



Revolving Loan Fund Grant Program

CHECKLIST COMPENDIUM

October 2004



Chapter 1 Check List: *Negotiating the Cooperative Agreement*

EPA Regions must ensure that the recipients understand their roles in negotiating the cooperative agreement. This checklist may be used by EPA Regional offices to assist recipients. Successful applicants may use this checklist to ensure that all steps necessary for negotiating a cooperative agreement and submitting the cooperative agreement package have been taken.

I. Negotiating a Cooperative Agreement

The recipient has:

- Contacted their State Intergovernmental Review Office and the state review must be complete prior to award; and
- Submitted the following:
 - Standard Application and budget forms (SF 424);
 - Application for Federal Assistance;
 - Budget information – Non-construction programs;
 - Assurances – Non-construction programs;
 - Other forms as necessary for construction activities; and
 - Certification of an adequate accounting system.
- Submitted any additional certification forms deemed necessary by the EPA PO such as:
 - Preward Compliance Review Report for All Applicants Requesting Federal Financial Assistance - EPA Form 4700-4
 - Certification Regarding Debarment, Suspension and Other Responsibility Matters - EPA Form 5700-49
 - Method of Payment - EPA Regional Form
 - Applicant Assurance of Compliance with 40 C.F.R. Part 7 - EPA Regional Form
 - QA Requirements Form - EPA Regional Form
 - Anti-lobbying Act of 1990 Application Certification - EPA Regional Form

II. Terms and Conditions and Negotiating a Workplan

- The recipient has prepared a formal workplan that may include, but is not limited to the following deliverables:
 - A schedule outlining milestones and items to be delivered to EPA (e.g., quarterly reports, site specific Community Involvement Plans, and site specific quality assurance project plans and sampling plans);
 - Details of procedures for selecting qualified borrowers and subgrantees;
 - A financial plan (including the RLF payment structure or fund capitalization);
 - An approach for handling the day-to-day operation of the RLF (See Chapters 4 and 6 of this Manual for more information); and
 - Information on community relations and involvement, health and safety, and quality assurance plans.

III. Awarding a Cooperative Agreement

The recipient has:

- Finalized an approved workplan;
- Agreed to EPA's terms and conditions; and
- Signed the cooperative agreement (henceforth, the recipient's organization will be referred to as a "cooperative agreement recipient.")

The recipient understands that:

- The terms and conditions and workplan are legally binding documents that must be followed in administering the RLF program.
- EPA will be available to assist them with setting up their RLF.
- If EPA determines that their organization has exhibited "high risk" behavior in the past, EPA may place special terms and conditions on the cooperative agreement award.



Chapter 2 Check List: *Roles and Responsibilities*

EPA Regions must ensure that the recipient recognizes its responsibility to understand and assign key roles under the RLF program. This checklist may be used by EPA Regions to assist recipients in the daily administration of an RLF program. It is recommended that recipients use this checklist to ensure that they have met all the requirements and taken all steps necessary in assigning roles and responsibilities for running an RLF program.

I. General

EPA must ensure that the recipient has:

- Secured the services of a QEP:
 - from within their own organization (or)
 - from another institution (public, private, or non-profit).
- Secured the services of a fund manager:
 - from within their own organization (or)
 - from another institution (public, private, or non-profit).

II. Obtaining Assistance from other Entities to Fill Key RLF Roles

EPA must ensure that the recipient has assembled and submitted the following for review:

- The written agreement(s) necessary to obtain a QEP from another institution (public, private, or non-profit).
- The written agreements necessary to obtain a fund manager or assistance on fund management from another institution (public, private, or non-profit).



Chapter 3 Check List: *Eligible Fund Uses*

EPA Regions must ensure that the recipient recognizes its responsibility to comply with eligible fund uses. This checklist may be used by EPA Regions to assist recipients. It is recommended that recipients use this checklist to ensure that they have met all the requirements and taken all steps necessary toward determining whether a site or an activity is eligible for the use of RLF funds.

I. Eligibility for Loans and Subgrants

EPA Regions must ensure that all borrowers and subgrantees assert

- bona fide prospective purchasers (BFPP),
- contiguous property owners (CPO), or
- innocent landowners (ILO) have performed "all appropriate inquiry" as found in CERCLA § 101(35)(B), on or before acquiring the property and are not liable for cleanup costs.

II. Eligible and Ineligible Sites

EPA Regions must ensure that RLF loan funds are being used at sites that are either:

- Contaminated by a hazardous substance or pollutant;
- Contaminated by petroleum or a petroleum product;
- Contaminated by controlled substances; or
- Mine-scarred lands.

RLF funds are NOT being used at any sites:

- Listed, or proposed for listing, on the National Priorities List;
- Subject to a unilateral administrative order, a court order, an administrative order on consent or judicial consent decree issued or entered into by parties under CERCLA; and
- Subject to the jurisdiction, custody, or control of the U.S. government, except for land held in trust by the U.S. for an Indian tribe.

III. Sites Requiring Property-Specific Funding Determination

EPA Regions must ensure that the following property-specific funding information has been submitted to EPA:

- Basic site information and eligible entity identification information;
- The specific circumstance that requires this request for a property-specific determination;
- A short explanation of why the site falls within the identified circumstances requiring the property-specific determination;
- An explanation of how providing RLF funding will meet the criteria for making a property-specific funding determination; and
- The degree to which other funding is not available.

RLF funds are being used at sites that:

- Have documented that funding will protect human health and the environment;
- Have documented that funding will promote economic development; and
- Have documented that funding will promote creation of, preservation of, or addition to property to promote greenways.

IV. Eligible and Ineligible Activities

EPA Regions must ensure that RLF cooperative agreement funds are being spent on cleanup activities only. These actions include:

- Actions associated with removing, mitigating, or preventing the release or threat of a release of a hazardous substance, pollutant, contaminant, petroleum product, or controlled substance;
- Site monitoring activities, including sampling and analysis, that are reasonable, necessary, and incidental during the cleanup process, including determination of the effectiveness of a cleanup;
- Site assessment activities that are reasonable, necessary, and incidental to the cleanup process; or
- Costs associated with meeting public participation, worker health and safety, and interagency coordination requirements.

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Chapter 3 Check List *(Continued from previous page)*

EPA Regions must ensure that RLF cooperative agreement funds are NOT being used for the following activities:

- Pre-cleanup environmental cleanup activities, such as site assessment, identification, and characterization;
- Public or private drinking water supplies that have deteriorated through ordinary use;
- A response cost at a brownfields site for which the recipient of the grant or loan is potentially liable under CERCLA § 107
- Monitoring and data collection necessary to apply for, or comply with, environmental permits under other federal and state laws;
- Development activities that are not cleanup actions;
- Cost sharing or matching requirement for another federal grant (absent statutory authorization);
- Job training support;
- Support of lobbying efforts of the recipient; or
- Administrative costs.

V. Eligible and Ineligible Fund Uses

- EPA Regions must ensure that RLF funds are being spent on eligible programmatic activities such as:
 - Making and managing loans and/or subgrants, operating the RLF, and financial management expenses;
 - Site cleanup activities;
 - Site remediation activities, as in the case of grants for direct use by eligible entities and nonprofit organizations;
 - VCP or State response program fees associated with the cleanup (see page 39 of the Proposal Guidelines for Brownfields Assessment, Revolving Loan Fund, and Cleanup Grants (September 2004));
 - Costs required to purchase insurance;
 - Performance and financial reporting required under 40 C.F.R. 30.51 and 30.52, and 40 C.F.R. 31.40 and 31.41;
 - Monitoring the health of populations exposed to hazardous substances from a brownfields site; or
 - Travel, training, equipment, supplies, reference materials, and contractual support if those costs are reasonable and can be allocated to tasks specified in an approved scope of work.

EPA Regions must ensure that RLF funds are NOT being spent on prohibited administrative costs or direct charges such as:

- Salaries;
- Benefits;
- Contractual costs;
- Supplies; or
- Data processing charges incurred to comply with most provisions of the Uniform Administrative Requirements for Grants contained in 40 C.F.R. Part 30 or 40 C.F.R. Part 31.



Chapter 4 Check List: *Marketing the RLF*

EPA Regions must ensure that the recipient recognizes its responsibilities in marketing its RLF. This checklist may be used by EPA Regions to assist recipients in establishing their marketing strategy.

I. Market Research: Understanding the Marketplace

EPA should ensure the recipient has:

- Identified potential borrowers/subgrantees in their community.
- Identified potential sites (properties needing redevelopment in their community).
- Identified the kind of loan that will best meet their community's needs by mixing loan terms, interest rates, and repayment structures.
- Identified ways to position their RLF program within a redevelopment financing package. They have considered other public financing programs that could work in conjunction with an RLF loan or subgrant and the possible issues and requirements that are associated with combining financing sources.

II. Product and Program Development: Creating an RLF That Meets Borrowers' and Subgrantees' Needs

EPA should ensure the recipient has:

- Identified how an RLF loan or subgrant can help potential borrowers and subgrantees and how to develop loan products and subgrants to address these needs. They have considered reduced interest rates, flexible repayment terms, loan amounts that meet potential borrower needs, and broadly defined eligible uses.
- Balanced subgrants with loans to ensure viability of the RLF.
- Considered ways to make the loan program and subgrants simple and appealing by making the application user friendly, creating a quick loan application review process, defining requirements clearly, and allowing flexibility wherever possible.
- Integrated the loan program with other services.
- Retained staff that is trained to assist the borrower, or has made arrangements for access to hands-on assistance, and has access to useful information sources such as the EPA Regional environmental clearinghouses.

III. Marketing the RLF

EPA should ensure the recipient has:

- Identified a target audience of not only potential borrowers and subgrantees, but also of other stakeholders involved in the brownfields redevelopment process in their community.
- Identified interested potential borrowers and subgrantees and have made contact with them, established one-on-one meetings, and began building a relationship with these potential borrowers and subgrantees.
- Considered types of assistance that interested borrowers and subgrantees could benefit from and offered this technical assistance to them.
- Created outreach materials (e.g., print-based and/or people-based outreach approaches) that can effectively and efficiently communicate with potential borrowers and subgrantees.
- Reviewed these materials for consistency, accuracy, clarity, brevity, and attractiveness.
- Established a system for tracking communications and successes of each approach.

IV. Loan and Subgrant Closing and Support: Signing and Servicing Loans and Subgrants (*These points are applicable once a recipient has made a loan*)

The recipient has:

- Negotiated loan or subgrant terms with their borrower or subgrantee. They have clearly communicated the loan or subgrant agreement terms and cleanup goals and requirements.
- Communicated with their borrower or subgrantee to ensure the success of this redevelopment project.
- Understood potential factors outside the control of their RLF program that could affect the project's success.
- Taken measures to service this loan and ensure its success.



Chapter 5 Check List: *RLF Financial Management*

EPA Regions must ensure that the recipient recognizes its financial management responsibilities. This checklist may be used by EPA Regions to assist RLF Fund Managers and recipients. It is recommended that recipients use this checklist to facilitate day-to-day financial management of the BCRLF.

I. Enlist the Services of a Fund Manager

EPA must ensure the recipient:

- Designated a fund manager from within their agency/organization; or have selected a private lender, or other private entity, a qualified non-profit entity, or a qualified government employee to serve as fund manager.

The fund manager will:

- Revolve funds as much as possible to maximize the ability of the RLF to support redevelopment efforts.
- Manage funds to reduce the amount of time between EPA's payment of funds to the recipient and their distribution to the borrower.
- Maximize the amount of money loaned out for redevelopment purposes at all times once the money is awarded.
- Ensure that the RLF is managed to conform with: the cooperative agreement, applicable laws and regulations, and prudent lending practices.

II. Develop Prudent Lending Practices

EPA must ensure the recipient:

- Set interest rates at less than or equal to the market interest rate (but not less than zero).
- Developed a plan for determining repayment terms on individual loans.
- Will obtain adequate and appropriate financial security from borrowers and act diligently to protect the interests of the revolving loan fund through collection, foreclosure, or other recovery actions on defaulted loans.

III. Identify Sources of Capital

EPA must ensure the recipient:

- Understands that they can supplement initial RLF capitalization funds with leveraged capital from other federal agencies; states; political subdivisions; Indian tribes; and private parties.
- Understands that recapitalization of loan funds will come from loan payments, interest payments, and other loan-related charges.

IV. Meet the Cost-Share Requirement

EPA must ensure the recipient:

- Contributes a 20% cost-share of the total cooperative agreement award in the form of cash, labor, materials, or services from non-federal sources.
- Explores other public financing options such as: loans from EDA, HUD, CDBG, SBA, and others; loan guarantees; grants from HUD BEDI, HUD CDBG, DOT, TCSP, USACE and others; equity capital; tax-incentive and tax-exempt financing; and tax-advantage zones.

V. Establish Types of Financial Assistance

EPA must ensure the recipient, through their RLF program, will offer the following types of financial assistance:

- Direct loans (both standard and intra-governmental) (_____ % of fund)
- Loan guarantees (_____ % of fund)
- Cleanup subgrants (_____ % of fund)

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Chapter 5 Check List *(Continued from previous page)*

VI. Purchase Insurance

EPA must ensure the recipient:

- Understands that insurance is an optional expense, but that RLF funds may be used to purchase environmental insurance if it is used when carrying out cleanup activities.

VII. Develop an Approach for Selecting Borrowers and Subgrantees

EPA must ensure the recipient:

- Develops an approach for selecting standard loan borrowers, and borrowers do not fall under any of the following restrictions:
 - Entities that are potentially liable under CERLCA § 107.
 - Entities that are liable for cleaning up petroleum-only brownfields sites.
 - Entities that are currently suspended, debarred from receiving federal funding, or otherwise declared ineligible.
- Requires the following, if the borrower (or subgrantee) asserts BFPP, CPO, or ILO limitations on liability:
 - The borrower or subgrantee has performed “all appropriate inquiry” on or before acquiring the property.
 - For BFPP or CPO, the borrower is not potentially liable or affiliated with anyone potentially liable for cleanup costs; was not potentially liable, or otherwise liable under CERCLA § 107.
 - The borrower or subgrantee will meet continuing obligations.
- Develops an approach for selecting intra-governmental loan borrowers. In addition to the borrower restrictions listed under a standard loan, the recipient’s fund manager must also demonstrate the following:
 - The borrowing entity has the legal authority to enter into a legally binding obligation to repay.
 - There is an identifiable source of income/repayment. For example, pilot (payment in lieu of taxes) funds, proceeds from tax increment financing (TIF), or funding from the sale of the property.
 - There is an enforcement entity who can ensure that the loan is repaid. For example, the comptroller’s office of the recipient can help avoid potential conflicts of interest.
- Develops an approach for selecting cleanup subgrantees.
 - Offer cleanup subgrants to non-profit organizations or other eligible entities.
 - Offer cleanup subgrants for the purpose of funding cleanup activities at eligible RLF sites owned by the eligible entity or the non-profit organization that receives the grant.
 - Understands that unlike loans, cleanup subgrants may NOT be made within the same governmental entity that receives the RLF grant (i.e., intra-governmental subgrants are not allowed under the RLF program).
- Requires subgrantees who assert BFPP, CPO, or ILO limitations on liability, the following:
 - The subgrantee has performed “all appropriate inquiry” on or before acquiring the property.
 - For BFPP or CPO, the subgrantee is not potentially liable or affiliated with anyone potentially liable for cleanup costs; was not potentially liable, or otherwise liable under CERCLA § 107.
 - The subgrantee will meet continuing obligations.

VIII. Develop an Approach for Selecting Projects

EPA must ensure the recipient:

- Develops a formal protocol for borrowers to demonstrate their projects’ eligibility. This protocol includes:
 - Descriptions of projects that will be financed, how loan monies will be used, and the qualifications of the borrower to make legitimate use of the funds.
 - Explanation of how a project would be consistent with the RLF program objectives and terms and conditions.
 - Project selection criteria is consistent with federal and state requirements, the intent of the RLF program, and the cooperative agreement entered into with EPA.

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Chapter 5 Check List *(Continued from previous page)*

IX. Establish Borrower and Subgrantee Terms and Conditions

EPA must ensure the recipient:

- Works with their borrower and/or subgrantee to develop terms and conditions for each loan and/or cleanup subgrant.
- Established terms and conditions that contain loan or subgrant-specific financial requirements.

X. Methods of Payment and Disbursement

EPA must ensure the recipient:

Prior to receiving any cooperative award funds from EPA:

- Has an accounting system adequate to identify, safeguard, and account for both RLF funds and program income;
- Has lending documents prepared; and
- Has loan documents reviewed by legal counsel for compliance with applicable state and local laws, and with the terms and conditions of the award.
- Works with their regional EPA project officer to ensure they are enrolled to receive electronic payments via either:
 - The EPA-EFT payment system; or
 - The Automated Standard Application for Payments (ASAP).

If the recipient chooses to receive payments via the EPA-EFT payment system, they must:

- Enroll by completing the ACH Vendor/Miscellaneous Payment Enrollment Form (Standard Form 3881); and
- Once enrollment has been established, the recipient must request funds using the U.S. EPA Payment Request Form.

If the recipient chooses to receive payments via the Automated Standard Application for Payments (ASAP), they must:

- Enroll to use ASAP by contacting their EPA Servicing Finance Office (SFO) for enrollment instructions (effective January 2004). If the recipient is currently enrolled to use ASAP with another agency, the recipient should contact their SFO to request funds be authorized on ASAP.

Chooses one of two methods to disburse funds to their borrowers:

- Actual Expense
 - The recipient has required their borrower to submit documentation of expenditures.
- Schedule
 - The recipient has agreed upon a disbursement schedule with their borrower.

XI. Using Funding and Program Income for Eligible Costs

EPA must ensure the recipient:

- Replaces all program income from active RLF loans into the RLF for relending.
- Places program income, including proceeds from the sale, collection, or liquidation of a defaulted loan up to the amount of the unpaid principal into their RLF for relending.
- Uses at least 60 percent of RLF funds to capitalize the loan pool and associated eligible programmatic costs, and no more than 40 percent of the funds for cleanup subgrants and associated eligible programmatic costs. (The percentage may change each fiscal year, and the cooperative agreement recipient must follow the requirements of the terms and conditions.)

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**Chapter 5 Check List** *(Continued from previous page)***XII. Default Loan Provisions**

EPA must ensure the recipient:

- Has placed special terms and conditions in the loan agreements of borrowers that they deem “high risk,” in an effort to preclude loan defaults.
- Takes measures to minimize unrecoverable losses to the RLF if a loan default occurs.
- Is responsible for (if the cleanup is not complete at the time of default):
 - Documenting the connection between the amount loaned to the borrower (or, in the case of guaranteed loans, the amount paid to the bank or other financial institution) and the cleanup that took place prior to the default; and
 - Securing the site (e.g., ensuring public safety) and informing EPA and the state.



Chapter 6 Check List: *Environmental Cleanup Responsibilities*

EPA Regions must ensure that the recipient recognizes its environmental cleanup responsibilities. This checklist may be used by EPA Regions to assist recipients. It is recommended that recipients use this checklist to ensure that all requirements in the environmental cleanup process are met and that all appropriate steps toward the implementation of a site cleanup are taken. **All mandatory required cleanup activities are noted with an asterisk. Other activities are recommended but not required.** Note that this checklist does not include site evaluations because they are not considered part of the RLF-funded process.

While the checklist uses specific terms, EPA anticipates that the majority of the cleanups will be performed through state VCPs. As such, the state programs may call these documents by different names. It is EPA's intent that documents generated to meet the state's voluntary cleanup program requirements can serve to meet the mandatory requirements listed below as long as they cover the same elements and include the necessary information.

I. Determine whether the environmental cleanup is authorized based on the site evaluation and other relevant information about the site. The environmental cleanup is authorized if all these provisions apply:

- *The site and borrower or subgrantee are eligible for RLF funds..
- *RLF cleanup activities at a particular site are authorized by CERCLA § 104(k)..

II. Establish Community Involvement

- *All cleanup activities require a site-specific community relations plan or its equivalent that includes providing reasonable notice, opportunity for involvement, response to comments, and administrative records that are available to the public.
- Submit the completed CRP to EPA for review..

Upon completing the ABCA:

- *Publish a notice of availability of the ABCA or its equivalent (may include notice of administrative record) to inform the general community.
- *Provide opportunity for written and oral comments.
- *Provide a written response to significant and appropriate comments, and document any changes made to the cleanup plan.

III. Establish an Administrative Record

- Include in the Administrative Record:
 - *An analysis of reasonable alternatives (as appropriate for hazardous substances or petroleum sites).
 - *Site investigation reports.
 - *The cleanup plan.
 - *Cleanup standards used.
 - *Response to public comments.
 - *Verification that shows that cleanups are complete.

IV. Conduct an Analysis of Brownfields Cleanup Alternatives (ABCA)

- *The recipient must conduct an analysis of brownfields cleanup alternatives, considering the site characteristics, surrounding environment, land-use restrictions, potential future uses, and cleanup goals.

The ABCA must include:

- Information about the site and contamination issues (e.g., exposure pathways, identification of contaminant sources, etc.); cleanup standards; applicable laws; alternatives considered; and the proposed cleanup.
- Effectiveness, implementability, and the cost of the proposed cleanup.
- An analysis of reasonable alternatives including no action. For cleanup of brownfields petroleum-only sites, an analysis of cleanup alternatives must include considering a range of proven cleanup methods including identification of contaminant sources, exposure pathways, and an evaluation of corrective measures. The cleanup method chosen must be based on this analysis.
- An explanation of why the environmental cleanup is authorized.
- *An authorized representative of the recipient has signed the ABCA.

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**Chapter 6 Check List** *(Continued from previous page)***V. Meet all Other Applicable Federal or State Laws (including but not limited to)**

- *Ensure compliance with the Davis-Bacon Act of 1931..
- *Ensure compliance with other applicable federal and state laws..
- *Coordinate with appropriate state or tribal and local agencies and organizations..
- *Contact Natural Resource Trustees, as appropriate..

VI. Perform the Environmental Cleanup

- *Recipients must consider the use of state voluntary cleanup or response programs.
- *If not in a state voluntary cleanup program, consult with EPA on cleanup levels that are protective of human health and the environment.
- If the RLF project loan or subgrant is terminated, the recipient must:
 - *Ensure that the site is secure and poses no immediate threat to human health or the environment.
 - *Notify the appropriate state agency and EPA to ensure an orderly transition to other appropriate cleanup activities.

VII. Completing and Documenting the Environmental Cleanup

- Assess whether land use controls will be necessary..
- *Prepare a Final Report on the cleanup operation and actions taken, documenting:.
 - That the situation was addressed..
 - The actions that were taken..
 - Sampling shows cleanup levels were met..
 - The resources committed..
 - Any problems encountered..



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.



Chapter 9 Check List: *Closeout Procedures*

EPA regions must ensure that the recipient recognizes its environmental cleanup responsibilities. This checklist is intended as a tool for recipients to ensure that they have taken all steps necessary towards closing out the RLF.

I. Closeout Responsibilities

- All administrative actions and work required under the cooperative agreement have been completed.
- EPA deobligates all funds unused by the recipient.
- The recipient receives final payment of funds from EPA.
- All cleanups funded by and specified in the award were completed.

Obligation Schedule

EPA must ensure the recipient:

- Provided evidence, through quarterly reports, that significant progress was made towards making loans and subgrants in the amount available under the cooperative agreement.
- Requests final payment of award funds from EPA within 5 years and one quarter of the agreement start date.
- Disburses any accrued program income before requesting final payment from EPA.

Reporting

EPA must ensure the recipient:

- / Delivers all financial, performance, and other reports required as a condition of the award within 90 days of completion of all required work, including, but not limited to;
 - Financial performance or progress reports;
 - Financial status report (Standard Form (SF) 269);
 - Final request for payment (SF 270);
 - Cleanup reports (with information on cleanup dates);
 - Invention disclosure;
 - Property profile;
 - Property inventory report including a request for instructions regarding disposition of any property purchased with cooperative agreement funds; and
 - A federally owned property inventory report.

Unused Funds

EPA must ensure the recipient:

- Returns all unused program income to EPA, unless EPA modifies the cooperative agreement to allow those funds to be used in other programs.
- Returns remaining funds not obligated via a loan agreement to EPA (*this is applicable only if the recipient chooses not to continue the RLF*).

II. Post-Closeout Reporting and Record Keeping Requirements

EPA must ensure the recipient:

- Maintains appropriate records for a minimum of 3 years after completion of the RLF agreement.
- Obtains written approval from EPA, prior to destroying records after 3 years.

III. Making Loans Beyond the BCRLF Project Period (If applicable)

- In choosing to continue to make RLF loans beyond the RLF program period, the recipient will (*if the recipient is not continuing operation of the RLF beyond the RLF program period, skip the next two statements*):
 - Address eligible uses of program income and environmental cleanup requirements in the closeout agreement; and
 - Maintain records documenting the use of post-closure program income.

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Chapter 9 Check List *(Continued from previous page)*

IV. Non Compliance, Suspension, and Termination *(This is applicable only if the recipient has failed to comply with the terms of the cooperative agreement.)*

- In the case of non-compliance, the recipient was given a reasonable period of time in which to take the necessary corrective action to comply with the terms and conditions of the cooperative agreement.
- / In the case of a temporary hold or suspension, the recipient will refer to 40 C.F.R. 31.43 and speak to their RLF Coordinator.
- In the case of termination, any unused cooperative agreement funds will be deobligated.