



CHAPTER EIGHT: *Reporting and Record Keeping Responsibilities*

Chapter Summary:

EPA regions must help recipients comply with applicable EPA reporting and record keeping requirements (see 40 C.F.R. Part 31). Borrowers and subgrantees are responsible to the recipient for reporting and record keeping requirements. Each recipient must submit **quarterly progress reports** that include:

- Documentation of progress at meeting the performance objectives, project narrative and project time line;
- An update on project milestones;
- A property profile (See Appendix D);
- A budget recap summary page with the following headings: Current Approved Budget; Costs Incurred this Quarter; Costs Incurred to Date; and Total Remaining Funds;
- If applicable, quarterly reports must specify costs incurred at petroleum-only brownfields sites;
- Recipient quarterly reports must clearly identify which activities performed during the reporting period were undertaken with EPA funds, and will relate EPA-funded activities to the objectives and milestones agreed upon in the workplan including a list of sites where cleanup (either through loans or subgrants) activities were completed.

Recipients must also ensure that **periodic audits of their programs** are conducted by outside auditors. It is the responsibility of the recipient to **ensure that borrowers comply with RLF requirements** and that they maintain project accounts and records. This chapter discusses deliverables, quarterly reporting, auditing, and other records maintenance procedures required for recipients and their borrowers and subgrantees.

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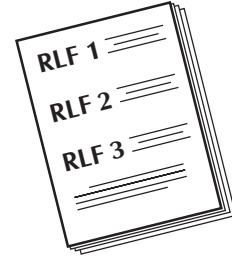
8.1 EPA Responsibilities. EPA is responsible for monitoring recipients, and ensuring their compliance with reporting and record keeping requirements outlined in the terms and conditions.

Record Keeping

Quarterly progress reports submitted by recipients and summarizing key information may be forwarded from the EPA Regions to EPA Headquarters. EPA may use quarterly report information to address performance measures contained in the Government Performance and Results Act (GPRA) (See 31 U.S.C. § 1115 for GPRA) and other national performance measure programs.

Program and other Post-Award Reviews

EPA may conduct periodic reviews of each recipient's RLF program to assess its success in meeting goals established in the cooperative agreement work plan. EPA may check to ensure that the cooperative agreement programmatic award conditions are being satisfied, such as environmental requirements (including ARARs) or financial management. Administrative reviews may also be conducted by the General Accounting Office (GAO) or EPA's Office of Inspector General (OIG). The purpose of these reviews is to determine if the RLF is meeting program requirements.



The Government Performance and Results Act of 1993 (GPRA) requires that federally funded agencies develop and implement an accountability system based on performance measurement (i.e., setting goals and objectives and measuring progress toward achieving them).

8.2 Recipient Responsibilities. Recipients are responsible for ensuring compliance with all necessary reporting and records management for their cooperative agreement, their implementation partners, and their borrowers and subgrantees.

Quarterly Reporting

The recipient must report quarterly to keep EPA apprized of the RLF's accomplishments and activities. Quarterly progress reports must be submitted within 30 days of the end of each federal fiscal quarter*. Reports must evaluate whether the individual RLF is meeting the goals of the program.

Items listed in quarterly reports must include (See 40 C.F.R. 31.40):

- / Documentation of progress at meeting the performance objectives, project narrative and project time line;
- An update on project milestones;
- A property profile and updates, as appropriate;

* The federal fiscal year runs from October 1 to September 30 of the following year. Federal fiscal quarters end on the last day of December, March, June, and September.

- / A budget recap summary page with the following headings: Current Approved Budget; Costs Incurred this Quarter; Costs Incurred to Date; and Total Remaining Funds;
- / If applicable, quarterly reports must specify costs incurred at petroleum-only brownfields sites; and
- / Recipient quarterly reports must clearly identify which activities performed during the reporting period were undertaken with EPA funds, and will relate EPA-funded activities to the objectives and milestones agreed upon in the work plan including a list of sites where cleanup (either through loans or subgrants) activities were completed.

Regions should advise recipients that they can request assistance on proper reporting from their Regional RLF Coordinators. For more information on property profiles, see Appendix D, *Property Profile Form* (OMB No. 2050-0192).

Records Maintenance

If the RLF recipient funds programmatic costs as part of its RLF work, it must document the exact amount to be paid out of the RLF. Recipients must also maintain adequate accounting records and source documentation to substantiate the amount and percentage of program income expended for eligible RLF programmatic costs. Similarly, recipients must document how cost-share requirements are met by the recipients and, where appropriate, how these costs may be met by borrowers and/or subgrantees. In addition,

- / Recipients must comply with applicable Office of Management and Budget (OMB) cost principles when charging costs against program income;
- / Records must be maintained for three years after submission of the financial status report, closeout of the cooperative agreement, completion of an ongoing audit, or for the length of the loan funded with brownfields RLF funds, whichever is the longest retention period (see 40 C.F.R. 31.42). See Chapter 9, *Closeout Procedures*, for details on the financial status report and other cooperative agreement closeout procedures; and
- / The recipient must obtain written approval from EPA prior to destroying any records.

If the recipient continues to operate the RLF following the closeout of the agreement, EPA may negotiate additional record keeping requirements.

Auditing

Recipients must ensure that periodic audits of their programs are conducted by an outside auditor in accordance with GAO accounting standards or generally accepted government auditing standards. The recipient must comply with all applicable requirements of the Single Audit Act of 1984, as amended and implemented by OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

The recipient must require borrowers and subgrantees to maintain project accounts in accordance with generally accepted accounting principles (GAAP) as a condition for making a loan or subgrant. In some cases, the EPA OIG may also conduct audits of specific cooperative agreements, loans or subgrants.

FAQs:

Q: For how long will recipients be required to provide quarterly reports to EPA?

A: Recipients must submit quarterly reports to EPA until the agreement expires or is terminated. There may be requirements, including reporting, as part of a closeout agreement. See Chapter 9, *Closeout Procedures*, for more information on closing out a cooperative agreement and RLF program.

8.3 Ensuring Borrower Compliance. The recipient must ensure that the borrower carries out RLF cleanup activities in compliance with the workplan and recipient's terms and conditions. The recipient must ensure that borrowers document their use of funds and provide financial records to the recipient on a regular basis.

Regions must monitor the recipient to ensure that the loan agreement terms and conditions include both the environmental and financial compliance components that arise from the recipient's agreement with EPA.

Specific Responsibilities

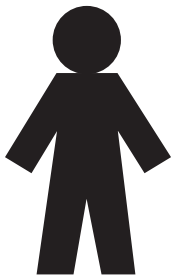
EPA Regions may review the recipient's operation or the terms of the loan or subgrant agreement to ensure borrowers:

- / Institute and maintain a reporting system to the recipient that incorporates basic accounting and control mechanisms to ensure legitimate use of funds.
- / Document their use of funds and only use RLF funds for eligible activities (See Chapter 3, *Eligible Fund Uses*).
- / Possess adequate collateral and repay funds within the terms of the loan agreement.
- Provide financial records to the recipient on a regular basis.

- / Keep records of compliance with the terms and conditions of the loan including applicable federal and state requirements.
- / Comply with applicable statutory requirements, such as the Davis-Bacon Act and the Uniform Relocation Act, and federal cross-cutters as outlined in Chapter 7, *Cross-Cutting Requirements*.
- / Provide documentation of compliance with relevant federal and state regulations.
- / Comply with all **applicable federal and state requirements** to cleanup the contamination to levels that protect public health and the environment, and can safely support redevelopment and reuse of the former brownfields.
- Comply with requirements for Institutional Controls.
- / **Maintain and provide access to records such that the recipient is in compliance with 40 C.F.R. 31.42 for three years** after submission of the recipient's financial status report, closeout of the cooperative agreement, completion of an ongoing audit, or for the length of the individual loan, whichever is the longest retention period.

EPA and the recipient may agree on additional record keeping requirements if the recipient continues to operate the RLF after closeout.

8.4 Ensuring Subgrantee Compliance. The recipient is accountable to EPA for ensuring the subgrantee is in compliance with the scope of work outlined in the terms and conditions. Like borrowers, subgrantees must document their use of funds for eligible purposes and provide regular reports to the recipient on fund use and finances.



Prior to the destruction of any records, the cooperative agreement recipient must ensure the borrower complies with the terms and conditions that arise from the recipients agreement with EPA.

The recipient must ensure the subgrantee complies with the terms and conditions that arise from the recipient's agreement with EPA. Please refer to specific reporting and record keeping responsibilities described in Section 8.3, *Ensuring Borrower Compliance*. One additional requirement that applies to subgrantees is that they own the site being cleaned up with grant funds. Site ownership must be demonstrated. Subgrantees must document that their use of RLF funds complies with all applicable federal and state cleanup requirements and applicable EPA grants regulations. Non-profit and educational institutions must comply with OMB circulars, *A-122 Cost Principles for Non-Profit Organizations* and *A-21 Cost Principles for Educational Institutions* respectively. Government subgrant recipients must comply with OMB Circular, *A-87 Cost Principles for State, Local, and Indian Tribal Governments*. The subgrantee is accountable to the recipient for compliance.



Chapter 8 Check List: *Reporting and Record Keeping Responsibilities*

EPA Regions must ensure that the recipient recognizes its reporting and record keeping responsibilities. This checklist may be used by EPA Regions to assist recipients and their borrowers and subgrantees. It is recommended that recipients and their borrowers and subgrantees use this checklist to ensure that they meet all reporting and record keeping responsibilities of the RLF.

I. Recipient Responsibilities

EPA must ensure the recipient: .

- Reports quarterly on the RLF performance, in compliance with the terms and conditions. .
- Submits quarterly reports within 30 days of the end of each federal fiscal quarter. Items included in 40 . C.F.R. 31.40 must be included in quarterly reports. Examples include:
 - Documentation of progress at meeting the performance objectives, project narrative and project time line;
 - An update on project milestones;
 - A property profile;
 - A budget recap summary page with the following headings: Current Approved Budget; Costs Incurred this Quarter; Costs Incurred to Date; and Total Remaining Funds; and
 - If applicable, quarterly reports must specify costs incurred at petroleum-only brownfields sites;
- Clearly identifies in quarterly reports which activities performed during the reporting period were undertaken with EPA funds, and will relate EPA-funded activities to the objectives and milestones agreed upon in the work plan including a list of sites where cleanup (either through loans or subgrants) activities were completed.
- Maintains adequate accounting records and source documentation to substantiate the amount and percentage of program income expended for eligible programmatic costs.
- Complies with applicable Office of Management and Budget (OMB) cost principles when charging costs against program income.
- Maintains RLF records for three years after the submission of the financial status report, closeout of the cooperative agreement, or completion of an ongoing loan, whichever is the longest retention period.
- Receives written approval from EPA before destroying any records.
- Ensures that periodic audits of their programs are conducted by an outside auditor in accordance with General Accounting Office (GAO) accounting standards or generally accepted government auditing standards.

II. Ensuring Borrower and Subgrantee Compliance

The recipient must ensure that the borrower or subgrantee has: .

- Documented and used funds only for eligible activities at eligible sites. .
- Adequate collateral and has repaid funds within the terms of the loan agreement. .
- Provided financial records to the recipient on a regular basis. .
- Kept records of compliance with the terms and conditions of the loan including applicable federal and state requirements.
- Complied with all applicable federal and state requirements.
- Maintained records and provided access to records for three years after the submission of the financial status report, closeout of the cooperative agreement, completion of an ongoing audit, or completion of an ongoing loan, whichever is the longest retention period.

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