

FY22 BROWNFIELDS REVOLVING LOAN FUND (RLF) CLOSEOUT AGREEMENT (COA) TEMPLATE

Background:

- 2 CFR § 1500.8(c) allows RLF grant recipients to keep program income (PI) at the end of the cooperative agreement (CA) only if they use those funds for continued operation of the RLF or for other brownfields purposes, as outlined in their COAs. This is consistent with [2 CFR § 200.307\(f\)](#).
- The content of Brownfields RLF COAs over the past 20+ years varies significantly.
 - o Early on, COAs were stand-alone agreements executed after the CA ended. These COAs were written differently in each EPA Region and often the terms and conditions (T&Cs) didn't require reporting.
 - o After an Office of Inspector General (OIG) audit in FY16-17, the Office of Brownfields and Land Revitalization (OBLR) established policy in FY18 requiring the Regions to use a model COA template, with the terms embedded in the model CA T&Cs so that the COA would automatically execute starting the day after the CA's period of performance ended.
- A follow-up OIG audit on the Brownfields RLF Program in FY20-22 again cited issues with inconsistencies between COAs across the program. For example, some older COAs don't require any reporting, and even some of the newer COAs no longer require annual reporting after 5 years.
 - o The OIG report determined: *"Without tracking and monitoring PI and recipient compliance with post-closeout reporting requirements, there is no assurance that the recipients have fulfilled the T&Cs of the COA, as required in 2 C.F.R. § 1500.8(c)."*

Purpose of the FY22 COA Template:

- EPA created the FY22 COA Template with the intent of using it to replace as many existing RLF COAs as possible. This will allow for all RLF programs with post-closeout PI to be operating under the same T&Cs, which will be a benefit to both cooperative agreement recipients (CARs) and EPA.
- For the next 5 years, RLF COAs will be based on the FY22 COA Template (i.e., next COA Template change will be in FY27). The FY22 COA Template:
 1. Makes administrative and financial tracking easier for both CARs and EPA by **combining all COAs for a CAR into a single COA.**
 - o Through the use of an Attachment to the COA which lists all applicable assistance agreement numbers, the CAR will have one COA for all its RLF grants.
 - o The single COA terminates the CAR's previous COAs, and all management and reporting of post-closeout PI is tracked under one grant number.
 - o Post-closeout PI from multiple grants will be combined and kept in a single bank account. *Note that RLF funds for open grants must each still have their own separate bank accounts.*
 2. Standardizes Brownfields COA requirements, which will allow all CARs to use post-closeout PI more expeditiously and EPA to track post-closeout PI more accurately.
 - o **Allows additional flexibility on how post-closeout PI can be used** (see #6 on pg 2 of FY22 COA Template) **and where it can be used** (see #13 on pg 4).
 - o **Provides parameters for eventual closure of the COA** (see #17 on pg 5).
 - o **Includes annual progress reporting and Assessment, Cleanup and Redevelopment Exchange System (ACRES) reporting** (see #15 on pg 4). *Note that ACRES enhancements for RLF data are in progress, with rollout expected in early 2023. Recorded webinar training will be provided to RLF CARs on all new ACRES requirements for RLFs.*

How this affects existing and former RLF CARs:

- Adopting the FY22 COA will be a condition of all new RLF grant awards and all amendments to open RLF cooperative agreements (e.g., no-cost extensions, supplemental funding).
 - o The FY22 CA T&Cs include the FY22 COA (filled in with CAR-specific grant numbers) as an attachment.
 - o CARs must sign and return their new COA to EPA's Project Officer no later than 30 days after award/amendment.
- Former CARs with only post-closeout PI (i.e., no open RLF grant) are also highly encouraged to update to the FY22 COA in order to gain more flexibility on how post-closeout PI can be used.