

# TAG Recipient Manual

## Tracking TAG Activities and Finances

This section explains how to set up and maintain effective systems for managing TAG funds and describes the records your group needs to keep on file for tracking TAG activities. It also outlines the requirements for keeping accurate records during and after your TAG project ends, which are described in sections 35.4170-35.4180 of the TAG rule. (The TAG rule is available at <http://www.epa.gov/superfund/community/tag/resource.htm>.)

As a TAG recipient, your group is responsible for managing the project budget and keeping records of financial transactions and project activities throughout your TAG project. This involves maintaining a financial management system and a file system for organizing and storing your TAG records. These systems will be particularly important and useful when you are requesting reimbursement or documenting in-kind contributions as part of the required matching share. In addition, accurate up-to-date records will help you when preparing quarterly and annual reports to EPA (see Section 3, Reporting Requirements).

### 2.1 Maintaining a Financial Management System for Your TAG

You are required to have a financial management system for your TAG that accurately reflects all financial transactions related to your TAG project. Your TAG financial management system must, at a minimum, enable you to meet the following requirements (see 40 CFR 30.21):

An effective financial management system makes preparing reimbursement requests and financial reports easier. It also provides complete, accurate, and up-to-date records if your TAG is audited.

- You must maintain control over all project funds, property, and other assets; be able to demonstrate that you used them solely for authorized purposes; and ensure that costs related to your TAG agreement are tracked separately, not mixed in with costs for other projects.
- You must have a general ledger that includes an accurate, up-to-date, and complete accounting of all financial transactions for the project (see 2.6 for a sample monthly ledger).
- You must have written procedures for determining that costs are allowable—that is, reasonable, necessary, and specifically authorized in the approved budget that is part of your TAG award agreement (see *Section 4, Procurement—Using TAG Funds, for additional information*).
- You must track actual costs against the amounts in your approved TAG project budget and/or award agreement (see 2.6 for sample worksheets).
- You must track all matching share contributions, including non-federal cash expenditures and in-kind contributions (see 2.6 for sample worksheets).
- If you receive TAG funding for more than one site, multiple grants, or funding from any other source, you must keep separate records for each site, grant, and/or funding source.

**Tip:** There are several inexpensive commercial financial management software products that include a basic checkbook register (allowing you to categorize your deposits and expenses) and a general ledger.

It is important to keep track of any TAG funds or volunteer time devoted to TAG-related administrative tasks. As a rule of thumb, your group should spend no more than 20 percent of the total TAG

project budget on administrative costs. This is to ensure that TAG funds are used primarily for the interpretation and communication of site-related technical information. To do this, most TAG groups use volunteer time spent on administrative tasks to cover a significant portion of their required matching share contribution (see 2.2).

Your group's contractors also are responsible for keeping detailed records related to their activities. These records must include dates on which tasks were accomplished, hours spent on each task, work progress achieved, reports prepared and submitted, expenditures, and any outstanding commitments. In addition, they must reflect the relationship of the work to the Superfund site and to the approved costs and completed product/deliverable schedules in the contract with your TAG group.

## 2.2 Tracking Your Group's Matching Share Contributions

TAG recipients are required to contribute a matching share equal to 20 percent of the total project cost. For example, if the total cost of your TAG project is \$62,500, you could receive 80 percent, or \$50,000, in federal funds, and your matching share contribution would be 20 percent, or \$12,500, unless EPA has waived this requirement. The final amount your group must provide as its matching share is shown in your approved TAG project budget and/or award agreement.

### **Contributions to Your Matching Share**

Your group can use cash expenditures, in-kind contributions, or a combination of the two to contribute your 20 percent matching share:

1. Cash Expenditures—You may use cash expenditures for which reimbursement is not requested as contributions towards the matching share requirement. For example, your group can:

- Pay (with non-federal funds) a portion of your technical advisor's charges.
- Count the value of the time that paid employees of the TAG group spend working on approved activities for which you have not requested reimbursement. (See 40 CFR 30.23, which is available via the Internet at <http://www.epa.gov/docs/epacfr40/chapt-I.info/> for specific requirements. Contact your EPA project officer/regional TAG coordinator with any questions about these requirements.) If a paid employee donates a portion of his or her time toward the TAG matching share, federal regulations require you to keep documentation (for example, time sheets) showing 100 percent of a paid employee's time, not just the portion spent on TAG activities.
- Pay (with non-federal funds) for approved supplies, such as office supplies.
- Pay (with non-federal funds) for approved services, such as newsletter printing or bookkeeping services.
- Pay (with non-federal funds) for meeting space.

#### **What does "in-kind" mean?**

In-kind means the value of a non-cash contribution used to meet your group's matching share requirement. An in-kind contribution may consist of volunteered time or donated goods or services necessary to the TAG project, for which reimbursement is not requested.

**Remember:** You may count towards your matching share only those cash expenditures or in-kind contributions for items or activities that also would be eligible for reimbursement with federal funds. If an item or activity is ineligible for reimbursement under your TAG, you cannot apply the cost toward your matching share contribution.

2. In-kind Contributions—You also may use approved in-kind contributions (for which reimbursement is not requested) to meet your matching share requirement, as long as these contributions and their value were included in your application, which is part of your TAG award agreement. You may not use other federal funds to meet the matching share requirement, nor may you apply the funds used to meet the TAG match to meet matching requirements for another federal program. Document all in-kind contributions in your files.

Because you must incorporate your group before you receive TAG funds, you may choose to count the costs associated with incorporation towards your required matching share or request to be reimbursed for them, as long as your group incorporated for the sole purpose of receiving the TAG. If your group incorporated for another purpose, you cannot count the costs of incorporation toward your matching share or be reimbursed for them with TAG funds.

Volunteered time and donated goods or services are among the types of in-kind goods and services that may count toward your group's matching share. Volunteered services could include:

**Remember:** Incorporation costs are the only pre-award costs eligible for reimbursement under the TAG program.

- A bookkeeper's work maintaining your group's financial records and preparing required financial reports.\*
- A lawyer's aid in drafting a contract for your technical advisor.\*
- Your TAG project manager's oversight of contracts.
- Time your group members spend to produce and mail a newsletter, including the time to insert the newsletter into envelopes and apply labels and postage.
- Time spent by group representatives (such as board members) planning and implementing the work of the TAG.

Be sure to document in the files how you arrived at the value of the time donated for these purposes.

Donated goods and services could include:

- Use of equipment (such as a computer or copier) and office space, as long as the usage rate is approved by EPA and usage records are kept.\*
- Office supplies (such as paper and pencils).\*
- Photocopying, printing, and postage.\*
- TAG-related telephone calls.\*
- Meeting space.\*

**Remember:** Cash expenditures and in-kind contributions and their value must be included in your approved TAG application and/or award agreement. If information on in-kind contributions was not provided in your application, you will need to request and get approval from the EPA project officer/regional TAG coordinator. Be sure to keep your approval letter in the "financial" portion of your filing system.

*\* Bills and receipts for these items must be provided as documentation.*

### **Keeping Track of the Value of Donated Goods or Services and Volunteered Time**

In order for the value of donated goods and services and volunteered time to be used as part of the matching share, the goods and services must be necessary and reasonable for accomplishing your TAG project and included in your approved TAG budget and/or award agreement. (If these donated goods and services or volunteered time were not included in your application, you must obtain approval from your EPA project officer/regional TAG coordinator.) In addition, a person who provides volunteer services must meet the same

### **What is "fair market value?"**

"Fair market value," or "going rate" is the price you would pay if you had to purchase or rent an item or service in the open marketplace.

qualifications as someone who would be paid for the work under the TAG. For example, if someone volunteers to review and help your group formulate comments on an EPA site-related document, he/she must meet the same qualifications as a technical advisor whom you would pay to perform these services.

The fair market value or “going rate,” (see box) of goods and services donated and the time people volunteer to the project depends on area in which the work is done, so checking with local sources is very important. Contacting local printers, equipment rental companies, or office supply stores is a good way to determine the fair market value of goods and services that are donated or loaned to your group to do its work.

The fair market value of volunteered time for matching share purposes is based on the price you would pay if you had to hire someone for similar work in your local area. Only the amount a person would have been paid for their time and fringe benefits may be counted in calculating the value of volunteered time. Overhead costs may not be counted. For example, if a person volunteers his or her time to stuff and mail envelopes or to do general office work, you can determine the fair market value of his or her time by asking what a temporary employment service would charge for similar work.

### **Documenting Donated Goods and Services and Volunteered Time**

You must document how you arrived at the value of the donated goods and services and the volunteer time that you count towards the matching share. Keep notes in your files showing how you researched and determined the fair market value of each, in case you are ever audited. These rates and your estimated matching share contributions are included in your approved TAG budget. If either of these change, you will need approval from your EPA project officer/regional TAG coordinator.

You must keep time sheets showing the date of service, time spent, approved rate, and activity performed to document the work of each person providing volunteered time (see Section 9: *Blank Worksheets and Other Tools*, for a template you may want to use). Be sure to show clearly in your records which tasks were performed by employees or contractors and which were performed by volunteers. This is especially important if a person is paid for some services (for example, grant administration) and donates services at other times.

**Remember:** If a paid employee donates a portion of his or her time toward the TAG matching share, federal regulations require you to keep documentation (for example, time sheets) showing 100 percent of the paid employee’s time, not just the portion spent on TAG activities.

You must show EPA how your group is meeting the matching share requirement by including the matching share information in reimbursement requests (see 2.6 for worksheets for tracking your matching share contributions). If you raise more than the 20 percent required for your matching share in a given reimbursement period, you may be able to carry over the extra amount to your next reimbursement period. Check with your EPA project officer/regional TAG coordinator to determine if this can be done.

### **2.3 Maintaining a System to Track TAG Activities**

You must maintain a filing system to keep track of TAG activities and store important records. Whether these are paper files or a combination of paper and electronic files, your filing system should include your financial records (general ledger, a record of your matching share contributions, and copies of each request for reimbursement submitted to EPA, etc.). You also should keep a file with all documentation, such as time sheets, receipts or invoices, or expenditures related to your TAG. You also should file all project-related correspondence, your approved TAG application and award agreement, work products and reports prepared by your technical advisor, and records of how you selected your technical advisor or other contractors (see *Section 4, Procurement—Using TAG Funds*). It may be useful to set up your files under three main categories: Financial, Grant Management, and Procurement. The box on page 2-5 provides a sample list of file names in each category and the items to be kept in each file.

## Sample Files

### Financial

- Financial Procedures (a copy of your group's written financial procedures)
- Accountings (general ledger, including worksheets for tracking cash transactions and matching - share contributions)
- In-kind Contributions (and notes/spreadsheets used to determine rates and values)
- Bank Account (statements and canceled checks)
- Time Sheets
- Receipts
- Contractor Invoices (invoices and billing packages from your contractors)
- Financial Reports
- Internal Audit

### Grant Management

- TAG Application (including any approved revisions)
- TAG Award Agreement (copy of final signed agreement)
- TAG Amendments
- TAG Regulations (40 CFR part 35, subpart M and 40 CFR part 30)
- Progress Reports (monthly and final reports submitted to EPA)
- Other Required Reports (annual MBE/WBE reports, etc.)
- All Technical Advisor Work Products
- Correspondence (project-related letters, email, and other correspondence with your contractors, EPA, and others)
- Blank Forms (copies of blank forms and worksheets or links to electronic forms)

### Procurement

- Procurement Procedures (a copy of your group's written procurement procedures. NOTE: You are required to have written procedures for all procurements (see Section 4: *Procurement—Using TAG Funds*, for more information.)
- Procurement Activity Records (Create a separate file for each procurement; the most significant of your procurements will be for your technical advisor.)
- A copy of the solicitation (if required)
- A list of the individuals and organizations to which you sent the solicitation or contacted for bids
- Copies of ads placed to recruit proposers/bidders and a list of where you placed the ads
- Copies of other means (flyers, notices) used to recruit proposers/bidders and information on where (web sites, community bulletin boards, etc.) these other means were used
- Copies of proposals or bids received
- Notes documenting cost analyses of each proposal/bid, including reasons for your rejection of any proposals/bids
- A written record of any issues or questions negotiated and results of the negotiations
- A copy of the final contract

## 2.4 EPA Monitoring Reviews and Audits

EPA may do monitoring reviews and interim and final audits of your TAG. The purpose of these reviews and audits is to determine whether you are using federal funds appropriately, whether records and financial management systems adequately account for how you have spent your federal funds, and whether your activities fall within the approved scope of work for your TAG. EPA monitors and audits grants according to the rules and regulations found in OMB Circular A-120, 40 CFR part 30, and the TAG rule at 40 CFR part 35, subpart M. Monitoring reviews may be done in different ways:

1. Routine review of records you send to EPA—Your EPA project officer/regional TAG coordinator routinely reviews all of the information you send to EPA. The purpose of this review is to ensure you are meeting reporting requirements, providing the necessary documentation to justify reimbursement requests, and performing activities that are consistent with your approved work plan and TAG award agreement. If the EPA project officer/regional TAG coordinator identifies a problem, he or she will contact you to discuss and resolve the issue.
2. Off-site evaluation, or “desk review”—Your EPA project officer/regional TAG coordinator may conduct a “desk review” by interviewing you over the telephone. He or she may ask you to provide copies of your records, backup documentation of transactions and procurements, and other records.
3. On-site evaluation—Your EPA project officer/regional TAG coordinator may visit your location for an on-site evaluation. This is the most thorough and formal monitoring review you may experience. Only a limited number of TAGs are selected for this type of review. However, all TAG recipients should be prepared for this type of review by maintaining an effective financial management system and keeping current and accurate financial, grants management, and project records. In general, an on-site evaluation includes the following steps:
  - EPA informs you in writing that it plans to do an on-site monitoring review of your TAG and requests that you prepare for the review.
  - EPA staff interviews you, and reviewers examine your records to understand your accounting and procurement systems, review your policies and procedures, reconcile costs claimed with accounting records, and evaluate if the costs are allowable and reasonable. The records of your project activities and products also are reviewed for consistency with your group’s approved work plan and/or TAG award agreement.
  - The review team asks you for suggestions about how EPA can help you better manage your TAG.
  - The review team prepares a draft report. Areas that need improvement are identified and actions you must take to address problems identified in the review are specified in an action plan, with a schedule for implementing recommended improvements.
  - You may be given an opportunity to provide written comments on the draft report.
  - The review team prepares a final report and sends a copy to you. If the report includes an action plan that outlines how you should address the problems identified in the review, EPA works with you to monitor implementation of the items in the plan.

If a monitoring review reveals significant issues, EPA may request that the EPA Office of Inspector General audit your group. These audits follow the procedures in Government Auditing Standards issued by the Comptroller General of the United States. The latest version of the standards is available on the Internet at <http://www.gao.gov/govaud/yb2003.pdf>.

EPA reports to Congress semi-annually on the status of audit resolution and follow-up activities, and is required to report any audits not resolved within 180 days and final actions that have not been completed.

## 2.5 Retaining Your TAG Records

TAG regulations require your group and your technical advisor(s) to keep TAG records for at least 10 years from the date of your final financial status report. If, however, there are any unresolved issues, such as an audit, litigation, or disputes that come up before the end of the 10-year retention period, you must keep the records until the issues are resolved.

When your TAG ends, your group may submit your financial records to EPA for safekeeping for the 10-year retention period. If you choose to do that, however, you need to plan ahead. You may use TAG funds to pay for shipping your records to EPA only if you send the records to EPA prior to the expiration date of your TAG funding period.

This means that you will need to keep copies of whatever material from your files that you will need to prepare and submit your final Financial Status Report and Final Project Report, each of which is due 90 days after the end of your final TAG funding period. If you would rather keep your files until you have completed your final reports and then send them to EPA for safekeeping, you will not be reimbursed for shipping costs.

You may submit your TAG records to EPA for safekeeping at the end of your TAG. Talk to your EPA project officer/regional TAG coordinator to make arrangements.

**Remember:** Before disposing of your records at the end of the recordkeeping period, you and your contractors must notify EPA in writing that you plan to dispose of the records. Keep your records until EPA sends you a letter telling you the records may be disposed of or destroyed.

## 2.6 Sample Financial Management and Activity Tracking Documents

The worksheets in this section can be used to comply with TAG requirements for keeping good grants management, financial, and procurement records. Each sample is preceded by tips on how to fill it out. If you use these worksheets or set up a software program that uses the information in the worksheets, completing the required reports and payment requests (SF 269A, 5700-52A, and SF 270) will be much easier.

### Sample 1 — MONTHLY COST-TRACKING LEDGER

Use this worksheet to record all costs incurred related to your TAG each month. (You may have a computer software program that already provides a format for tracking these costs.) It is advisable to enter information onto this worksheet as expenditures are made, and always keep receipts in your files.

TAG Group—Enter the name of your group.

Month/Year—Enter the appropriate month and year.

Date—Enter the date of each transaction.

Description—Describe the service or goods purchased (e.g., technical advisor services, office supplies, or printing of a newsletter).

Amount—Enter the cost of the purchased item.

**Tip:** Keeping a written record of discussions with your EPA project officer/regional TAG coordinator and other TAG communications can help ensure a clear understanding of a situation or issue for future reference.

Check if Paid—Enter a check mark (✓) if the cost for the item has been paid.

Check if Part of Matching Share—Enter a check mark (✓) if the good or service is part of your matching share. If it is, you should also have a corresponding entry on either the worksheet tracking your non-federal cash contributions (see Sample 2) or the worksheet tracking your in-kind contributions (see Sample 3).

Check If MBE/WBE—Enter a check mark (✓) if the good or service was purchased from a minority-owned business enterprise (MBE) or woman-owned business enterprise (WBE) . This will be useful when you have to report on your use of minority-owned and woman-owned business enterprises in October of each year (see 3.4 in *Section 3, Reporting Requirements*, for instructions and sample forms).

Receipt Number—Enter the receipt or invoice number that corresponds to this cost item.

Total Outlays for the Month—Add all costs in the “Amount” column and enter the total in the bottom block of the column.

**NOTE: Remember to attach copies of all receipts and invoices to the worksheet for filing, so they will be readily available when you need to refer to them.**





## Sample 2 — MONTHLY RECORD OF MATCHING SHARE CONTRIBUTIONS

### Non-federal Cash Expenditures Worksheet

All matching share contributions must have been included in your approved TAG application or award agreement (see 2.2 for more information). It is a good idea to enter information on this worksheet as the expenditures are made. Remember to always keep copies of receipts in the file with this worksheet.

Month/Year—Enter the appropriate month and year.

TAG Group—Enter the name of your group.

Receipt #—Number receipts consecutively (see Monthly Cost-Tracking Ledger to determine which receipts to include on this worksheet).

Vendor—Enter the name of the product or service provider.

Description—Describe the services or goods purchased with non-federal funds.

Amount—Enter the amount of the non-federal expenditure.

Total Non-federal Cash Expenditures—Add all entries in the “Amount” column to get the total cash expenditures from non-federal funds for the month that can be counted as matching share contributions.

**NOTE: If EPA, when reviewing your request for reimbursement, makes adjustments to any of the items listed on this worksheet, be sure to go back and make the same changes on the worksheet you keep on file, so you can track contributions to your matching share accurately.**

## Sample 2 — NON-FEDERAL CASH EXPENDITURES WORKSHEET

Month/Year: \_\_\_\_\_

TAG Group: \_\_\_\_\_

Receipt #	Vendor	Description	Amount**
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			
21			
22			
23			
24			
25			
Total Non-federal Cash Expenditures			\$

\*\*Attach Copies of Receipts

### Sample 3 — MONTHLY RECORD OF MATCHING SHARE CONTRIBUTIONS

#### *In-kind Contribution Worksheet*

#### *(volunteered services and donated goods or services)*

All matching share contributions must have been included in your approved TAG application or award agreement (see 2.2 for more information). It is a good idea to enter information on this worksheet as goods and services are donated/volunteered. Remember always to keep documentation (e.g., timesheets, donation letters, and notes about how you calculated the value of the item) in the file with this worksheet.

Month/Year—Enter the appropriate month and year.

TAG Group—Enter the name of your group.

Date—Enter the date(s) that the contribution was made.

Description—Describe the contribution, e.g., volunteer time, donated office supplies, donated printing, etc. You must keep any receipts and individual time sheets on file to document each contribution.

Hours/Quantity—Enter the number of labor hours volunteered or the quantity of each type of good or service donated. (NOTE: If you have any questions about how to count volunteered time in a given month, ask your EPA project officer/regional TAG coordinator.)

Rate—Enter the rate (if any) associated with each contribution. The value of volunteered services typically is stated as a dollar amount per hour. The value of donated printing of a newsletter would typically be stated as a dollar amount per copy. The rates used must correspond to those included in your approved TAG budget and/or award agreement.

Amount—To calculate a dollar value for each contribution, multiply the hours or quantity by the rate.

Total In-kind Contributions—Add all the entries in the “Amount” column and enter the total in the “Total In-kind Contributions” box.

**NOTE: If EPA, when reviewing your request for reimbursement, makes adjustments to any of the items listed on this worksheet, be sure to go back and make the same changes on the worksheet you keep on file, so you can track contributions to your matching share accurately.**

**TIP:** Make several copies of this sheet each month. You may need more than one sheet, depending on the level of your group's activities.



#### **Sample 4 — SUMMARY OF OUTLAYS TO DATE**

It is important to track how much you are spending on your project cumulatively as well as month by month. Use this worksheet to record these cumulative costs. (If you use a computer software program for bookkeeping, the program may already provide a method for tracking cumulative program outlays.)

**TAG Group**—Enter the name of your group.

**Month/Year**—Enter the current month and year.

**Monthly Outlays**—Enter the amount of your cash expenditures for the month from the “Total Outlays for the Month” column of your Monthly Cost-Tracking Ledger (see Sample 1).

**Cumulative Outlays**—Add the amount in the “Monthly Outlays” box to the amount in the “Total Outlays” box for the previous month, if any, and enter the total.

**Federal Payments Requested During the Month**—Enter the amount of any TAG reimbursement funds you requested from EPA during the month by submitting a “Request for Advance or Reimbursement” (SF 270) or an “U.S. EPA Payment Request” (EPA 190-F-04-001), if any.

**Federal Payments Received During the Month**—Enter the amount of any TAG reimbursement funds you received from EPA during the month from your Monthly Cost-Tracking Ledger.

**EPA Adjustments to Payments Requested**—In reviewing your requests for reimbursement, EPA may sometimes find certain costs ineligible and deduct these amounts from the payment you actually receive. If you received TAG reimbursement funds during the month and the amount received was less than you requested, enter the amount disallowed by EPA.



## 2.7 Checklist: Tracking TAG Activities and Finances

***(This checklist is a reminder to read and follow the full instructions provided throughout this section. Appropriate sub-sections are shown so you can easily reference this important information.)***

- Prepare written financial procedures for maintaining control over all project funds, property, and other assets and demonstrating that you used them solely for authorized purposes (Read 2.1).
- Keep separate records for each site, grant, and/or funding source, if you receive TAG funding for more than one site, if you receive multiple grants, or if you receive funding from any other entity (Read 2.1).
- Make sure your contractors keep detailed records of their project-related activities and costs (Read 2.1).
- Track actual costs against amounts in your approved TAG budget and/or TAG agreement on a monthly basis (Read 2.1).
- Document all matching share contributions (cash and in-kind) as they occur and fill out tracking worksheets monthly (Read 2.2).
- Keep track of any TAG funds or volunteer time devoted to TAG-related administrative tasks (Read 2.2).
- Set up and maintain a filing system (Read 2.3).
- Prepare for EPA monitoring reviews or audits, if needed (Read 2.4).
- Retain TAG records for at least 10 years after the end of your project or make arrangements to send them to EPA (Read 2.5).