



October 17, 2014

## **RESTORE Act Frequently Asked Questions Relating to the Direct Component Program**

### **1. Q: Who may apply to receive funds under the Direct Component, administered by Treasury?**

**A:** The applicants eligible to receive funds under the Direct Component are specified in the RESTORE Act and Treasury's Interim Final Rule. The eligible applicants are the following:

- In Alabama, the Alabama Gulf Coast Recovery Council or a designated administrative agent;
- In Florida, the Florida counties of Bay, Charlotte, Citrus, Collier, Dixie, Escambia, Franklin, Gulf, Hernando, Hillsborough, Jefferson, Lee, Levy, Manatee, Monroe, Okaloosa, Santa Rosa, Pasco, Pinellas, Sarasota, Taylor, Wakulla, and Walton;
- In Louisiana, the Coastal Protection and Restoration Authority Board of Louisiana;
- In Louisiana, the Louisiana parishes of Ascension, Assumption, Calcasieu, Cameron, Iberia, Jefferson, Lafourche, Livingston, Orleans, Plaquemines, St. Bernard, St. Charles, St. James, St. John the Baptist, St. Martin, St. Mary, St. Tammany, Tangipahoa, Terrebonne, and Vermilion;
- In Mississippi, the Mississippi Department of Environmental Quality; and
- In Texas, the Office of the Governor of the State of Texas, or an appointee of the Governor.

### **2. Q: When can eligible applicants expect to obtain grant awards?**

**A:** Treasury posted the funding opportunity announcements for the Direct Component on grants.gov on September 15, 2014. Eligible applicants may submit grant applications through GrantSolutions.gov. Treasury may award grants based on applications that meet the requirements of the RESTORE Act, Interim Final Rule, and funding opportunity announcements at any time after October 14, 2014, the effective date of the Interim Final Rule.

## **TRUST FUND QUESTIONS**

### **3. Q: How does Treasury determine the Trust Fund allocations for the Direct Component?**

**A:** The Act equally distributes the allocations for the Direct Component among the five Gulf Coast states. The Interim Final Rule, effective on October 14, 2014, further specifies the 23 Florida counties' exact Direct Component allocation percentages based on proposals submitted by the consortium of Florida counties. Treasury published an interim final rule, effective on October 14, 2014, that lists the allocation percentages available to each of the 20 eligible coastal parishes in Louisiana based on a formula described in the Act.

**4. Q: How much money is currently available under the Direct Component for the Gulf Coast states, Florida counties, and Louisiana parishes?**

**A:** The Gulf Coast Trust Fund Allocation Tables, located on Treasury's RESTORE Act website at <http://www.treasury.gov/services/restore-act/Pages/default.aspx>, cite the allocations that eligible applicants may use when developing their grant applications. The tables also show the estimated amounts not yet deposited from the Transocean settlement that applicants can use when developing their multiyear plans. Periodically, Treasury will post new tables that include earned interest on the Trust Fund, any new deposits, and updated allocations available for distribution.

## **MULTIYEAR PLAN QUESTIONS**

**5. Q: What is the purpose of the Direct Component multiyear plan?**

**A:** The RESTORE Act and Treasury's Interim Final Rule require applicants to submit a multiyear plan that describes, among other things, activities to be funded, their location, a budget, milestones, and criteria for measuring success. Applicants must seek public review and comment of the plan before submitting it to Treasury for review. One purpose of the plan is for applicants to prioritize projects for RESTORE Act Direct Component funds and to make those project priorities available for public review and comment. Treasury will review the applicant's plan for completeness and compliance with the RESTORE Act and regulations. The forms for a multiyear plan are included in the Direct Component Guidance and Application document, which is available on the Treasury website.

**6. Q: Is there a deadline to submit multiyear plans?**

**A:** No. Eligible applicants may submit multiyear plans at any time. However, other than planning assistance grants to develop the multiyear plan, applicants may not apply for Direct Component grants until they submit and Treasury accepts the multiyear plan.

**7. Q: What time period should eligible applicants cover in multiyear plans?**

**A:** Eligible applicants have flexibility in setting the period of time covered in their multiyear plan. They may tailor the multiyear plan to the funds currently available, or include funds that will be available next year from the Transocean settlement. Applicants also may develop plans that include additional projects that could be undertaken with funds that may be deposited in the future because of ongoing litigation; however, the multiyear plan submitted to Treasury may only include the Transocean settlement funds. Applicants should include the more comprehensive plan when they submit their multiyear plan forms to Treasury.

**8. Q: Can eligible applicants develop a multiyear plan in phases or incrementally?**

**A:** Eligible applicants may develop a multiyear plan incrementally (e.g., cover some but not all of the eligible activities) with new eligible activities added later. Applicants also may develop a multiyear plan in phases (e.g., the plan may cover a limited period) with additional years and activities added later. Applicants likely will develop an initial multiyear plan to cover the current and expected amounts in the Trust Fund from the Transocean settlement. When subsequent settlement agreements or final judicial decisions are issued, a revised multiyear plan may be submitted to cover additional amounts deposited in or expected to be deposited in the Trust Fund

by other defendants in the Deepwater Horizon oil spill civil lawsuit under the Federal Water Pollution Control Act. Revised or amended plans will require the 45-day public and comment review process prior to submission to Treasury for review and acceptance, unless those plans have already undergone the 45-day public review and comment process

**9. Q: Is there a requirement for public review of a multiyear plan before eligible applicants submit their plan to Treasury?**

A: Yes. Eligible applicants must make their multiyear plan available for public review and comment for at least 45 days in a manner calculated to obtain broad-based participation from individuals, businesses, Indian tribes, and non-profit organizations, such as through public meetings, presentations in languages other than English, and postings on the Internet. Applicants will need to submit documentation (e.g., a copy of public notices) to demonstrate that their multiyear plan was available for review by the public for at least 45 days. As part of their multiyear plan submission to Treasury, applicants must describe how they addressed relevant public comments in the plan. Interested members of the public should contact the eligible state, county, or parish to obtain information about how the public may participate in the public engagement and outreach activities as applicants develop their multiyear plans.

**10. Q: Do eligible applicants have to follow the Treasury format for a multiyear plan?**

A: Eligible applicants must submit the required multiyear plan forms to Treasury. Applicants may develop more detailed multiyear plans that encompass a longer timeframe and provide a more comprehensive list of activities that exceed the estimated Trust Fund allocations based on the Transocean 2013 civil settlement. Applicants will need to include the required information on the Treasury forms and may include the more detailed plan as an attachment with the multiyear plan they submit to Treasury.

**11. Q: What is Treasury's review process to accept an eligible applicant's multiyear plan?**

A: Treasury will review eligible applicants' multiyear plans for completeness and conformity with the RESTORE Act and Treasury regulations. Treasury may need to request additional information to complete the review. After completing the review, Treasury will notify applicants in writing that they may begin to submit grant applications to fund activities listed on the multiyear plan.

**12. Q: Can eligible applicants submit applications for projects before they submit the multiyear plan to Treasury and before Treasury accepts the plan?**

A: No. As a prerequisite under the RESTORE Act for requesting and receiving Direct Component funding for eligible activities, each eligible applicant must submit a multiyear plan to cover a timeframe during which projects could be undertaken with available or expected to be available funds from the Trust Fund. Once Treasury accepts the multiyear plan, the applicant may submit applications seeking grants for projects listed on its multiyear plan. The one exception is for grant applications for planning assistance to develop the multiyear plan.

**13. Q: Can eligible applicants apply for planning assistance funding to develop a multiyear plan and to what funding opportunity announcement should they apply?**

A: Yes. Eligible applicants may submit an application to Treasury for planning assistance funds to develop a multiyear plan. Applicants may apply under the Funding Opportunity Announcement – Direct Component Non-Construction Activities in [GrantSolutions.gov](http://GrantSolutions.gov). Applicants should refrain from addressing questions 4 and 8 in the application form that relate to the multiyear plan. The prerequisite to submit a multiyear plan prior to submitting a Direct Component application does not apply in this specific case.

## STATUTORY DEFINITION QUESTIONS

**14. Q: What does Gulf Coast region mean under the RESTORE Act?**

A: Gulf Coast region means:

- (1) In the Gulf Coast States, the coastal zones defined under section 304 of the Coastal Zone Management Act of 1972 that border the Gulf of Mexico;
- (2) Land within the coastal zones described in paragraph (1) of this definition that is held in trust by, or the use of which is by law subject solely to the discretion of, the Federal Government or officers or agents of the Federal Government;
- (3) Any adjacent land, water, and watersheds, that are within 25 miles of the coastal zone described in paragraphs (1) and (2) of this definition; and
- (4) All Federal waters in the Gulf of Mexico.

**15. Q: How will Treasury determine if an activity will be carried out in the Gulf Coast region?**

A: Direct Component activities are carried out in the Gulf Coast region when, in the reasonable judgment of the eligible applicant applying to Treasury for a grant, each severable part of the activity is primarily designed to restore or protect that geographic area. Treasury will determine if these criteria have been met when a grant application is submitted.

**16. Q: What are the eligible activities under the Direct Component?**

A: The criteria for eligibility are described in Treasury's regulations, including 31 C.F.R. 34.201. In general, the following projects, programs, and activities are eligible for funding under the Direct Component. Activities 1 through 7 must be carried out in the Gulf Coast region.

- (1) Restoration and protection of the natural resources, ecosystems, fisheries, marine and wildlife habitats, beaches and coastal wetlands of the Gulf Coast region;
- (2) Mitigation of damage to fish, wildlife, and natural resources;
- (3) Implementation of a federally approved marine, coastal, or comprehensive conservation management plan, including fisheries monitoring;
- (4) Workforce development and job creation;
- (5) Improvements to or on State parks located in coastal areas affected by the Deepwater Horizon oil spill;
- (6) Infrastructure projects benefitting the economy or ecological resources, including port infrastructure;
- (7) Coastal flood protection and related infrastructure;
- (8) Planning assistance;

- (9) Administrative costs;
- (10) Promotion of tourism in the Gulf Coast region, including recreational fishing; and
- (11) Promotion of the consumption of seafood harvested from the Gulf Coast region.

**17. Q: How does the RESTORE Act define best available science?**

**A:** Under the RESTORE Act, best available science means science that maximizes the quality, objectivity, and integrity of information, including statistical information; uses peer-reviewed and publicly available data; and clearly documents and communicates risks and uncertainties in the scientific basis for such projects.

**18. Q: Who conducts the best available science review?**

**A:** The requirement to use best available science applies to activities designed to protect or restore natural resources. Applicants must look at the nature of the activity, rather than the activity's label, when deciding whether this requirement applies. Applicants must explain in their application how the activity is based on the "best available science." The applicant must cite peer-reviewed, objective, methodologically sound literature sources that support the conclusion that the proposed scope of work is an effective way to achieve the stated objectives that are set out in the Act. Treasury will review the reasonableness of the applicant's submission for conformity with the Act and Interim Final Rule.

## **APPLICATION PROCESS**

**19. Q: Treasury released five funding opportunity announcements under the Direct Component. How does the eligible applicant determine which announcement applies to their proposed project if it requires several elements, such as land acquisition, planning and design and construction?**

**A:** The separate funding announcements are driven, in part, by the structure of the GrantSolutions.gov application management system and by specific application requirements. In this example, land acquisition would be one application and construction would be another application. The details of particular planning and design work will determine whether it should be included in a non-construction or construction application. Treasury is available to discuss applicants' specific application questions on a case-by-case basis.

**20. Q: Do eligible applicants have live links to the grant applications and required forms and certifications?**

**A:** Yes. Eligible applicants can obtain the grant applications and other forms and certifications through GrantSolutions.gov. Treasury posted the funding opportunity announcements in GrantSolutions.gov. Once the applicant obtains a GrantSolutions.gov user account and selects a funding announcement, the applicant gains access to the necessary directions and forms. The Operational Self-Assessment and the multiyear plan forms may be found on Treasury's website in fillable form format.

**21. Q: Should eligible applicants apply any specific criteria or metrics relating to workforce development or job creation projects?**

**A:** As part of the application for any eligible activity, including workforce development or job creation, eligible applicants will set milestones to demonstrate progress in completing the planned activity. Applicants will establish performance measures that are outcome-oriented to the extent possible and demonstrate progress toward reaching the stated objectives for the proposed activity. As with all grant applications, Treasury will review the reasonableness of applicants' submissions for conformity with the RESTORE Act and Interim Final Rule.

**22. Q: What are pre-award costs?**

**A:** Pre-award costs are defined in the OMB Uniform Guidance at 2 C.F.R. §200.458.

“Pre-award costs are those incurred prior to the effective date of the Federal award directly pursuant to the negotiation and in anticipation of the Federal award where such costs are necessary for efficient and timely performance of the scope of work. Such costs are allowable only to the extent that they would have been allowable if incurred after the date of the Federal award and only with written approval of the Federal awarding agency.”

Pre-award costs must be connected to an award for a specific eligible activity, and be included in the award's approved scope of work and budget. A federal award cannot be solely comprised of pre-award costs and a scope of work that was completed prior to the start date of the award.

**23. Q: How will Treasury evaluate pre-award costs?**

**A:** Treasury will use the following criteria, which are based on the RESTORE Act, Interim Final Rule, and OMB Uniform Guidance to evaluate pre-award costs. Applicants must be able to provide documentation to evidence the costs through invoice, dated signed timesheets, contracts etc.

**(1) Eligible Costs**

Were the costs incurred for a specific activity that is eligible for Direct Component funding?

**(2) Costs Directly Pursuant to the Negotiation and in Anticipation of the Federal Award**

Were the costs incurred directly pursuant to the negotiation of the specific Federal award and in anticipation of the Federal award?

**(3) Costs Necessary for Efficient and Timely Performance of the Scope of Work**

Are the costs incurred necessary for the efficient and timely performance of the scope of work of the Federal award?

**(4) Allowable Costs**

Would the costs incurred have been allowable if they had occurred after the date of the specific Federal award?

**(5) Written approval of the Federal awarding agency**

Did the applicant receive prior written approval\* of the Federal awarding agency for the pre-award costs?

\*“The Federal awarding agency is authorized, at its option, to waive prior written approval in authorizing recipients to incur project costs 90 calendar days before the Federal awarding

agency makes the Federal award. Expenses more than 90 calendar days pre-award require prior approval of the Federal awarding agency.” (See 2 C.F.R. 200.308(d))

**24. Q: Are costs incurred that are associated with the development of a Multiyear Implementation Plan eligible for reimbursement as pre-award costs?**

**A:** All applications for pre-award costs must meet the strict requirements of 2 C.F.R. 200.458. In addition to other requirements, applicants will need to submit a scope of work to develop the multiyear plan, and demonstrate that any costs incurred before the Federal award were necessary for the efficient and timely completion of that scope of work. As stated in funding announcements for the Direct Component, Treasury does not anticipate that any costs incurred prior to publication of the Interim Final Rule will meet these requirements. The Interim Final Rule specifies elements for the multiyear plan. Treasury does not anticipate that applicants could begin work necessary for the efficient and timely completion of the multiyear plan, and otherwise meet requirements in the Interim Final Rule and OMB’s Uniform Guidance, before Treasury published criteria for the multiyear plan in the Interim Final Rule. In addition, the law requires that costs incurred greater than 90 days prior to the start date of an award require prior written approval of the Federal awarding agency, which is Treasury for Direct Component awards. Costs incurred 90 days or less prior to the start date of an award require prior written approval, unless waived by Treasury

## COMPLIANCE QUESTIONS

**25. Q: If an eligible applicant identifies issues as part of its operational self-assessment (OSA), how should the applicant address them prior to receiving a grant award?**

**A:** If an eligible applicant identifies issues, the applicant should document them in its OSA and take measures to meet the requirements outlined in the OMB Uniform Guidance § 200.303 (Internal controls), which states that “The non-Federal entity must: (a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in ‘Standards for Internal Control in the Federal Government’ issued by the Comptroller General of the United States and the ‘Internal Control Integrated Framework’, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).”

**26. Q: How should eligible applicants monitor their own performance and compliance, as well as the performance of subrecipients?**

**A:** Eligible applicants must monitor their own performance and compliance to adequately report their performance to Treasury. Pass-through entities must manage and monitor their subrecipients in accordance with 31 C.F.R. §§ 200.330 through 200.332 and

- (1) Ensure that subrecipient agreements have all the information required by §200.331 and all terms and conditions of the grant award;
- (2) Evaluate and document the risk of each subrecipient;
- (3) Confirm that the subrecipient is not suspended or debarred;
- (4) Create written monitoring procedures;

- (5) Document compliance (periodic reporting, reports of findings, corrective action plans and follow-up); and
- (6) Review subrecipient Single Audit reports and take necessary action.

## **SPECIAL LOUISIANA PARISH QUESTIONS**

**27. Q: Treasury labels the Louisiana Parish Allocations cited on the Trust Fund Allocation Tables as “proposed.” Why are they proposed and when will they become final?**

**A:** On July 31, 2014, Treasury published a notice of proposed rulemaking that identified the share of each Louisiana parish under the Direct Component, based on a weighted formula in the RESTORE Act and data from the United States Census Bureau and the United States Coast Guard. (79 Federal Register 44325.) Treasury has received public comments on the proposed rule, and published an interim final rule, effective October 14, 2014, that sets out allocations for each Louisiana parish.

**28. Q: Must a Louisiana parish complete the certification to the Governor that the parish has a comprehensive land use plan before submitting a Direct Component application to Treasury?**

**A:** Yes. In order to have a complete Direct Component application, a Louisiana parish must include with the application the certification to the Governor that the parish has a comprehensive land use plan. If the parish chooses to submit a planning assistance grant application for developing a multiyear plan, the parish must include the certification as part of the grant application.

**29. Q: May a Louisiana parish develop a multiyear plan while the Treasury regulations are being finalized?**

**A:** A Louisiana parish may begin work on a multiyear plan prior to publication of the final Treasury rule on the parishes’ allocation. However, Direct Component planning assistance funds are not available for the development of a multiyear plan until after the parish allocation rule is effective and the parish includes a certification to the Governor with the application that the parish has a comprehensive land use plan.