

Changes are needed to address eligible costs for federal CWA 319 funds. The federal cost principles in 2 CFR sections 200.400 to 200.475 put limits on which costs are reimbursable with federal awards. It is important to reference the federal procurement requirements early in the process so applicants know that these conditions will apply to them.

Changes are shown below in **bold-underline font** for additions, and **~~bold-strikeout~~** for deletions.

On page 8-9:

6. Grant Agreement

Grant applicants that are approved for funding will work with their Regional Water Board's NPS Program and Grant Coordinators as well as State Water Board Division of Financial Assistance and Division of Water Quality staff in the development of the grant agreements for the project. Final grant agreements are not executed until signed by authorized representatives of the grantee and the State Water Board. To understand the format and content of grant agreements, please see the NPS Grant Program webpage for grant agreement templates from 2016. The actual templates used for 2017 projects are subject to change based on new conditions in the 2017 CWA section 319 and Timber Fund guidelines, **as well as any new federal regulations and conditions in federal award documents from U.S. EPA.**

On page 9:

7. Reimbursement of Costs

~~Only direct costs related to the project are allowed.~~ Only work performed within the terms and scope of work of the grant agreement will be eligible for reimbursement. These may include reasonable costs for engineering design, legal fees, preparation of environmental documentation, environmental mitigation, pre and post project monitoring, and project implementation. **For grants made with federal funds, grant recipients shall be responsible for complying with federal procurement standards set forth in 2 C.F.R. subpart D and federal cost principles set forth in 2 C.F.R. subpart E.**

On page 42:

Reimbursable Costs – means costs that may be funded under NPS Grants Program. Reimbursable costs **may** include the reasonable costs of engineering, design, legal fees, preparation of environmental documentation, environmental mitigation, and project implementation. Education/outreach is an eligible reimbursable expense only if it is a secondary component of a project.