



# DISCUSSION OF THE DEPARTMENT OF THE TREASURY NOTICE OF PROPOSED RULEMAKING 3% ADMINISTRATIVE COST POOLS

As of June 30, 2018



# OVERVIEW

- Bucket 2 and Bucket 3 cannot use the same methodology to develop and track their 3% administrative cost pools.
- For Bucket 3, each State is entitled to pre-defined amounts by formula, therefore the amount of the 3% admin pool is known
  - The Bucket 3 pool is calculated on the amounts actually deposited into the trust fund
  - Anticipated deposits cannot be factored into the current amount that is available calculation
- The Bucket 2 pool is calculated using the amounts of approved FPLs as a base
  - The ultimate amount of B2 funds each Member will receive is not known
- The proposed Rule requires at least annual public posting of the amounts available in the 3% cost pools by component
  - Council members should track their respective cost pools
  - Council members should reconcile their records with staff records before data is provided to Treasury for posting



# Bucket 2 3% ADMIN COSTS POOL

- The 3% pool is developed and maintained as follows:
  - 3% of the funding for each approved FPL project proposal is calculated and aggregated by sponsor
  - The sum of these amounts comprise the sponsor's current admin pool
    - The pool, and the current balance in the pool have been calculated – see slides 8-11
  - As awards are made, each grant or IAA may charge admin costs (*as defined by the Rule*) up to the allowed amount as calculated per the recipient's negotiated indirect cost rate (NICRA) or federal agency overhead rate.
    - The amount charged to each grant/IAA reduces the pool accordingly
    - If a grant or IAA awarded is less than the proposal amount, the 3% pool is reduced by the relative difference
    - If the award is made to an entity other than the sponsor, the 3% admin calculated for the proposal would transfer to that entity
    - If the award is amended or closed and the award is reduced, the pool will be adjusted relative to the reduction in the award amount



# FPL DEVELOPMENT

- When developing a suite of potential project proposals:
  - Calculate and aggregate 3% of the total cost of each proposal (*irrespective of the allowed indirect costs per the NICRA or federal overhead rate*)
  - For planning purposes, add this potential amount to your 3% pool available balance
    - To determine if you will have sufficient funds in the pool to cover your indirect costs (*subject to the cap*) calculate the allowed indirect costs of each proposal per the NICRA or federal overhead rate and subtract from the “planning” pool
  - Once the FPL is finalized, update your actual 3% pool to add an amount equal to 3% of the approved project proposals
  - As awards are made, reduce the pool accordingly



# B2 ADMIN COST POOLS - SUMMARY

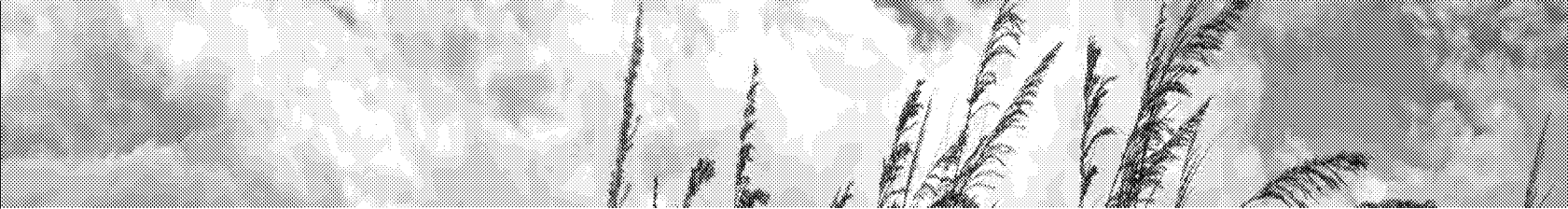
<b>BUCKET 2 INDIRECT COST POOL CALCULATIONS AND USAGE</b>			<b>6/30/2018</b>		
<b>Project Name</b>	<b>Total Funding Cat 1</b>	<b>Total of Award Amounts</b>	<b>3% Pool Award or FPL Indirect Costs Amt Allowed</b>	<b>Sum of Indirect Costs Used on Awards</b>	<b>3% Available Indirect Costs not yet used on Awards</b>
TOTAL ALABAMA/ADCNR	\$11,251,000	\$2,100,000	\$337,530	\$63,000	\$274,530
TOTAL LOUISIANA/CPRA	\$40,417,409	\$40,417,409	\$1,212,522	\$1,212,522	\$0
TOTAL DEPT OF COMMERCE / NOAA	\$14,790,544	\$9,200,000	\$443,716	\$108,951	\$334,765
TOTAL DEPT OF INTERIOR / BIA, FWS, NPS, USGS	\$21,252,747	\$10,384,950	\$636,479	\$253,249	\$383,230
TOTAL ENVIRONMENTAL PROTECTION AGENCY	\$6,828,160	\$4,102,960	\$204,845	\$39,781	\$165,064
TOTAL FLORIDA	\$19,295,450	\$19,289,330	\$578,680	\$267,790	\$310,890
TOTAL MISSISSIPPI	\$22,800,000	\$5,028,847	\$683,965	\$144,784	\$539,181
TOTAL TEXAS	\$20,567,500	\$19,599,500	\$617,025	\$73,028	\$543,997
TOTAL DEPT OF DEFENCE / USACE	\$5,500,000	\$0	\$165,000	\$0	\$165,000
TOTAL DEPT OF HOMELAND SECURITY / USCG	\$2,100,000	\$1,964,776	\$58,943	\$0	\$58,943
TOTAL DEPARTMENT OF AGRICULTURE	\$20,262,084	\$15,162,084	\$607,863	\$0	\$607,863
<b>GRAND TOTAL</b>	<b>\$185,064,894</b>	<b>\$127,249,856</b>	<b>\$5,546,568</b>	<b>\$2,163,105</b>	<b>\$3,383,463</b>

Gulf Coast Ecosystem Restoration Council Staff Work Product - Subject to Council Approval



# B3 ADMIN COSTS POOLS - SUMMARY

SEP Trust Fund Balance as of 6/30/2018 <u>\$ 419,704,309</u>						
	SEP Funds deposited to date	Total Grant Awards	Balance of Current SEP Funds Available	3% pool	Indirect Costs Used on Awards	Balance of 3% Pool Available
ALABAMA	\$ 85,619,679	\$ -	\$ 85,619,679	\$ 2,568,590	\$ -	\$ 2,568,590
FLORIDA CONSORTIUM	\$ 77,057,711	\$ 4,640,675	\$ 72,417,036	\$ 2,311,731	\$ -	\$ 2,311,731
LOUISIANA	\$ 145,175,721	\$ 37,988,070	\$ 107,187,651	\$ 4,355,272	\$ 1,139,641	\$ 3,215,631
MISSISSIPPI	\$ 80,037,612	\$ 1,374,612	\$ 78,663,000	\$ 2,401,128	\$ 41,238	\$ 2,359,890
TEXAS	\$ 31,813,587	\$ 292,503	\$ 31,521,084	\$ 954,408	\$ 8,775	\$ 945,633



# **BACK-UP SLIDES FPL DETAILS FOR EACH MEMBER**





