project management fees charged to deliver services and implement energy efficiency projects
- Performance contracting fees, such as revenue payments from energy cost savings

This restriction applies to prime recipients and all subrecipients, including subgrantees, subcontractors, and vendors.

Grantees or their subrecipients may charge reasonable administrative fees necessary for originating loans, such as fees for processing loan applications and administering loan programs.

Grantees are allowed to retain revenues received from financing programs (e.g., principal and interest earnings), utility rebates, and other credits as program income. For additional information, see EECBG Program Notice 09-002C, Guidance for Energy Efficiency and Conservation Block Grant Grantees on Financing Programs, March 14, 2011. Additional guidance on post-closeout requirements and allowable use of funds for grantee financing programs will be provided to all Better Buildings recipients as soon as it is available.

References

- DOE Program Notice 09-002C: Guidance for Energy Efficiency and Conservation Block Grant Grantees on Financing Programs, March 14, 2011.
http://www1.eere.energy.gov/wip/pdfs/eecbg_financing_guidance_2011-03-15.pdf
- DOE – EECBG Program Notice 10-013: *Guidance for SEP and EECBG Recipients on Payment Procedures*, June 23, 2010
http://www1.eere.energy.gov/wip/pdfs/eecbg_sep_asap_draw_down_guidance.pdf
- DOE Financial Assistance Memo 2011-01. Treatment of Rebates and Utility Retroactive Discounts Earned Under Energy Efficiency and Conservation Block Grants. September 1, 2011. *(Available upon request from your Account Manager or Project Officer)*
- DOE Financial Assistance Regulations
<http://ecfr.gpoaccess.gov>
 - 10 CFR 600.221(f)(2), states, “grantees and subgrantees shall disburse program income, rebates, refunds, contract settlements, audit recoveries and interest earned on such funds before requesting additional cash payments”;
 - 10 CFR 600.122(g) similarly states “recipients shall disburse funds available from repayments to and interest earned on a revolving fund, program income, rebates, refunds, contract settlements, audit recoveries and interest earned on such funds before requesting additional cash payments.”¹ The Special Terms and Conditions for DOE financial assistance awards include the following instructions in the “Payment Procedures” provision: *Adjusting payment requests for available cash. You must disburse any funds that are available from repayments to and interest earned on a revolving fund, program income, rebates, refunds, contract settlements, audit recoveries, credits, discounts, and interest earned on any of those funds before requesting additional cash payments from DOE.*

¹ This guidance applies to prime recipients and subrecipients of DOE financial assistance awards. Other parties must comply with flowdown provisions and regulations applicable to their particular type of entity, including the appropriate sections of the DOE Assistance Regulations at 10 CFR 600 and the applicable cost principles.

For more information

Grantees should refer all questions regarding contractor and customer fees and other revenue models to their Account Manager or the contacts listed below:

- Sara Wilson, Contracting Officer, Golden Field Office
sara.wilson@go.doe.gov
- Becky Bye, Attorney, Office of Field Counsel
becky.bye@go.doe.gov
- Steve Dunn, Project Officer
steve.dunn@go.doe.gov



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

September 15, 2011

M-11-34

MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM:

JACOB J. LEW
DIRECTOR

A handwritten signature in black ink, appearing to read "Jacob J. Lew".

SUBJECT:

Accelerating Spending of Remaining Funds from the American Recovery and Reinvestment Act for Discretionary Grant Programs

In light of the current economic climate and the urgent need to put Americans back to work, it is imperative that we exhaust all available options to drive the economy forward and create jobs. That is why the President submitted the American Jobs Act to Congress on September 12th, 2011, which will put more people back to work and more money in the pockets of working Americans. And that is why we must also ensure that existing Government programs are doing everything to ensure that funds are spent as quickly and efficiently as possible to drive job creation right now.

On February 17, 2009, the President signed into law the American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5 ("Recovery Act"). As the Congress made clear in enacting the Recovery Act, two of its primary purposes have been to "preserve and create jobs and promote economic recovery" and to "assist those most impacted by the recession." To that end, the Congress directed the President and the heads of Federal departments and agencies ("agencies") to "manage and expend the funds made available in this Act so as to achieve the purposes [of the Act], including commencing expenditures and activities as quickly as possible consistent with prudent management."

In underscoring the importance of spending Recovery Act funds quickly and efficiently, the President established a goal that by September 30, 2010, 70 percent of Recovery Act funding should be spent (i.e., both obligated and outlayed). That goal was met, and this focused implementation has been instrumental in driving the positive effects of the Recovery Act on the economy and job creation. According to the most recent report from the Congressional Budget Office, the Recovery Act has raised real GDP by as much as 2.5 percent compared to what it otherwise would have been, lowered the unemployment rate by as much as 1.6 percent, and increased the number of people employed by nearly three million.

Nearly 85 percent of Recovery funds have now been paid out and the vast majority of remaining funds have already been obligated for projects that communities are counting on for job creation. Despite the rapid pace of spending of Recovery Act funds over the past 30 months, there remain billions in discretionary Recovery Act funds that, although they have been obligated, have not yet been outlayed. In light of the current economic situation and the need for further economic stimulus, it is critical that agencies spend these remaining funds as quickly and efficiently as possible.

Accordingly, subject to the exceptions described below, Federal agencies are hereby directed to accelerate the spending of remaining Recovery Act funds in discretionary grant programs (including formula grant programs that received discretionary funding in the Recovery Act), consistent with existing laws and regulations and programmatic objectives. If those funds have not been spent by September 30, 2013, agencies shall reclaim them to the extent permitted by law.

Acceleration of Unspent Discretionary Grant Funds

In order to ensure that remaining Recovery Act balances are spent in an expeditious fashion, Federal agencies should establish aggressive targets, consistent with programmatic objectives, for outlaying remaining funds. To that end, subject to certain exceptions, Federal agencies are directed to take steps to complete Recovery Act projects by September 30, 2013. This new policy would compress the period of availability for the bulk of remaining funds in discretionary grant programs into the next two years.

In executing this policy, Federal agencies should work collaboratively and transparently with recipients of discretionary Recovery Act grants to accelerate the spending rate for all awarded funds while still achieving core programmatic objectives. Agencies are encouraged to reduce administrative hurdles that can delay expenditure of funds, as well as decrease delays between receipt of invoices and outlaying corresponding funds. In addition, agencies should implement programmatic safeguards to protect against unnecessary delays that would otherwise extend current spending timelines beyond the new deadline established in this memorandum. Although this policy is limited to discretionary Recovery Act grant programs, agencies should also establish appropriate safeguards for ensuring the integrity of current spending timelines for other types of Federal assistance and contracts, and encourage the acceleration of spending for these funds as well where possible.

Federal agencies may request waivers from the September 30, 2013 deadline for discretionary grant funds where contractual commitments by the grantee with vendors or sub-recipients prevent adjusting the timeline for spending, where a project must undergo a complex environmental review that cannot be completed within this timeframe, where programs are long-term by design (such as the majority of the High Speed Rail program) and therefore acceleration would compromise core programmatic goals, or where other special circumstances exist. Agencies should request such waivers sparingly, and they will be granted only due to compelling legal, policy, or operational challenges. Agencies must submit all proposed waivers to OMB for review and approval by September 30, 2012. Any waiver requests must be made directly by the head of the agency.

Agencies should clearly communicate the requirements of this memorandum to grant recipients through adding these requirements to new grant agreements, modifying terms and conditions of existing grant agreements, or other appropriate written means consistent with law.

Reclamation of Unspent Discretionary Grant Funds after Deadline

Agencies should revise the terms of Recovery Act discretionary grant agreements, to the extent permitted by law, to provide for reclamation of funds that remain unspent after September 30, 2013, absent a waiver issued by OMB pursuant to this memorandum.

Section 1306 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. No. 111-203, amended Title XVI of the Recovery Act to require the rescission and return to the General Fund of the Treasury certain funds that a Federal agency “withdraws or recaptures for any reason” and that “have not been obligated by a State to a local government or for a specific project.” Agencies should consider whether this rescission-and-return requirement would apply to unspent Recovery Act funds for discretionary grant programs that are reclaimed under the policy set forth in this memorandum.

By September 30, 2012, agencies must submit to OMB any waiver requests from this policy and have established a process for the reclamation of funds and suspension of activities for balances that remain unspent after September 30, 2013 and are not subject to a waiver.

FINANCIAL ASSISTANCE MEMO

Financial Assistance Memo is issued by the Director, Policy Division, Office of Procurement and Assistance Policy

Subject: Treatment of Rebates and Utility Retroactive Discounts Earned under Energy Efficiency and Conservation Block Grants

References: 10 CFR Part 600 DOE Financial Assistance Regulations
P.L. 111-5 The American Recovery and Reinvestment Act of 2009 (Recovery Act)

When is this Financial Assistance Memo (FAM) effective?

This FAM is effective immediately.

When does this expire?

This FAM remains in effect until it is canceled.

Who is the Point of Contact?

Contact Mike Righi of the Contract and Financial Assistance Policy Division by telephone at (202) 287-1337, or by email at Michael.Righi@hq.doe.gov.

What is the Purpose?

This FAM provides guidance on the treatment of rebates and utility retroactive discounts (URDs) earned under the Energy Efficiency and Conservation Block Grant Program (EECBG), including both the formula EECBG awards and the competitive EECBG awards.

What is the Background?

All formula EECBG awards were made to State and local governments, and are covered by Subpart C of 10 CFR Part 600; competitive EECBG awards were made to State and Local governments, and also to non-profit entities which are covered by Subpart B. With regard to the treatment of rebates under financial assistance awards, 10 CFR 600.221(f)(2), states, "grantees and subgrantees shall disburse program income, rebates, refunds, contract settlements, audit recoveries and interest earned on such funds before requesting additional cash payments"; 10 CFR 600.122(g) similarly states "recipients shall disburse funds available from repayments to and interest earned on a revolving fund, program income, rebates, refunds,

contract settlements, audit recoveries and interest earned on such funds before requesting additional cash payments.”¹ The Special Terms and Conditions for DOE financial assistance awards include the following instructions in the “Payment Procedures” provision: *Adjusting payment requests for available cash. You must disburse any funds that are available from repayments to and interest earned on a revolving fund, program income, rebates, refunds, contract settlements, audit recoveries, credits, discounts, and interest earned on any of those funds before requesting additional cash payments from DOE.*

Upon receiving the rebate, the Recipient must report the receipt of the rebate to DOE and adjust its next payment request and the Federal Financial Report to account for the rebate. This would affect reporting for incurred costs, but would not change the total project costs for the EECBG award. The recipient is able to increase the project impact and accomplish more effort without additional federal funding. 10 CFR 600.122 (g) and 600.221(f)(2) contemplate that rebates will be used similarly to program income in that recipients "shall disburse program income, rebates, refunds [...] before requesting additional cash payments." At the end of the project, it is expected that all rebate funds would be re-dedicated to the project activities and DOE will not adjust the total project costs.

Note, rebates are not considered program income. 10 CFR 600.101 and 600.225(a) states that "program income" does not include rebates. Program income clearly reduces the total project cost unless the award provides otherwise. There is no such clear statement for rebates.

Questions have arisen from EECBG recipients, cognizant Project Officers, and Contracting Officers concerning (1) how should recipients treat rebates received after the project is complete (i.e., when there are no project costs to offset); and (2) how to distinguish utility retroactive discounts (URD) from standard rebates, and how should recipients treat URDs that are indirectly received as a result of a DOE funded project (e.g., a utility provides incentives for reaching a certain level of energy efficiency). To ensure consistency across the EECBG program and awards, it was determined that guidance was required.

What is the Guidance?

(1) How should the recipients treat rebates that are received during the project and after the project is complete (i.e., no project costs to offset) but before the award is closed by DOE?

Rebates consist of incentives received by the recipient or subrecipient that are directly traceable to a cost incurred under a DOE funded project (i.e., a recipient receives an incentive for purchasing a certain type of equipment or an incentive to defray the costs of installation). For example, a recipient purchases a solar hot water heater from a vendor for \$1500 under its federal award, and the recipient receives a rebate from the vendor of \$500 for purchasing the equipment. The \$500 rebate is directly traceable to a cost incurred under a DOE funded project and reduces the cost of the equipment; therefore, the recipient must credit the rebate amount to the federal award. Specifically, whether received during the project or after the project is complete, a rebate must be credited to the Federal Government as either a cost reduction or cash refund, as appropriate. (10 CFR §§ 600.221(f), 600.122; Appendix A to 2 CFR 225, Para. C.4; Attachment A to 2 CFR 230, Para. A.5; 48; *see also* 10 CFR § 600.317).

Recipients should first seek to apply the rebate to offset costs of the originally approved EECBG activity. The recipient may apply the rebate to pay down the financed portion of the project. The recipient could also use the rebate to expand the work being carried out under the existing activity to do additional work on previously approved tasks not adding new tasks requiring additional oversight and approval).

The monies received as rebate payments are subject to the same requirements as the project funds. If the recipient cannot use the rebate payment to offset the costs for the project as originally approved, and it is not feasible to expand the project to do additional work on previously approved tasks, the recipient may apply the rebate payments toward additional EECBG activities or new tasks approved by DOE and added to the existing EECBG activity. All activities funded with the rebate payments must comply with the EECBG Program and award requirements, NEPA, Historic Preservation and Recovery Act

¹ This guidance applies to prime recipients and subrecipients of DOE financial assistance awards. Other parties must comply with flowdown provisions and regulations applicable to their particular type of entity, including the appropriate sections of the DOE Assistance Regulations at 10 CFR 600 and the applicable cost principles.

requirements (e.g., expenditure deadlines; Davis Bacon Act and Buy American requirements).

(2) How are utility retroactive discounts (URD) distinguished from rebates? How should recipients treat URDs that are indirectly received as a result of a DOE funded project (e.g., a utility provides incentives for reaching a certain level of energy efficiency)?

URDs² consist of incentives where the recipient receives payment for achieving a certain level of performance that was reached indirectly as a result of the EECBG activity (e.g., the recipient implements a variety of energy efficiency retrofits to a building and DOE funded certain retrofits, and as a result of the energy efficiency savings, the recipient earns an incentive payment from the utility). A payment from a utility for achieving a certain level of energy efficiency or system performance would be considered a URD. The level of performance is often a result of a combination of measures, some of which are not funded by DOE, making it difficult to trace the portion of the measures that are attributable to the DOE portion of the project. Further, the URD is generally based on the actual or anticipated performance that will occur after the DOE project is completed.

Unlike rebates, URDs are not directly traceable to a cost incurred under a DOE funded project. URDs are further distinguished from rebates or credits because URDs do not offset the cost of the equipment or its installation. Instead, they are tied to the performance of the system or energy efficiency retrofits. Therefore, as an accounting matter, URDs do not meet the definition of “rebate” in OMB cost principles. Recipients do not have to account for them under the federal award under the OMB cost principles. The EECBG program has not established any additional requirements for accounting for this kind of incentive, and therefore, recipients are not required to account for URDs in their EECBG awards.

What Must Contracting Officers Do to Assure Compliance?

Contracting Officers should ensure that all staff reviewing Federal Financial Reports (SF-425), including cognizant Project Officers, make certain that the the SF-425 properly accounts for rebates received for the EECBG award. Recipients should be advised of the difference between rebates and utility retroactive discounts to ensure that they are able to account for these items appropriately.

² Some refer to the utility retroactive discounts as “utility rebates”; however, the term “utility rebates” can create confusion in this context because often utilities also provide a variety of rebates in addition to utility retroactive discounts.



Department of Energy
Washington, DC 20585

EECBG PROGRAM NOTICE 11-002
EFFECTIVE DATE: July 28, 2011

**SUBJECT: CLARIFICATION OF TEN PERCENT LIMITATION ON USE OF FUNDS
FOR ADMINISTRATIVE EXPENSES**

PURPOSE

To provide guidance to Energy Efficiency Conservation Block Grant Program (EECBG) recipients on the ten percent limitation on use of funds for administrative expenses established in the Energy Independence and Security Act of 2007 (EISA; Pub. L. No. 110-140).

SCOPE

The provisions of this guidance apply to recipients of EECBG funds, pursuant to Formula Grant or American Recovery and Reinvestment Act of 2009 (Recovery Act).

LEGAL AUTHORITY

Title V, Subtitle E of the Energy Independence and Security Act of 2007, as amended, authorizes the Department of Energy (Department or DOE) to administer the EECBG program. All grant awards made under this program must comply with all laws including the Recovery Act and other procedures applicable to this program.

GUIDANCE

Under the EECBG Program, an eligible unit of local government or Indian tribe may use "an amount equal to the greater of 10% and \$75,000" for administrative expenses, excluding the cost of meeting reporting requirements (42 USC 17155 (b)(3)(A)) "A State may not use more than ten (10) percent of amounts provided under the program for administrative expenses" (42 USC 17155 (c)(4)).

The purpose of this guidance is to 1) clarify the application of the ten percent limit on administrative expenses, and 2) clarify that the ten percent limitation on administrative expenses excludes the cost of meeting reporting requirements for all Grantees including States, their subgrantees, and eligible units of local government and Indian tribes.

While the statute establishes limits on administrative costs, it does not specify whether the ten percent limit applies to the total amount of funds received by Grantees, or only those funds used by the Grantee itself (i.e., not to funds provided as subgrants).

Grantees may apply the ten percent limitation on administrative expenses so as to include internal Grantee administrative expenses and administrative expenses contracted by the Grantee to a third-party for Grantee administrative purposes. In the case where a subgrantee's award is to administer a state's prime award on behalf of the state, the award must be counted towards the 10% limitation. When a Grantee provides a subgrant to a subgrantee, administrative expenses may be accrued by the subgrantee beyond the Grantee's limited ten percent. However, DOE recommends that Grantees limit to ten percent the amount of subgrantee's funds that could be used for administrative expenses.

For example, if a Grantee is awarded a grant of \$10 million, only \$1 million can be used for administrative expenses for the award. A Grantee may choose to subgrant the remaining \$9 million to 100 grantees. In this case, each subgrantee's administrative expenses should not exceed ten percent of their individual subgrant. The Grantee's limitation for its own (state) administrative expenses related to administering the 100 grants would still be \$1 million (or 10% of the original \$10 million grant) as opposed to \$100,000 (or 10% of the \$1 million that was retained by the state).

The DOE understands that, with the influx of funds through the Recovery Act, Grantees may require additional flexibility to effectively and efficiently deploy Recovery Act funds in a timely manner. This may be particularly necessary in instances in which Grantees provide funds to subgrantees that have not previously implemented energy efficiency programs or projects. In addition, the Department is aware that the Recovery Act enabled Grantees to expand their operations in order to support more energy efficiency and renewable energy activities. This in turn would lead the Grantee and subgrantees to increase administrative expenses in order to effectively complete activities.

In addition, the costs of meeting reporting requirements pursuant to the EISA and Recovery Act are fundamental to completing the projects in a transparent manner that complies with applicable rules and regulations. The EECBG statute specifies that for eligible units of local governments, reporting costs are excluded from administrative costs. The statute is silent as to whether reporting costs are similarly treated for State grantees and subgrantees, so DOE is providing clarification that states may exclude the costs of meeting reporting requirements for themselves and their subgrantees.

Additional guidance related to EECBG Program reporting requirements can be found at:
http://www1.eere.energy.gov/wip/sep_10_006B_eecbg_10_07C.html



LeAnn M. Oliver
Program Manager
Office of Weatherization and Intergovernmental Program
Energy Efficiency and Renewable Energy

Guidance for EECBG Better Buildings Neighborhood Program Grantees on Counting Commercial and Multifamily Building Upgrades

In response to questions raised about how to count retrofits for commercial buildings of different sizes and requests for clarification about how multifamily buildings are credited towards grantee accomplishments, DOE has developed the following updated guidance on counting commercial and multifamily building upgrades.

Commercial Buildings

DOE will track grantee retrofit accomplishments for the large and small commercial sector relative to *either* a target number of buildings upgraded (the current approach as outlined in letter from Danielle Byrnett in late fall 2010) *or* a target square footage of upgraded commercial buildings. Grantees who wish to change their target from number of commercial buildings upgraded to targets based on square footage must inform their Account Manager no later than August 31, 2011.

Approach to calculating grantee targets based on square footage:

According to the DOE Building Energy Data Book, the median building size in the commercial sector is approximately 5,000 square feet. Therefore, the Better Buildings Neighborhood Program will use this building size as the standard metric for reporting commercial building retrofit accomplishments across the program. EECBG Better Buildings grant recipients seeking to convert their target number of commercial buildings to a square footage target should multiply the target number of buildings by 5,000 square feet to determine the square footage target.

To track upgrades relative to square footage, grantees must report data on upgraded square footage in the Progress Reporting spreadsheet for each commercial building energy efficiency upgrade. As always, a 'completed' retrofit that counts toward one's target must be estimated/predicted to achieve a 15% energy reduction for that treated / upgraded space.

Multifamily Buildings

Multifamily buildings are treated by grantees as both commercial buildings and residential buildings, depending on how grantees initially accounted for them in their retrofit targets. Grantees can decide which approach works for their program, but should select one approach consistently for all of their multifamily building upgrades.

- If a multifamily building is treated as a commercial building, the grantee should report the square footage of the upgraded space in the reporting spreadsheet and DOE will apply that square footage to the commercial building target (see above).
- If a multifamily building is treated as a residential building, the grantee should be sure to report the number of units in the building that were upgraded; DOE will count that number of units towards the grantee's residential retrofit target.

As a reminder, a 'completed' retrofit that counts toward one's target (regardless of method) must be estimated/predicted to achieve at least 15% energy savings for that treated / upgraded space – whether it is the whole building, particular units, or common areas.

Grantees upgrading multifamily buildings must tell their Account Manager whether they will be tracking these buildings as commercial or residential no later than August 31, 2011. In the case of common area upgrades to multifamily buildings, which are encouraged, please consult your Account Manager to discuss how those upgrades should be tracked relative to your targets.



Department of Energy
Washington, DC 20585

EECBG PROGRAM NOTICE 09-002C
EFFECTIVE DATE (Revised): March 14, 2011
ORIGINALLY ISSUED: December 7, 2009

SUBJECT: GUIDANCE FOR ENERGY EFFICIENCY AND CONSERVATION BLOCK GRANT GRANTEES ON FINANCING PROGRAMS.

PURPOSE

To provide guidance to the Department of Energy's (Department or DOE) Energy Efficiency and Conservation Block Grant (EECBG) grantees on financing programs. This guidance supersedes EECBG Program Notice 09-002B, which was issued on August 10, 2010.

SCOPE

The provisions of this guidance apply to grantees of EECBG funds, pursuant to Formula Grant or American Recovery and Reinvestment Act of 2009 (Recovery Act).

LEGAL AUTHORITY

Title V, Subtitle E of the Energy Independence and Security Act, as amended, authorizes the Department to administer the EECBG program. All grant awards made under this program shall comply with applicable law including the Recovery Act and other procedures applicable to this program.

GUIDANCE

Eligibility of revolving loan funds

A revolving loan fund (RLF) is an eligible use of funds under the EECBG Program to the extent that the activities supported by the loans are eligible activities under the program. EECBG funded grantees must comply with statutory law regarding RLFs. 42 U.S.C. 17155 (b)(3)(B) mandates a limitation on the use of funds for the establishment (*i.e.*, the capitalization) of RLFs by formula-eligible units of local governments and formula-eligible tribes equal to the greater of 20 percent of the grantee's allocation or \$250,000. Funds used for administrative costs to set up a RLF are not subject to this restriction, but are subject to the general limitations established by statute on administrative costs.

Leveraging Funds under the EECBG Program: Purpose and Type of Leveraging

Grantee arrangements for leveraging additional public and private sector funds, including rebates, grants, and other incentives, must be arranged to ensure that federal funds go to support eligible activities listed in 42 USC 17154(3)-(13). The leveraging of funds may be accomplished through mechanisms such as partnerships with third party lenders, co-lending, third party administration of loans, and loan loss reserves.

Loan Loss Reserves under the EECBG Program

EECBG funds may be used for a loan loss reserve to support loans made with private and public funds and to support a sale of loans made by a grantee or third party lenders into a secondary market, subject to the following conditions. In order to ensure that a use of EECBG funds to leverage additional public and private sector funds furthers the stated purposes of the EECBG Program, the activities supported by the leveraged funds are limited to those activities specifically listed as eligible activities in the EECBG statute.

Additionally, a grantee must ensure that the following conditions are met:

- a) a grantee shall have the right to review and monitor loans provided by third party lenders to ensure that loans are being made to support eligible activities listed in 42 USC 17154(3)-(13);
- b) a grantee establishing a loan loss reserve has no legal or financial obligation beyond the funds committed to the reserve and is not subject to further recourse in the event losses exceed the amount of the reserve;
- c) any EECBG funds used to establish a loan loss reserve not used in connection with loan losses paid to third party lenders or secondary market investors must be used by or at the direction of the grantee and for an eligible use under the EECBG Program, including the capitalization of a RLF; and
- d) under no circumstances shall EECBG funds be released to a third party lender or secondary market investor for any purpose not pertaining to loan losses.

A grantee cannot use more than 50% of their EECBG funds for loan loss reserves.

Interest Rate Buy-Downs

EECBG funds may be used for interest rate buy-downs subject to the conditions identified in this section. An interest rate buy-down is when one party (e.g., grantee) provides a lump-sum payment based on the net present value of the difference between a target return to the lender or loan investor and the borrower's interest rate. This has two primary purposes: (1) increase project affordability and demand by reducing monthly payments and (2) maintaining or increasing lender / investor interest in making loans by yielding higher returns.

In order to ensure that a use of EECBG funds for interest rate buy-downs furthers the stated purposes of EECBG, the loans supported by the interest rate buy-downs must be for the purchase and installation of energy efficiency and renewable energy projects consistent with the EECBG regulations.

Third Party Loan Insurance

EECBG funds may be used for the purchase of third party loan insurance subject to the conditions identified in this section. Third party loan insurance is a financial arrangement whereby a third party bears some portion (or all) of a loss on a specific portfolio. This typically takes the form of a lender or investor purchasing an insurance policy from a third party against losses on a portfolio of loans up to a fixed percentage (the stop loss) of the sum of all the original loan amounts. The maximum insurance payout is determined by the value of the portfolio and not the value of individual loans.

In order to ensure that a use of EECBG funds for third party loan insurance furthers the stated purposes of EECBG, the loans supported by the third party loan insurance must be for the purchase and installation of energy efficiency and renewable energy projects consistent with the EECBG regulations.

Obligation & Drawing Down of Funds

Revolving loan funds (RLF)

Obligation

Program monies advanced for a RLF are considered obligated by the grantee once they have been used to capitalize a RLF. A RLF may be capitalized in any of the following circumstances:

- a) Receipt of a loan application from potential borrowers;
- b) State or local requirements (regulatory, statutory, or constitutional) dictate that funds be available in advance;
- c) The distribution account is operated by a third party; or
- d) If grantee establishes and operates RLF, funds would be considered obligated by the grantee upon submitting a letter to the Project Officer and receiving a confirmation response from the Project Officer. The letter must: (1) provide the strategy for the RLF and (2) identify the scope and size of the loan program.

Draw Down

Funds may be drawn down from the Department of the Treasury's Automated Standard Application for Payments (ASAP) system to fund the revolving loan fund at the time the fund is obligated. ASAP is the system by which grantees receiving financial assistance from DOE can draw down the funds that have been pre-authorized by the agency for payment. If a grantee requires a draw down under requirements "b" or "c" listed above, the grantee should document the relevant requirement and provide that documentation to their Project Officer.

Expenditure

Self-administered: Funds are considered fully expended (outlaid) for grantees operating an RLF when the RLF has loaned to specific borrowers for an amount equal to or greater than the EECBG funds that initially capitalized the fund. The value of loans issued in any reporting quarter is to be reported as expenditures (outlays) for that quarter.

Third party-administered: For revolving loan funds administered by a third party, grantee funds are considered expended (outlaid) when the funds are transferred to the third party for operation of the RLF. Funds transferred to a third party administrator in any reporting quarter are to be reported as expenditures (outlays) for that quarter.

If an RLF is administered by the grantee, all funds must be loaned out (initial round of funding) within timeframe specified in the terms and conditions of the award agreement; converted for use of approved program activities after submitting and finalizing an amendment through a DOE Project Officer; or returned to DOE.

If an RLF is administered by a third party (subgrantee or vendor), all funds should be loaned to specific borrowers (initial round of funding) within timeframe specified in the terms and conditions of the award agreement; converted for use of approved program activities after submitting and finalizing an amendment through a DOE Project Officer; or returned to DOE.

Regardless of whether an RLF is administered by a grantee or subgrantee, if the RLF does not loan out funds for eligible activities under the program then DOE may take an enforcement action against the grantee and/or subgrantee, as applicable, for noncompliance of the terms of the award agreement and disallow all or part of the cost of the activity or action not in compliance or other allowable remedies against the grantee and/or subgrantee, as applicable. 10 CFR 600.243

Loan loss reserves

Obligation

Loan loss reserve funds are considered obligated when they are committed as a credit enhancement to support a loan or portfolio of qualifying loans under the EECBG guidelines.

For loan loss reserves supporting a new or existing Recovery Act or non-Recovery Act funded financing program operated by the grantee, loan loss reserve funds are considered obligated by sending a letter to the Project Officer indicating the establishment of the loan loss reserve.

For loan loss reserves supporting third party loans, loan loss reserve funds are considered obligated when the grantee enters into a signed agreement with the third party.

Draw Down

Once loan loss reserve funds have been obligated the funds may be drawn down from the ASAP.

Expenditure

Self-administered: Loan loss reserve funds are considered expended after they have met the above requirements for obligation, the grantee has drawn down funds from the ASAP system to fund the loan loss reserve account and committed them to support (a) individual loans or (b) a portfolio of loans that a third-party commits to issue. The value of funds committed to support loans in any reporting quarter is to be reported as expenditures (outlays) for that quarter.

Third party-administered: For loan loss reserve funds operated by a third party, the grantee's funds are considered expended when they are transferred to the third party for operation of the fund.

Interest rate buy-downs and third party loan insurance***Obligation***

Funds for interest rate buy-downs and third party loan insurance are considered obligated by the grantee once they have been committed to support a loan or loan program. These funds may be committed in any of the following circumstances:

- a) Receipt of a loan application from potential borrowers;
- b) Where state or local requirements (regulatory, statutory or constitutional) dictate that funds be available in advance;
- c) When the grantee enters into a signed agreement with the third party to support an ongoing loan program with interest rate buy-downs or third party loan insurance; or
- d) The distribution account is operated by a third party and the grantee enters into an agreement with the third party.

Draw Down

Funds may be drawn down at the time they are committed to an interest rate buy-down program or third party loan insurance. If a grantee requires a draw down under requirements "b" through "c" listed above, they should document the relevant requirement and provide that documentation to their Project Officer.

Expenditure

Interest rate buy-downs and third party loan insurance are considered expended after they have met the above requirements for obligation and the grantee has funded the buy-down or insurance and should be reported as such.

Loan Defaults

Grantees are not required by DOE to replenish or replace any amounts which were lost to loan default. Loans involve risk by their very nature, therefore loss due to default of a

borrower is an anticipated and allowable cost under an EECBG grant. Grantees should utilize prudent lending practices to minimize the risk of defaults.

"Close Out" of Financing Programs

Grantees may end or reduce funding for a RLF program, loan loss reserve program, or other eligible financing program at any time as long as any remaining funds are used by the grantee for an eligible purpose after submitting and finalizing an amendment through a DOE Project Officer. Alternatively, the funds may be returned to DOE.

Interest Income from Advances

States

Any interest earned on funds which have been drawn down but not expended (outlaid) by a State grantee may be rolled back into the RLF, loan loss reserve account, interest rate buy downs or third party loan insurance; used for another approved, eligible activity; or returned to the federal government and is subject to the terms and conditions of its original grant. See 31 CFR 205.15 and 205.25; 10 CFR 600.225(g).

Units of Local Government / Tribes

Any interest earned on funds which have been drawn down but not yet expended (outlaid) by an eligible unit of local government or Indian tribe is subject to 10 CFR 600.221(i)¹. This requires interest repayments on the "advanced" funds to be paid quarterly to DOE (with the exception of up to \$100 per year for administrative expenses) based upon the interest rate specified by the Department of Treasury's Financial Management Service (<http://www.fms.treas.gov/cmia/interest-10.html>). However, once funds are loaned out, any interest earned is considered program income and is subject to the terms and conditions of the original grant. See 10 CFR 600.225(g).

Program Income

All program income (including interest earned) paid to grantees is subject to the terms and conditions of the original grant. See 10 CFR 600.225(g)

Federal Requirements Applicable to Financing Programs

Generally, federal funds used to capitalize a RLF or fund loan loss reserves, interest rate buy downs and third party loan insurance maintain their federal character in perpetuity. As a result, federal requirements that apply to the funds such as the National Environmental Protection Act (NEPA) and the National Historic Preservation Act (NHPA)

¹ 10 CFR 600.221(i) states "[u]nless there are statutory provisions to the contrary, grantees and subgrantees shall promptly, but at least quarterly, remit to the Federal agency interest earned on advances. The grantee or subgrantee may keep interest amounts up to \$100 per year for administrative expenses."

would be applicable at each revolution of the RLF or on any residual funds from loan loss reserves. Federal requirements that apply to Recovery Act funds, such as the Davis-Bacon Act (DBA) requirements, Buy American provision requirements, and Recovery Act reporting requirements would be applicable at each revolution of a RLF or on any residual funds from loan loss reserves that were funded through the Recovery Act.

The grantees who administer financing programs can expedite compliance with these statutory requirements.

NEPA

Revolving Loan Funds

If the grantee uses the EECBG NEPA Template that DOE has provided to grantees to obtain categorical exclusions under NEPA, then DOE can complete a NEPA review for entire RLF programs without having to later conduct a NEPA review of individual projects.

Loan Loss Reserves

Recovery Act-funded loan loss reserves can occur in three phases:

1. DOE expends Recovery Act funds that are used to establish and capitalize a grantee's loan loss reserve account;
2. A grantee approves an application from a third party lender requesting coverage from a loan loss reserve to support a loan or a portfolio of qualifying loans (in this case, commitment of a loan loss reserve); and
3. A grantee draws funds from the loan loss reserve account to pay third parties for the financing of privately-funded projects, in the event of a loan default.

DOE does not need to complete a NEPA review in advance of phase (1) above. However, DOE must complete a NEPA review for this loan loss reserve activity prior to phase (2) above, at the latest. To that end, DOE must complete a NEPA review before EECBG grantees commit funds to cover a third party's loans. While the requirements of DBA and the Buy American provision do not apply during phase (1), such requirements apply prior to phase (2) above.

For instances in which grantees intend to use EECBG funding for loan loss reserves supporting underlying projects that do *not* qualify for a categorical exclusion (CX) determination (*e.g.*, large, commercial-scale geothermal or wind projects), DOE will typically have to complete a NEPA review for the individual proposed projects. At the time that a third party lender applies to the grantee for coverage from a loan loss reserve, the grantee must identify the project(s) that will receive the loan. DOE will then commence a NEPA review of such project(s), which will most likely result in an Environmental Assessment or Environmental Impact Statement. A grantee cannot approve third party loans for coverage under the loan loss reserve program until DOE

completes a NEPA review for particular projects that benefit from the loan loss reserve. Should the project proponent move forward with activities that are not authorized for Federal funding by the DOE Contracting Officer in advance of the final NEPA determination, you are doing so at risk of not receiving Federal funding and such costs may not be recognized as allowable cost share.

Even in those instances in which DOE must complete a NEPA review for individual projects that do not qualify for a CX determination, DOE may be able to expedite the NEPA review process by using a single NEPA document for multiple, similar projects. Also, if the total amount of Federal financial assistance (including federal funding reserved for the loss on the loan) for a project is less than 10 percent of project costs, then the grantee should consult with DOE about whether DOE will have to prepare a NEPA determination for the project.

For grantees that anticipate seeking approval for loan loss reserves that support projects which cannot obtain a CX determination, DOE encourages such grantees to submit a complete project description simultaneously with the third party lender application for a credit enhancement. Otherwise, DOE may condition its approval of the loan loss reserve on a NEPA review and that conditional approval may serve as an insufficient guarantee to the lender.

Categorical Exclusions

Grantees should consider restricting their financing programs to activities categorically excluded from NEPA review (*e.g.*, including this restriction in any third party loan loss reserve contracts).

For further information about the EECBG NEPA Template, please review guidance that DOE has previously issued on streamlining compliance with NEPA. That guidance and the EECBG NEPA Template itself can be found at http://www1.eere.energy.gov/wip/pdfs/nepa_program_guidance_notice_10-003.pdf and http://www1.eere.energy.gov/wip/pdfs/eeecbg_recovery_act_program_guidance_10-011.pdf (Attachment B), respectively. Further, assuming that DOE exercises no control over projects that receive loans from a RLF, DOE *may* not have to prepare a NEPA determination for a project if the total amount of Federal funding for the project is less than 10 percent of project costs.

Historic Preservation, DBA, and Buy American

DOE has worked with the Advisory Council on Historic Preservation to provide States with programmatic agreements in order to streamline compliance with the NHPA requirements.

Individual homeowners receiving loans under a RLF program or supported by Recovery Act-funded credit enhancements (e.g., loan loss reserves, interest rate buy downs, third party loan insurance) would not be required to comply with the DBA. Grantees may wish to consider restricting their financing programs to activities for which compliance is not required under the DBA.

Neither loan loss reserve funds nor third party loan insurance are subject to the DBA, because the funds are not being loaned/used for construction/installation work. Provided that the loan loss reserve fund is used only for the purposes of providing a fund for the third party lender in the event of default by the borrower, the DBA is not applicable to the loan loss reserve fund.

Also, provided that the third party loan insurance is used only for the purpose of providing a lender or investor purchasing an insurance policy from a third party against losses on a portfolio of loans up to a fixed percentage (the stop loss) of the sum of all the original loan amounts, the DBA is not applicable to the third party loan insurance.

DBA does apply to interest rate buy downs when the interest rate buy down is for a loan to a corporate entity to support construction/installation work for eligible activities listed in 42 USC 17154(3)-(13).

Loan loss reserve funds are used to protect the third party lender in the event of a default. The third party lender obtains reimbursement from a loan loss reserve fund only in the event of a default by the borrower. Loan loss reserve funds are not used for the construction, alteration, maintenance or repair of a public building or public work. Therefore, the Buy American provisions of the Recovery Act do not apply to loan loss reserve funds.

Similarly, the Buy American provision requirements apply to "public buildings" and "public works" and thus would not be applicable to projects performed on homes owned by individuals.

Grantee Reporting of Financial Programs

Following close of the Recovery Act award period, DOE intends to require basic reporting to confirm the funds are being used in accordance with their federal character. After the close of the Recovery Act award period, grantees with funds remaining in financing programs would prospectively be required to report basic information on the program on an annual basis until the funds are either: (1) rolled into another eligible activity and expended; or (2) fully expended through default.

Pursuant to Section 210(c) of OMB Circular A-133, third party lenders should generally be characterized as vendors providing financial services. As such, third party lenders

(e.g., commercial banks) would not be required to report any information directly to DOE. Prime grantees would retain reporting authority and would not delegate any reporting responsibility to the third party lenders.

A handwritten signature in black ink, appearing to read "LeAnn M. Oliver". The signature is written in a cursive style with a large initial "L" and "O".

LeAnn M. Oliver
Program Manager
Weatherization and Intergovernmental Program
Energy Efficiency and Renewable Energy



Department of Energy
Washington, DC 20585

SEP PROGRAM NOTICE 10-008C
EFFECTIVE DATE (Revised): March 14, 2011
ORIGINALLY ISSUED: December 7, 2009

SUBJECT: GUIDANCE FOR STATE ENERGY PROGRAM GRANTEES ON FINANCING PROGRAMS.

PURPOSE

To provide guidance to the Department of Energy's (Department or DOE) State Energy Program (SEP) grantees on financing programs. This guidance supersedes SEP Program Notice 10-008B, which was issued on August 10, 2010.

SCOPE

The provisions of this guidance apply to grantees of SEP funds, pursuant to Formula Grant or American Recovery and Reinvestment Act of 2009 (Recovery Act).

LEGAL AUTHORITY

SEP is authorized under the Energy Policy and Conservation Act, as amended (42 U.S.C. § 6321 et seq.) All grant awards made under this program shall comply with applicable law including the Recovery Act and other procedures applicable to this program.

GUIDANCE

Eligibility of revolving loan funds

A revolving loan fund is an eligible use of funds under the SEP Program to the extent that the activities supported by the loans are eligible activities under the program. The implementing regulations for SEP expressly identify revolving loan funds as an eligible use of SEP funds. 10 CFR 420.18(d).

Leveraging Funds under the SEP: Purpose and Type of Leveraging under SEP

Grantee arrangements for leveraging additional public and private sector funds, including rebates, grants, and other incentives, must be arranged to ensure that federal funds go to support eligible activities listed in 42 USC 6322(d)(5)(A). The leveraging of funds may be accomplished through mechanisms such as partnerships with third party lenders, co-lending, third party administration of loans, and loan loss reserves.

Loan Loss Reserves under the SEP

SEP funds may be used for a loan loss reserve to support loans made with private and public funds and to support a sale of loans made by a grantee or third-party lenders into a secondary market, subject to the following conditions. In order to ensure that a use of SEP funds to leverage additional public and private sector funds furthers the stated purposes of SEP, the activities supported by the leveraged funds are limited to those activities specifically listed as eligible activities in the SEP regulations. Additionally, a grantee must ensure that the following conditions are met:

- a) a grantee shall have the right to review and monitor loans provided by third party lenders to ensure that loans are being made for the “purchase and installation of energy efficiency and renewable energy measures” and comply with all conditions of ARRA funds (e.g., Davis Bacon, Buy American and NEPA) where applicable;
- b) a grantee establishing a loan loss reserve has no legal or financial obligation beyond the funds committed to the reserve and is not subject to further recourse in the event losses exceed the amount of the reserve;
- c) any SEP funds used to establish a loan loss reserve not used in connection with loan losses paid to third party lenders or secondary market investors must be used by or at the direction of the grantee and for an eligible use under the SEP Program, including capitalization of a RLF; and
- d) under no circumstances shall SEP funds be released to a third party lender or secondary market investor for any purpose not pertaining to loan losses.

A grantee cannot use more than 50% of their SEP funds for loan loss reserves.

Interest Rate Buy-Downs

SEP funds may be used for interest rate buy-downs subject to the conditions identified in this section. An interest rate buy-down is when one party (e.g., grantee) provides a lump-sum payment based on the net present value of the difference between a target return to the lender or loan investor and the borrower’s interest rate. This has two primary purposes: (1) increase project affordability and demand by reducing monthly payments and (2) maintaining or increasing lender / investor interest in making loans by yielding higher returns.

In order to ensure that a use of SEP funds for interest rate buy-downs furthers the stated purposes of SEP, the loans supported by the interest rate buy-downs must be for the purchase and installation of energy efficiency and renewable energy measures consistent with the SEP regulations.

Third Party Loan Insurance

SEP funds may be used for the purchase of third party loan insurance subject to the conditions identified in this section. Third party loan insurance is a financial arrangement whereby a third party bears some portion (or all) of a loss on a specific portfolio. This typically takes the form of a lender or investor purchasing an insurance policy from a third party against losses on a portfolio of loans up to a fixed percentage (the stop loss) of the sum of all the original loan amounts. The maximum insurance payout is determined by the value of the portfolio and not the value of individual loans.

In order to ensure that a use of SEP funds for third party loan insurance furthers the stated purposes of SEP, the loans supported by the third party loan insurance must be for the purchase and installation of energy efficiency and renewable energy measures consistent with the SEP regulations.

Obligation & Drawing Down of Funds

Revolving loan funds (RLF)

Obligation

Program monies advanced for a RLF are considered obligated by the grantee once they have been used to capitalize a RLF. A RLF may be capitalized in any of the following circumstances:

- a) Receipt of a loan application from potential borrowers;
- b) State or local requirements (regulatory, statutory, or constitutional) dictate that funds be available in advance;
- c) The distribution account is operated by a third party; or
- d) If grantee establishes and operates RLF, funds would be considered obligated by the grantee upon submitting a letter to the Project Officer and receiving a confirmation response from the Project Officer. The letter must: (1) provide the strategy for the RLF and (2) identify the scope and size of the loan program.

Draw Down

Funds may be drawn down from the Department of the Treasury's Automated Standard Application for Payments (ASAP) system to fund the revolving loan fund at the time the fund is obligated. ASAP is the system by which grantees receiving financial assistance from DOE can draw down the funds that have been pre-authorized by the agency for payment. If a grantee requires a draw down under requirements "b" or "c" listed above, the grantee should document the relevant requirement and provide that documentation to their Project Officer.

Expenditure

Self-administered: Funds are considered fully expended (outlaid) for grantees operating an RLF when the RLF has loaned to specific borrowers for an amount equal to or greater

than the SEP funds that initially capitalized the fund. The value of loans issued in any reporting quarter is to be reported as expenditures (outlays) for that quarter.

Third party-administered: For revolving loan funds administered by a third party, grantee funds are considered expended (outlaid) when the funds are transferred to the third party for operation of the RLF. Funds transferred to a third party administrator in any reporting quarter are to be reported as expenditures (outlays) for that quarter.

If an RLF is administered by the grantee, all funds must be loaned out (initial round of funding) within the timeframe specified in the terms and conditions of the award agreement; converted for use of approved program activities after submitting and finalizing an amendment through a DOE Project Officer; or returned to DOE.

If an RLF is administered by a third party (subgrantee or vendor), all funds should be loaned to specific borrowers (initial round of funding) within the timeframe specified in the terms and conditions of the award agreement; converted for use of approved program activities after submitting and finalizing an amendment through a DOE Project Officer; or returned to DOE.

Regardless of whether an RLF is administered by a grantee or a subgrantee, if the RLF does not loan out funds for eligible activities under the program then DOE may take an enforcement action against the grantee and/or subgrantee, as applicable, for noncompliance of the terms of the award agreement and disallow all or part of the cost of the activity or action not in compliance or other allowable remedies against the grantee and/or subgrantee, as applicable. 10 CFR 600.243

Loan loss reserves

Obligation

Loan loss reserve funds are considered obligated when they are committed as a credit enhancement to support a loan or portfolio of qualifying loans under the SEP guidelines.

For loan loss reserves supporting a new or existing Recovery Act or non-Recovery Act funded financing program operated by the grantee, loan loss reserve funds are considered obligated by sending a letter to the Project Officer indicating the establishment of the loan loss reserve.

For loan loss reserves supporting third party loans, loan loss reserve funds are considered obligated when the grantee enters into a signed agreement with the third party.

Draw Down

Once loan loss reserve funds have been obligated the funds may be drawn down from ASAP.

Expenditure

Self-administered: Loan loss reserve funds are considered expended after they have met the above requirements for obligation, the grantee has drawn down funds from the ASAP system to fund the loan loss reserve account and committed them to support (a) individual loans or (b) a portfolio of loans that a third-party commits to issue. The value of funds committed to support loans in any reporting quarter is to be reported as expenditures (outlays) for that quarter.

Third party-administered: For loan loss reserve funds operated by a third party, the grantee's funds are considered expended when they are transferred to the third party for operation of the fund.

Interest rate buy-downs and third party loan insurance

Obligation

Funds for interest rate buy-downs and third party loan insurance are considered obligated by the grantee once they have been committed to support a loan or loan program. These funds may be committed in any of the following circumstances:

- a) Receipt of a loan application from potential borrowers;
- b) Where state or local requirements (regulatory, statutory or constitutional) dictate that funds be available in advance;
- c) When the grantee enters into a signed agreement with the third party to support an ongoing loan program with interest rate buy-downs or third party loan insurance; or
- d) The distribution account is operated by a third party and the grantee enters into an agreement with the third party.

Draw Down

Funds may be drawn down at the time they are committed to an interest rate buy-down program or third party loan insurance. If a grantee requires a draw down under requirements "b" through "c" listed above, they should document the relevant requirement and provide that documentation to their Project Officer.

Expenditure

Interest rate buy-downs and third party loan insurance are considered expended after they have met the above requirements for obligation and the grantee has funded the buy-down or insurance and should be reported as such.

Loan Defaults

Grantees are not required by DOE to replenish or replace any amounts which were lost to loan default. Loans involve risk by their very nature, therefore loss due to default of a borrower is an anticipated and allowable cost under an SEP grant. Grantees should utilize prudent lending practices to minimize the risk of defaults.

“Close Out” of Financing Programs

Grantees may end or reduce funding for a RLF program, loan loss reserve program, or other eligible financing program at any time as long as any remaining funds are used by the grantee for an eligible purpose after submitting and finalizing an amendment through the DOE Project Officer. Alternatively, the funds may be returned to DOE.

Interest Income from Advances

Any interest earned on funds which have been drawn down but not expended (outlaid) by a State grantee may be rolled back into the RLF, loan loss reserve account, interest rate buy downs or third party loan insurance; used for another approved, eligible activity; or returned to the federal government and is subject to the terms and conditions of its original grant. See 31 CFR 205.15 and 205.25; 10 CFR 600.225(g).

Program Income

All program income (including interest earned) paid to grantees is subject to the terms and conditions of the original grant. See 10 CFR 600.225(g)

Federal Requirements Applicable to Financing Programs

Generally, federal funds used to capitalize a RLF or fund loan loss reserves, interest rate buy downs and third party loan insurance maintain their federal character in perpetuity. As a result, federal requirements that apply to the funds such as the National Environmental Protection Act (NEPA) and the National Historic Preservation Act (NHPA) would be applicable at each revolution of the RLF or on any residual funds from loan loss reserves. Federal requirements that apply to Recovery Act funds, such as the Davis-Bacon Act (DBA) requirements, Buy American provision requirements, and Recovery Act reporting requirements would be applicable at each revolution of a RLF or on any residual funds from loan loss reserves that were funded through the Recovery Act.

The grantees who administer financing programs can expedite compliance with these statutory requirements.

NEPA

Revolving Loan Funds

If the grantee uses the SEP NEPA Template that DOE has provided to grantees to obtain categorical exclusions under NEPA, then DOE can complete a NEPA review for entire RLF programs without having to later conduct a NEPA review of individual projects.

Loan Loss Reserves

Recovery Act-funded loan loss reserves can occur in three phases:

1. DOE expends Recovery Act funds that are used to establish and capitalize a grantee's loan loss reserve account;
2. A grantee approves an application from a third party lender requesting coverage from a loan loss reserve to support a loan or a portfolio of qualifying loans (in this case, commitment of a loan loss reserve); and
3. A grantee draws funds from the loan loss reserve account to pay third parties for the financing of privately-funded projects, in the event of a loan default.

DOE does not need to complete a NEPA review in advance of phase (1) above. However, DOE must complete a NEPA review for this loan loss reserve activity prior to phase (2) above, at the latest. To that end, DOE must complete a NEPA review before SEP grantees commit funds to cover a third party's loans. While the requirements of DBA and the Buy American provision do not apply during phase (1), such requirements apply prior to phase (2) above.

For instances in which grantees intend to use SEP funding for loan loss reserves supporting underlying projects that do *not* qualify for a categorical exclusion (CX) determination (e.g., large, commercial-scale geothermal or wind projects), DOE will typically have to complete a NEPA review for the individual proposed projects. At the time that a third party lender applies to the grantee for coverage from a loan loss reserve, the grantee must identify the project(s) that will receive the loan. DOE will then commence a NEPA review of such project(s), which will most likely result in an Environmental Assessment or Environmental Impact Statement. A grantee cannot approve third party loans for coverage under the loan loss reserve program until DOE completes a NEPA review for particular projects that benefit from the loan loss reserve. Should the project proponent move forward with activities that are not authorized for Federal funding by the DOE Contracting Officer in advance of the final NEPA determination, you are doing so at risk of not receiving Federal funding and such costs may not be recognized as allowable cost share.

Even in those instances in which DOE must complete a NEPA review for individual projects that do not qualify for a CX determination, DOE may be able to expedite the NEPA review process by using a single NEPA document for multiple, similar projects. Also, if the total amount of Federal financial assistance (including federal funding reserved for the loss on the loan) for a project is less than 10 percent of project costs, then the grantee should consult with DOE about whether DOE will have to prepare a NEPA determination for the project.

For grantees that anticipate seeking approval for loan loss reserves that support

projects which cannot obtain a CX determination, DOE encourages such grantees to submit a complete project description simultaneously with the third party lender application for a credit enhancement. Otherwise, DOE may condition its approval of the loan loss reserve on a NEPA review and that conditional approval may serve as an insufficient guarantee to the lender.

Categorical Exclusions

Grantees should consider restricting their financing programs to activities categorically excluded from NEPA review (e.g., including this restriction in any third party loan loss reserve contracts).

For further information about the SEP NEPA Template, please review guidance that DOE has previously issued on streamlining compliance with NEPA. That guidance and the SEP NEPA Template itself can be found at

http://www1.eere.energy.gov/wip/pdfs/nepa_program_guidance_notice_10-003.pdf and http://www1.eere.energy.gov/wip/pdfs/template_nepa_review.pdf, respectively.

Further, assuming that DOE exercises no control over projects that receive loans from a RLF, DOE *may* not have to prepare a NEPA determination for a project if the total amount of Federal funding for the project is less than 10 percent of project costs.

Historic Preservation, DBA, and Buy American

DOE has worked with the Advisory Council on Historic Preservation to provide States with programmatic agreements in order to streamline compliance with the NHPA requirements.

Individual homeowners receiving loans under a RLF program or supported by Recovery Act-funded credit enhancements (e.g., loan loss reserves, interest rate buy downs, third party loan insurance) would not be required to comply with the DBA. Grantees may wish to consider restricting their financing programs to activities for which compliance is not required under the DBA.

Neither loan loss reserve funds nor third party loan insurance are subject to the DBA, because the funds are not being loaned/used for construction/installation work. Providing that the loan loss reserve fund is used only for the purposes of providing a fund for the third party lender in the event of default by the borrower, the DBA is not applicable to the loan loss reserve fund.

Also, provided that the third party loan insurance is used only for the purpose of providing a lender or investor purchasing an insurance policy from a third party against losses on a portfolio of loans up to a fixed percentage (the stop loss) of the sum of all the original loan amounts, the DBA is not applicable to the third party loan insurance.

DBA does apply to interest rate buy downs when the interest rate buy down is for a loan to a corporate entity to support construction/installation work for eligible activities under SEP.

Loan loss reserve funds are used to protect the third party lender in the event of a default. The third party lender obtains reimbursement from a loan loss reserve fund only in the event of a default by the borrower. Loan loss reserve funds are not used for the construction, alteration, maintenance or repair of a public building or public work. Therefore, the Buy American provisions of the Recovery Act do not apply to loan loss reserve funds.

Similarly, the Buy American provision requirements apply to "public buildings" and "public works" and thus would not be applicable to projects performed on homes owned by individuals.

Grantee Reporting of Financial Programs

Following close of the Recovery Act award period, DOE intends to require basic reporting to confirm the funds are being used in accordance with their federal character. After the close of the Recovery Act award period, grantees with funds remaining in financing programs would prospectively be required to report basic information on the program on an annual basis until the funds are either: (1) rolled into another eligible activity and expended; or (2) fully expended through default.

Pursuant to Section 210(c) of OMB Circular A-133, third party lenders should generally be characterized as vendors providing financial services. As such, third party lenders (e.g., commercial banks) would not be required to report any information directly to DOE. Prime grantees would retain reporting authority and would not delegate any reporting responsibility to the third party lenders.



LeAnn M. Oliver
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BetterBuildings
Marketing and Incentive Programs for Building Energy Efficiency Retrofits
February 18, 2011

Background

BetterBuildings grantees are designing and implementing innovative marketing, outreach and recognition strategies in order to raise awareness of energy efficiency, and encourage widespread participation in building energy efficiency retrofit programs by residents and businesses. This document describes how BetterBuildings funds may be used for marketing and incentive programs, and provides guidance on program structures that are allowable and unallowable under DOE financial assistance rules (*see, e.g.*, 10 CFR 600 et seq. and applicable OMB Cost Principles, 2 CFR Parts 220, 225, and 230).

The eligible activities for the BetterBuildings program are funded through the Energy Efficiency and Conservation Block Grant (EECBG) Program, which was established pursuant to the Energy Independence and Security Act (EISA) of 2007, section 541-548. The statute restricts use of funds to eligible activities to fourteen categories.¹

Summary

DOE supports the use of marketing and outreach to increase uptake of programs and make energy efficient practices a social norm. The use of DOE funds for marketing and outreach, incentives to property owners performing energy assessments, and building energy efficiency retrofits is allowable in accordance with applicable OMB Cost Principles. Incentive payments to third parties are allowable with prior approval. The use of DOE funds for contests, competitions, cash or other monetary prizes is unallowable because these activities are not activity under the EECBG program. The use of DOE funds for energy efficiency measures or services resulting from contests or competitions is allowable with prior approval.

Marketing and outreach programs

Funds may be used to market the program to residents and businesses within the communities that are eligible to receive funding.² In developing marketing and outreach programs and activities (e.g., print and electronic media such as TV, ads, Web, etc.), all programs must demonstrate that they are *necessary to perform the DOE award*. Marketing is required to promote the funding recipient's BetterBuildings program, rather than solely promoting the organization conducting the activity. Recipients are encouraged to incorporate the BetterBuildings branding information. Where appropriate (e.g., flyers, fact sheets, websites), EECBG recipients should acknowledge that the program is funded by the Department of Energy through the American Recovery and Reinvestment Act. Use of the ARRA logo is allowed and encouraged; the DOE logo shall not be used without prior approval from DOE. State Energy Program (SEP) awards are not funded through the American Recovery and Reinvestment Act and therefore should acknowledge that the program is funded by the Department of Energy with no reference to ARRA. Marketing and outreach is eligible under EECBG category Six contained in Section

¹ See section 544 of EISA of 2007; See Guidance 10-021 at: http://www1.eere.energy.gov/wip/pdfs/eecbg_10-021_eligibility_guidance_010411.pdf

² The eligible communities are defined by the jurisdictional boundary of the state or local government awarded funding, or in the case of non-profit organizations, those jurisdictions that designated the non-profit to apply for an award on their behalf.

544 of EISA of 2007, energy efficiency and conservation programs for buildings and facilities, in accordance with applicable OMB Cost Principles.

Incentives to homeowners and building owners

BetterBuildings grantees may use DOE funding to provide incentives to property owners to conduct energy assessments and/or implement building energy efficiency retrofits. Incentive payments may be in the form of rebates, interest rate buy-downs, equipment purchases, or other financial support to the project. Projects receiving retrofit incentives should meet the minimum energy savings requirements (15% energy savings for EECBG, 20% energy savings for SEP) for BetterBuildings retrofit projects. The minimum savings requirement does not apply to direct install measures designed to market the program and encourage participation. This activity is eligible under EECBG activity categories Three and Four (residential and commercial building energy audits and financial incentive programs).

Incentives to third-party organizations and contractors

Community groups, non-profit organizations, schools, contractors and other third parties can be effective vehicles to reach residents and businesses, and securing commitments to take action. With prior approval, DOE funds may be used to provide incentive payments to third-party organizations for securing retrofit commitments, provided that the incentives are only issued for retrofit projects that are completed or anticipated to reach completion. Prior approval of the incentive program is required so that DOE may review the proposed incentive payment structure design. The incentive programs may be eligible under EECBG category Five (energy efficiency retrofit grants for government agencies and nonprofit organizations).

Contests, prizes and competitions

The use of DOE funds for contests, competitions, cash or other monetary prizes is unallowable whether for individuals, community groups and organizations, or others that are participating in building energy efficiency retrofit programs with the exceptions noted below. This restriction also extends to any non-monetary incentives that are unrelated to energy efficiency. However, competitions or contests based on performance (not on random drawing) that provide rewards of energy efficiency measures or services may be allowed with prior DOE approval. Grantees may conduct competitions within the community to promote the program and encourage participation by residents and businesses. DOE encourages recipients that are developing competition-based programs to utilize recognition and other non-monetary means of rewarding participation. Limited quantities of energy-efficient products (e.g., CFLs, energy savings books or guides, energy measurement devices) may be included as part of competitions, provided that the competitions and prizes are available only to businesses and residents within the eligible jurisdiction.

For more information

Questions or requests for further guidance should be directed to your cognizant Account Manager or DOE Project Officer.



Department of Energy
Washington, DC 20585

EECBG PROGRAM NOTICE 10-021
EFFECTIVE DATE: January 4, 2011

**SUBJECT: GUIDANCE FOR ELIGIBILITY OF ACTIVITIES UNDER THE ENERGY EFFICIENCY
AND CONSERVATION BLOCK GRANT PROGRAM**

PURPOSE

To provide guidance on the eligibility of activities under Department of Energy's (DOE's) Energy Efficiency and Conservation Block Grant (EECBG) Program.

SCOPE

The provisions of this guidance apply to recipients of EECBG funds.

LEGAL AUTHORITY AND BACKGROUND

Title V, Subtitle E of the Energy Independence and Security Act (EISA), as amended, authorizes the Department of Energy (DOE) to administer the EECBG Program. All grant awards made under this program shall comply with applicable law including the American Recovery and Reinvestment Act of 2009 (ARRA) and other procedures applicable to this program.

GUIDANCE

The general purpose of the EECBG Program is to assist eligible States, units of local government, and Indian tribes (collectively referred to as "eligible entities") in implementing strategies to reduce fossil fuel emissions created as a result of activities within the jurisdiction of the eligible entities, reduce the total energy use of the eligible entities, and improve energy efficiency.

The EISA statute specifies 14 categories of eligible uses of EECBG funds. As a result of the reviews DOE has made of activities outlined in energy efficiency and conservation strategies submitted by eligible entities, the Office of Weatherization and Intergovernmental Program is providing guidance regarding the types of eligible activities that are covered by the 14 categories. This guidance is not intended to be exhaustive and if an eligible entity has a question regarding the eligibility of a specific activity the eligible entity should contact its Project Officer.

In general, the overall objective of each activity should be the attainment of or the plan to attain increased energy efficiency and conservation. Projects related to regular maintenance or repairs are not eligible.

Measures undertaken to be in compliance with federal, state, and local laws and regulations such as asbestos removal, lead paint removal, ADA compliance and similar activities that are incidental to carrying out the eligible EECBG activity may be allowable in some cases. The compliance measure must be required in order to implement the EECBG activity and the EECBG activity must be the primary use of the EECBG funding. In such cases, the threshold is that all compliance measures, including health and safety measures that are incidental to carrying out the EECBG activity, cannot total more than 25 percent of the costs for the underlying EECBG activity. Therefore, 25 percent of the cost of an underlying eligible activity can be used for compliance measures. Any additional costs must be borne by the recipient.

Frequently Asked Question: Health and Safety Costs

Does the EECBG Grant provision prohibiting use of government funds to pay for decontamination and decommissioning (D&D) costs extend to asbestos and/or lead paint removal and similar items if such activities are necessary for an energy efficiency or renewable energy project?

The decontamination and decommissioning (D&D) provision does not prohibit using EECBG funds for asbestos removal, lead paint removal and similar activities that are incidental to carrying out the EECBG activity. If the recipient determines that an EECBG activity requires additional measures for compliance with asbestos and lead paint removal requirements, DOE funds could be applied towards the cost of the energy efficiency improvement and up to 25% towards compliance efforts. Any additional costs must be borne by the recipient.

ELIGIBILITY CATEGORIES

Category (1) Local Government and Indian Tribe Strategy Development

- This category is only available to eligible entities that are units of local government or Indian tribes (i.e., units of local government or Indian tribes that received funds under the EECBG formula); and
- The activity must be for the development, in support of the development, or in support of the implementation of either a strategy submitted pursuant to the EECBG Program or a general strategy that outlines goals for energy efficiency or conservation.

Category (2) Retaining Technical Consulting Services

- This category is only available to eligible entities that are units of local government or Indian tribes (i.e., units of local government or Indian tribes that received funds under the EECBG formula); and
- The activity for which the eligible entity is seeking to retain technical consulting services must qualify as an eligible activity under Category 1.

Frequently Asked Question: Technical and Feasibility Studies

Can funds be used for assessments or feasibility studies?

Enabling activities (e.g., assessments, feasibility studies) that support eligible activities are an eligible use of funds under the activity category that they are supporting. For example, a feasibility study for a renewable energy projects on or in a government building would be an eligible use of funds under Category 13.

Category (3) Residential and Commercial Building Audits

- The activity must be for conducting energy audits¹ of residential and commercial buildings²; and
- The activity must occur within the jurisdiction of the eligible entity.

Upgrades or improvements to buildings associated with the audits are an eligible use of funds.

Category (4) Financial Incentives for Energy Efficiency

- The activity must be for a financial incentive program, such as a rebate, loan or grant program including sub-grants from States;
- The financial incentive program must be for the purpose of improving energy efficiency; and

¹ For the purpose of eligibility under the EECBG Program, “energy audit” generally means an inspection or examination of a building to evaluate potential improvements in energy efficiency. This can include benchmarking building energy performance in ENERGY STAR’s Portfolio Manager tool.

² For the purpose of eligibility under the EECBG Program, “building” generally means a usually roofed and walled structure built for permanent use. Commercial buildings include all buildings in which at least half of the floor space is used for a purpose that is not residential (used as a dwelling for one or more households), manufacturing/industrial (used for processing or procurement of goods, merchandise, raw materials or food) or agricultural (used for the production, processing, sale, storage, or housing of agricultural products, including livestock), so they include building types that might not traditionally be considered “commercial,” such as schools, correctional institutions, and buildings used for religious worship.

- The financial incentives must be limited to resident, non-profits, government entities, or businesses within the jurisdiction of the eligible entity.

Frequently Asked Question: Financial Incentives

What is eligible as a financial incentive and can financial incentives be used to fund projects outside of a grantee's jurisdiction?

There are 4 criteria related to financial incentives:

- (1) funds are being requested for a financial incentive program, such as a rebate;
- (2) the financial incentives under the program are for energy efficiency improvements;
- (3) the financial incentive must be limited to residents within the jurisdiction of the eligible entity; and
- (4) the underlying activity funded by the financial incentive must be an eligible activity.

EECBG funds may only be used in the jurisdiction of the eligible entity. For example, if a City sets up a financing program with a loan loss reserve (or revolving loan fund) with EECBG funds then the City can only allow residents within the jurisdiction of the City to participate in the loan program. Suburbs of the city may not be eligible for EECBG funds if they are not within the jurisdiction of the eligible entity. Once the initial EECBG funding has been loaned out to City residents, the funds that are recycled back into the revolving loan fund are considered federal funds and must continue to go towards approved, eligible activities within the City's jurisdiction.

EECBG funds for financial incentive programs under Category 4 may be used for installation of renewable energy technologies, so long as the primary purpose of the activity is the improvement of the energy efficiency of the building to which the renewable energy technology is applied (See FAQ related to PV on non-governmental buildings in the Category 6 section).

Category (5) Energy Efficiency Retrofit Grants for Government Agencies and Nonprofit Organizations

- The activity must be for energy efficiency retrofits performed by government agencies or nonprofit organizations (these retrofits may be in residential buildings as long as the government or non-profit is performing the retrofit)—The retrofit may be of equipment (e.g., a pump, generator) or a building;
- The retrofit must result in energy savings or improved energy efficiency;

- The activity must **not** be for new construction or non-replacement equipment; and³
- The activity must occur within the jurisdiction of the eligible entity.

Frequently Asked Question: Water Fixtures**Would replacing high flow water fixtures with low flow that will result in energy savings be an eligible activity?**

This activity is eligible under Category 5 (Energy Retrofit Grants for Nonprofits and Government Agencies) provided that –

- (1) there is accompanying energy savings;
- (2) the energy efficiency retrofits are performed by government agencies or nonprofit organizations within the jurisdiction of the eligible entity; and
- (3) the activity is not for new construction or non-replacement equipment.

The project is eligible under Category 6 (Energy Efficiency & Conservation Programs for Buildings & Facilities) provided that there is accompanying energy savings, and the funding will be used in a building within the jurisdiction of the eligible entity.

For the purpose of EECBG eligibility, a solar water heater is considered an energy efficiency measure given that a solar hot water heater reduces the amount of electricity or natural gas required to heat water.

Category (6) Energy Efficiency and Conservation Programs for Buildings and Facilities

- The activity must be for the development and/or implementation of an energy efficiency or energy conservation program. An eligible use of funds may include the design and operation of the program. Eligible activities may include:
 - programs for public education including training or workshops;
 - development and implementation of measurement and verification protocols;
 - identification of energy efficient technologies; and
 - installation of energy efficient equipment including energy management systems.
- The activity must be related to buildings or facilities; and⁴

³ Retrofits that install new equipment/fixture/systems to replace energy consuming systems are eligible if they meet the other requirements of this section. For example, skylights to replace lights or new lighting controls to make more efficient use of lighting systems are eligible if they meet the other requirements of this section.

⁴ For the purpose of eligibility under the EECBG Program, “facility” generally means an installation, building, group of buildings, or group of structures designed to support a related purpose.

- The activity must impact buildings or facilities within the jurisdiction of the eligible entity.

For the purpose of EECBG eligibility, a solar water heater is considered an energy efficiency measure given that a solar hot water heater reduces the amount of electricity or natural gas required to heat water.

Frequently Asked Question: Solar PV projects on non-governmental buildings

What type of solar projects are eligible if the project is not on a government building?

- Solar hot water systems designed to conserve fuel use on site (as opposed to PV/electricity generation systems), can in some cases be considered energy conservation/efficiency measures. Therefore, solar hot water technology is not limited to use on or in government buildings. The technology is subject to the same eligibility requirements as other energy efficiency technologies.

- The rule with respect to renewable energy is as follows:

Under the EECBG program, a renewable energy project for a residential or commercial building may be eligible if it is part of a broader energy efficiency effort. (42 USC 17154(5) or (6)) The energy efficiency must be the primary component of the effort, allowing the project to be eligible under either category 5 or 6.

Here is an example:

An eligible entity may use EECBG funds for the installation of solar PV as part of an energy efficiency program, if as a requirement for receiving funding, a building must meet an energy efficiency level specified under the energy efficiency program. The energy efficiency levels may be achieved either prior to an audit under the program, or as a result of retrofit measure taken following the audit. In both instances the availability of PV would promote energy efficiency.

Frequently Asked Question: Cool Roofs and Storm Windows

Is the installation of a cool roof eligible?

To the extent that installation of a "cool roof" is to improve the energy efficiency of a building, or improve the energy conservation of a building, the activity would be eligible in of itself under Category 6. Resources regarding cool roofs can be found at:

<http://www1.eere.energy.gov/femp/pdfs/coolroofguide.pdf>

In the EECBG Program, are storm windows considered an eligible expenditure in lieu of replacement windows when historical compliance issues prohibit certain window replacements?

Storm window installation in which the installation results in an improvement in energy efficiency and/or energy conservation may be eligible under Category 6. In the instance of historic buildings, it may be that single pane windows cannot be replaced and storm windows provide an alternative.

EECBG funds for energy efficiency and conservation programs under Category 6 may be used for installation of renewable energy technologies, so long as the primary purpose of the activity is the improvement of the energy efficiency of buildings and facilities to which the renewable energy technology is applied (See FAQ related to PV on non-governmental buildings).

Category (7) Conservation of Transportation Energy

- The activity must result in or support the conservation of transportation fuel within the jurisdiction of the eligible entity.
- Eligible activities include:
 - Implementation of use of flex time by employers in order to reduce commuting;
 - Development of satellite work centers in order to reduce commuting;
 - Development and promotion of zoning guidelines or requirements that promote energy efficient development;
 - Development of infrastructure such as bike lanes and pathways and pedestrian walkways;
 - Synchronization of traffic signals;
 - Implementation of technology to reduce vehicle miles traveled (e.g., use of solar trash compactors to reduce frequency of trips made by trash collection vehicles);
 - Development of carpools or vanpools;
 - Bike share programs;
 - Increase the use of alternative fuel vehicles in Government fleets; and
 - Enhancing commuter lots to encourage increased use of public transportation.

Generally, “transportation fuel” should be read to mean fossil-fuel based transportation fuel. A reduction in green house gas emissions that result from transportation fuel may also be considered a “conservation of transportation fuel.” Note, however, that the focus of a project under Category 7 must be for the conservation of transportation fuel within the jurisdiction of the eligible entity.

Frequently Asked Question: Alternative Fuel Vehicles

Is the full cost of the alternative fuel vehicle eligible for funding under EECBG?

If the activity is eligible under Category 7 due to a reduction in petroleum based transportation fuel as a result of the vehicle, then the full cost of alternative fuel or hybrid vehicles is not eligible; only the cost difference between a conventional vehicle and an alternative fuel or hybrid vehicle is eligible. However, if the vehicle is integral to and part of an eligible activity other than the conservation of transportation fuel, then the full cost may be eligible. For example, the full cost of trucks used as part of a materials conservation (recycling) program is eligible.

Regarding how to calculate the difference between a hybrid and non-hybrid if there is no non-hybrid equivalent, first look at the cost of a similar non-hybrid, even if there is no non-hybrid equivalent with the same make and model then look at the market for a similar model (e.g., a compact 4-door sedan). If there is a non-hybrid alternative on the market, use the difference between the two models. In cases where there are no comparable traditional fuel vehicles EECBG funds may be used to cover 35% of the cost of the vehicle.

Category (8) Building Codes and Inspection Services

- The activity must be for the development and/or implementation of building codes, inspection services or trainings/workshops to promote building energy efficiency;
- The development of energy efficiency rating and/or labeling systems for the purpose of promoting energy efficient devices or equipment; and
- The activity must occur within the jurisdiction of the eligible entity.

Category (9) Energy Distribution Technologies

- The activity must be for the application or implementation of:
 - A distributed energy technology (e.g., a technology that generates energy that is primarily used off-grid, a ground source heat pump, district heating and cooling systems, combined heat and power systems,

- cogeneration systems, energy storage systems, absorption chillers, desiccant humidifiers, or microturbines); **or**
- An activity related to the distribution of energy (e.g., the upgrade of transformers) and;
- The activity must result in a significant increase in energy efficiency **within the jurisdiction of the eligible entity.**

For example, an activity that upgraded transformers in the jurisdiction of the eligible entity that resulted in improved efficiencies realized by a power plant would not be an eligible activity if the power plant is located outside the jurisdiction of the eligible entity.

Frequently Asked Question: Distributed Resources

What is the definition of "distributed resources"?

Category 9 of eligible activities for EECBG funds allows for the use of funds for "application and implementation of energy distribution technologies that significantly increase energy efficiency including - (A) distributed resources; and (B) district heating and cooling systems. . ."

Distributed resources include resources located behind a customer's meter. Energy distribution technologies include upgrades in transformers or power lines. The distribution technologies and distributed resources must significantly increase energy efficiency.

Category (10) Material Conservation Programs

- The activity must be for the purpose of increasing the participation in and/or the efficiency rates of a material conservation program (e.g., source reduction, recycling, and recycled content procurement programs); and
- The activity must occur within the jurisdiction of the eligible entity.

If the activity is a recycled content procurement program within the jurisdiction of the eligible entity there must be an associated increase in energy efficiency and/or conservation of fuel.

Category (11) Reduction, Capture, and Use of Landfill Gases

- The activity must be for the purchase and implementation of technology, for the purpose of reducing, capturing, or using methane and other greenhouse gases generated by landfills or similar sources; and
- The activity must occur within the jurisdiction of the eligible entity.

Category (12) Replacement of Traffic Signals and Street Lighting

- The activity must be for the replacement of traffic signals, street lights⁵ or street signs;
- The replacement of traffic signals or street lights must be LEDs or other technology of equal or greater energy efficiency; and
- The activity must occur within the jurisdiction of the eligible entity.

Traffic signals and street light replacements may include solar panels that power the street lights so long as the panels are part of a replacement effort that installs light emitting diodes (LEDs) or other technology of equal or greater efficiency for lamps;

Generally, only the cost of the replacement lamp is eligible unless replacement/upgrade of supporting structure (e.g., posts) is necessary to support the replacement of the lamps.

Frequently Asked Question: Lamp Posts**Is the replacement of lamp posts in an LED retrofit process and eligible expense under EECBG?**

The replacement of a lighting fixture, an arm, a pole or any part of a light is an eligible use of funds if the more efficient lighting technology eligible under Category 12 necessitates such replacement. However, regular maintenance is an ineligible cost. For example, EECBG funds cannot be used to replace a rotten pole due to insufficient maintenance.

Category (13) On-site Renewable Energy On or In a Government Building

- The activity must be the development, implementation, and installation of onsite renewable energy technology (i.e., solar energy, wind energy, fuel cells, or biomass);
- The installation of the renewable energy technology must be on or in a government building⁶ of the eligible entity (the renewable technology is

⁵ A “street light” is an outdoor source of light that is raised and that is intended to provide functional illumination to the area below the light.

⁶ For the purpose of eligibility under the EECBG Program, “government building of the eligible entity” generally means a building built by or for the use of the government that is the grantee/recipient of award funds. This includes buildings owned or leased by the eligible entity. This does NOT include state, Federal, or other government buildings that are not government buildings of the eligible entity.

In the case of Tribal governments, exclusions from the definition of Tribal government buildings are privately owned tribal housing and commercial buildings; facilities owned by 501(c)(3) entities (unless the organization was chartered and delegated by the Tribe to act on its behalf); and those owned by a Federal agency (e.g., U.S. Department of Housing and Urban Development, U.S. Department of the Interior, Bureau of Indian Affairs, etc.)

- considered installed on a government building if it is installed on a government site and connected to the government building behind the meter); and
- The renewable energy technology must be for the generation of electricity. The renewable energy source need not provide a building's entire electricity demand and not all of the electricity needs to go to the government building.

As stated above, installation of a renewable technology is generally eligible only if it is on or in a government building. Use of EECBG funds for the installation of renewable energy technology other than on a government building may be eligible if the installation is in support of another eligible use of funds, and the installation of the renewable energy technology is not the primary purpose of the activity. For example an energy efficiency retrofit activity that is eligible under Category 5 may include the installation of solar PV panels so long as the primary purpose of the activity is the energy efficiency retrofit (See FAQ related to PV on non-governmental buildings in the Category 6 section). As another example, the installation solar PV panels on a street light may be eligible if PV installation is part of a lamp replacement as long as the panels are part of a replacement effort that installs more efficient lamps and is otherwise eligible under Category 12.

However, the installation of solar PV on a commercial building that is not in support of an eligible activity is not an eligible use of funds.

Frequently Asked Question: Solar Power on Roofs

In connection with the installation of solar energy systems, can some amount of funds be used to strengthen the roof to ensure proper installation of the system or must all funds be directly related to the system itself?

Generally, under the EECBG Program, modifications to a building to support an eligible installation of solar panels would be permissible. However, the modifications should be limited to only those necessary to support the solar project.

Category (14) Other Activities as Determined by the Secretary of Energy

The Secretary has determined that the use of EECBG grant funds to leverage public and private sector funds in support of activities identified as eligible uses under the EECBG authority is an appropriate activity under the statute for the use of EECBG funds.

- The eligible leveraging of funds includes partnerships with third party lenders, co-lending, third-party administration of loans, and loan loss reserves; and
- The activities supported by the leveraged funds must be activities specifically listed as eligible activities under Categories 1-13.

- For additional guidance on the use of EECBG funds to leverage public and private sector funds see EECBG Program Guidance 09-002B issued August 10, 2010.

LIMITATIONS ON THE USE OF EECBG FUNDS

There are a number of limitations on the use of EECBG funds. Eligible entities must consult their award agreements for those limitations.

For example, Section 1604 of the American Recovery and Reinvestment Act of 2009 (ARRA or Act) prohibits funds appropriated or made available through the Act not be used by any State or local government, or any private entity, for any casino or other gambling establishment, aquarium, zoo, golf course, or swimming pool.

Frequently Asked Question: Projects at facilities with swimming pools

Would lighting retrofit, as part of overall facility retrofit, in swimming pool area of a multi-function recreation center be eligible?

Under the American Recovery and Reinvestment Act of 2009 (ARRA), there is a general prohibition against using ARRA funds for swimming pools. A project could be eligible for EECBG funds if the project's impact on the pool is incidental to the overall project. In other words, if the project would not be considered "for" the swimming pool but is an incidental part of the numerous other EECBG-ARRA eligible purposes then the project is eligible. The project would be ineligible if the principal purpose of the project was the swimming pool. For example, a project to install more energy efficient lighting in an entire school, including the lighting in a pool area may be eligible. However, a project to upgrade lights in the pool area only would be ineligible.

Questions regarding the eligibility of an activity under the EECBG program should be directed to Project Officers.



LeAnn M. Oliver
Program Manager
Weatherization and Intergovernmental Program
Energy Efficiency and Renewable Energy

Date: 12/17/10
To: BetterBuildings Grant Recipients
From: Danielle Byrnett, Program Manager, BetterBuildings

Subject: Approach to minimize double counting of grant program impacts funded by multiple DOE sources – approach to reporting leveraged funds

Background:

More than 20 BetterBuildings grantees have received DOE funds from multiple sources that are or may be used to support their energy efficiency retrofit programs. This situation creates a risk of DOE double counting a project's impacts if the project is funded by both BetterBuildings and another grant program (e.g., EECBG, SEP) and is counted as a project under each program. To avoid double counting, we tried to develop a solution that is:

- Defensible for DOE
- Administratively simple for grantees
- Has no negative impact on grantees' ability to meet their already established targets

Current DOE guidance addresses this issue by instructing grant recipients not to report on the projects or portions of projects that are supported by federal funds other than those directly under the relevant program (e.g., EECBG). Because BetterBuildings' goals include demonstrating leverage, DOE is requesting detailed reporting on BetterBuildings projects funded by all leveraged funds, including the addition of other federal funds.

Guidance:

BetterBuildings will require grantees to identify the amount of BetterBuildings, other federal funds, and non-federal funds spent each quarter to achieve reported project impacts. These amounts should be reported every quarter and should reflect all sources of funding that contributed to the reported project impacts for that quarter.

Example:

If 1,000 homes were retrofitted in Q1 and \$900,000 of BetterBuildings money was spent on financing and marketing in Q1, while \$100,000 of EECBG money was spent on staff salaries and other administrative expenses in Q1, the grantee would report all 1,000 homes and accompanying data. All 1,000 homes will 'count' towards the grantee's target of retrofitting 4,000 homes that year.

As needed, DOE will internally discount the impact of BetterBuildings funds by 10% in this example to avoid overlap in reporting total impacts across BetterBuildings and EECBG. This discount will not affect the grantee's reporting.

Appendix E: Glossary

A

Account Manager: DOE official responsible for the technical, scientific, or other programmatic aspects of an award/program. He/she oversees a specified subset of grant awards within each Better Buildings project area and serves as the primary Better Buildings point-of-contact for a subset of Better Buildings grant recipients. The FPOs are responsible for the administration, performance, and compliance monitoring of the work conducted under their respective projects, including evaluation of financial and progress reports, identification of grant recipient needs, and provision of technical assistance.

Accounts Payable: Amount the grant recipient owes.

Accounts Receivable: Amount owed to the grant recipient.

Advance Payment: Advance on grant funds limited to the minimum amount necessary to meet immediate monetary needs (limited to a 30-day period).

Advisory Council on Historic Preservation (ACHP): Independent agency of the U.S. government that promotes the preservation, enhancement, and productive use of the nation's historic resources.

Allocable Cost: Cost directly related to benefits received by the project.

Allowable Cost: Expenditures under a grant project that are specifically permitted (or not specifically prohibited) by law, regulation, or guidance from OMB, federal accounting standards, or other authoritative sources.

American Reinvestment and Recovery Act (Recovery Act or ARRA): Economic stimulus package enacted by the 111th U.S. Congress in February 2009 that provided \$4.7 billion to establish Better Buildings.

Assistance Agreement Form: The official offer from DOE to the grant recipient of the grant award.

Audit: Evaluation conducted by DOE of Inspector General according to the Inspector General Act of 1978. All projects funded through Better Buildings must comply with audit requirements, depending on the type of entity.

Authorized Organization Representative: Individual authorized by the grant recipient to act for the grant recipient's organization and to assume the obligations imposed by the federal laws, regulations, requirements, and conditions that apply to a grant application or grant award.

B

Buy American Provision: Section 1605 of the Recovery Act that specifies no funds appropriated by the act may be used for a public buildings/works unless "all iron, steel and manufactured goods used are produced in the U.S." Exceptions are allowed for cases where the head of the federal agency concerned determines adherence would be "inconsistent with the public interest," where

iron/steel/manufactured goods are not produced in the U.S. in sufficient and available quantities, or inclusion of U.S. products would increase overall project cost by 25 percent.

C

Central Contractor Registration (CCR): Web-enabled government-wide application that collects, validates, stores, and disseminates business information about the federal government’s trading partners in support of contract and grant awards, as well as electronic payment processes.

Council on Environmental Quality (CEQ): Division of the Executive Office of the President that coordinates federal environmental efforts and works closely with agencies and other White House offices in the development of environmental and energy policies and initiatives.

D

Davis Bacon Act (DBA): Federal law that established the requirement for paying prevailing wages on public works projects. All federal government construction contracts, and most contracts for federally assisted construction over \$2,000, must include provisions for paying workers on site no less than the locally prevailing wages and benefits paid on similar projects. Any project using Recovery Act funds must meet the wage requirements of the Davis Bacon Act.

Deobligation of Award: Withdrawal of awards made to grant recipients that demonstrate an insufficient level of performance or wasteful or fraudulent spending. Better Buildings reserves the right to deobligate Better Buildings awards and award these funds competitively to new or existing applicants.

Direct Costs: Project direct costs may be charged to the award if they are allowable costs and are included within approved budget categories.

Dun and Bradstreet (D&B) Number (DUNS): Unique nine-digit numbers used by businesses and the federal government to keep track of more than 70 million businesses worldwide. Some entities, such as states and universities, will also have what is known as “DUNS + 4,” which is used to identify specific units within a larger entity

E

Eligible Costs: Project costs that may be paid for using Better Buildings grant funds consistent with the cost principles identified in the applicable OMB circulars and in the grant program’s authorizing legislation.

F

Financial Accounting Standards: Statements of financial accounting standards, which are set by the Financial Accounting Standards Board (FASB) and are part of Generally Accepted Accounting Principles (GAAP).

Federal Financial Report (FFR): A report that must be submitted on a quarterly basis using the OMB FFR Standard Form-425.

Fiscal Year: Twelve-month period for which financial results are prepared and reported. It may be identical to or different from the calendar year. The federal government's fiscal year is from October 1 to September 30 of the following calendar year. It is possible that the grant recipient's fiscal year will not correspond to the federal government's fiscal year.

Fixed Assets: Assets that are not generally converted to cash within one year, such as equipment and vehicles.

For-Profit: Commercial organization whose primary function is to generate profit.

Fringe Benefits: Personnel-related costs such as medical and life insurance, pension contributions, and vacation leave. These costs typically are reflected in the budget as a percentage of salary or wage costs.

G

Generally Accepted Accounting Principles (GAAP): Uniform minimum standards of, and guidelines for, financial accounting and reporting.

Generally Accepted Auditing Standards (GAAS): Standards for auditors' professional qualities and judgment in the performance of audit work.

Governmental Accounting Standards (GAS): Standards of financial reporting for all units of state and local government, often referred to as the Yellow Book.

Grant recipient: Organization(s) awarded a grant to implement a Better Buildings Project. Grant recipient is the preferred term in place of awardee or grantee.

I

Indirect Costs: Indirect costs generally are operating expenses not listed as specific project line items in the budget.

Indirect Cost Rate: Percentage of grant funds that can be used for indirect costs.

Ineligible Costs: Project costs that may not be paid using Better Buildings grant funds.

In-Kind Contribution: Non-cash donations to a project that may count toward satisfying the non-federal matching requirement of a project's total budgeted costs. In-kind contributions, including third-party in-kind contributions, must be allowable project expenses.

N

National Environmental Policy Act (NEPA): Act requiring federal agencies to consider the environmental impacts of their proposed actions and reasonable alternatives to those actions.

P

Performance Progress Report (PPR): Quarterly report that documents baseline project plans and details regarding key project outputs and outcomes.

Pre-Award Costs: Costs incurred prior to the award but after the program authority has been enacted and the appropriation becomes available, unless a contrary indication exists in the language or legislative history of the program.

Program Income: Gross revenue earned by a grant recipient as a result of the award and allowable uses.

Project Officer: DOE official responsible for business management and administrative aspects of a grant. The project officer has delegated authority to award, amend, administer, close out, suspend, and/or terminate grants and cooperative agreements, and make related decisions and findings.

R

Reasonable Costs: Costs based on one of the following principles: ordinary and necessary, market prices, prudent person, or established practices. A reasonable cost does not exceed what a prudent person would incur under the circumstances prevailing at the time the decision was made to incur the cost.

S

Schedule of Expenditures of Federal Awards (SEFA): Document that assists in the audit of an organization and is required for all Recovery Act awards.

Standard Form-424 (SF-424): Core governmentwide standard datasets and forms for grant application packages. Use of the SF-424 Form families reduces the administrative burden to the federal grants community, including applicants, grant recipients, and federal staff involved in grants-related activities.

State Historic Preservation Officer (SHPO): Administers the national historic preservation program at the state level, including consultations with federal agencies during Section 106 review.

Sub-Grantee: Entity that receives funds when a grant recipient makes a sub-award to carry out a federal program.

T

Tribal Historic Preservation Officer (THPO): Administers the national historic preservation program with respect to tribal lands, including consultations with federal agencies during Section 106 review.

U

Unliquidated Obligation: Obligations incurred for which expenditure has not been recorded, such as supplies ordered but not yet received.

Unrestricted Funds: Resources that have no restrictions as to use or purpose.