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Title 40 —Protection of Environment
Chapter V —Council on Environmental Quality
Subchapter B —Administrative Procedures and Operations

Part 1518 Office of Environmental Quality Management Fund

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PART 1518—OFFICE OF ENVIRONMENTAL QUALITY MANAGEMENT FUND

Authority: 42 U.S.C. 4375.

Source: 67 FR 62189, Oct. 4, 2002, as amended at 90 FR 3705, Jan. 15, 2025, unless otherwise noted.

§ 1518.1 Purpose.

- (a) The purpose of the Office of Environmental Quality Management Fund is to finance:
 - (1) Study contracts that the Office of Environmental Quality and at least one other Federal agency jointly sponsor; and
 - (2) Federal interagency environmental projects (including task forces) in which the Office of Environmental Quality participates.
- (b) The purpose of the regulations in this part is to set forth policies and procedures for operation of the Management Fund, in order to support its effective administration and to set forth the Office of Environmental Quality's internal procedures and practices with respect to the Management Fund.

§ 1518.2 Definitions.

Council on Environmental Quality, as used in this part, includes the Office of Environmental Quality.

Director means the Director of the Office of Environmental Quality (or delegate). The Environmental Quality Improvement Act, 42 U.S.C. 4372(a), specifies that the Chair of the Council on Environmental Quality serves as the Director of the Office of Environmental Quality.

Environmental project means an official activity pertaining to the environment that requires coordination by or the involvement of the Council on Environmental Quality and other Federal agencies, such as an interagency task force.

Interagency agreement means a document jointly executed by the Office of Environmental Quality and at least one other Federal agency that sets forth the details of a jointly sponsored study contract or environmental project and the funding arrangements for such a study or project.

Management Fund means the Office of Environmental Quality Management Fund.

Payment means a transfer of funds from an agency or another account to the Management Fund.

Personnel costs include an employee's salary or wages and benefits and other direct expenses of employment, such as administrative costs associated with an official background investigation of the employee.

Project Officer means the Federal employee responsible for direct supervision of a study contract or environmental project that receives support from the Management Fund.

Reallocation means a transfer of funds from the Management Fund to another account or between subaccounts of the Management Fund.

Study contract means an agreement with a public or private agency, institution, organization, or individual (including, without limitation, an agency, committee, or official of the Federal Government) to prepare or support the development of a report, analysis, or recommendation.

§ 1518.3 Policy and general requirements.

- (a) To receive support from the Management Fund, an environmental project or study contract must advance the purposes and goals of the National Environmental Policy Act, 42 U.S.C. 4321 *et seq.*, or the Environmental Quality Improvement Act, 42 U.S.C. 4371 *et seq.*
- (b) When the Director accepts agency funds for payment into the Management Fund, the interagency agreement must specify the permissible uses of the funds, and any restrictions relating thereto, such as a limitation on the funds' period of availability, consistent with § 1518.5 of this part.
- (c) The Director may authorize the Project Officer to make expenditures to support Management Fund study contracts and environmental projects, including:
 - (1) Acquisition of office space, equipment, supplies, and other goods and services, whether by purchase, lease, or otherwise;
 - (2) Personnel costs;
 - (3) Official travel;
 - (4) Publication of documents;
 - (5) Services of consultants, experts, or contractors;
 - (6) Conferences, public meetings, and events;
 - (7) Access to information, such as scientific and technical data;
 - (8) Public engagement activities; and
 - (9) Other necessary expenses.
- (d) The Director must not authorize expenditures from the Management Fund that would solely benefit the Council on Environmental Quality or another Federal agency or that would reimburse the Council on Environmental Quality or another Federal agency for expenses not related to an environmental project or a study contract. For example:

- (1) The Director may authorize expenditures pursuant to paragraph (c)(2) of this section for the personnel costs of an employee whose duties are limited to carrying out the objectives of a study contract or an environmental project, but not for the personnel costs of an employee who carries out duties unrelated to a study contract or an environmental project.
- (2) If a portion of an employee's duties will carry out the objectives of an environmental project or a study contract, the Director may authorize expenditures pursuant to paragraph (c)(2) of this section for a proportional share of the employee's personnel costs.
- (e) In carrying out the purposes of the Management Fund, 42 U.S.C. 4372(e) authorizes the Director to contract with public or private agencies, institutions, organizations and individuals, by negotiation, without regard to 31 U.S.C. 3324(a) and (b), 41 U.S.C. 6101.

§ 1518.4 Charters.

- (a) The Director must not authorize expenditures from the Management Fund for an environmental project or a study contract until the Director has approved a charter for the environmental project or study contract.
- (b) The Project Officer must prepare a charter for each environmental project or a study contract and obtain the Director's approval of the charter.
- (c) The charter must:
 - (1) Describe the environmental project or study contract;
 - (2) Clearly explain how the environmental project or study contract is consistent with the goals, purposes, and statutory authority of the Office of Environmental Quality;
 - (3) Identify the Federal agency or agencies (and any State, Tribal, or local agencies) participating in the environmental project or study contract; and
 - (4) Provide the names, titles, and contact information of the Project Officer and an administrative point of contact.
- (d) The Project Officer may amend a charter in writing with the Director's approval of the amended charter.
- (e) The Office of Environmental Quality must provide the Office of Administration in the Executive Office of the President with a copy of each charter and amendment that the Director approves.

§ 1518.5 Finances and accounting.

- (a) The Project Officer for each environmental project or study contract receiving support from the Management Fund must prepare a budget estimate as part of the charter and update the budget estimate annually following the charter's approval. The Office of Environmental Quality must provide copies of these budget estimates to the Office of Administration.
- (b) The Council on Environmental Quality may make a payment into the Management Fund by a letter of transmittal that specifies the particular environmental project or study contract it is funding. The Office of Environmental Quality will provide a copy of each such transmittal letter to the Office of Administration.
- (c) Agencies other than the Council on Environmental Quality may make advance payments to the Management Fund using the following procedure:
 - (1) The Director must provide the agency with a letter that specifies the particular environmental project or study contract to which the Director will apply the payment.

(2) The Director and the agency must enter an interagency agreement for the payment. The interagency agreement should indicate any statutory authority appropriate to the transaction, including 42 U.S.C. 4375(a).

(d) The Management Fund is a no-year appropriations account, which can accept funds with any period of availability or funds that remain available until expended (i.e., "one-year," "multiple-year," or "no-year" funds). Appropriated funds that an agency pays into the Management Fund expire under the terms of the appropriation under which they originated. The Office of Environmental Quality must account separately for each payment of funds into the Management Fund and track when each such payment will expire.

(e) In addition to or in lieu of an advance payment into the Management Fund, any agency, including the Council on Environmental Quality, may support an environmental project or study contract by providing technical expertise, physical resources, facilities, equipment, or other assets; performing support or administrative services; or assigning detailees or agency representatives.

(f) The Office of Environmental Quality must maintain a separate subaccount within the Management Fund for each environmental project or study contract.

(g) The Director or the Project Officer must approve all of the expenditures for a particular environmental project or study contract. The Management Fund may only accept payments in advance of expenditure; accordingly, the Director or the Project Officer may only approve expenditures for which the Management Fund has received adequate payments in advance.

(h) The Director may approve the reallocation of funds from the Management Fund to another Federal account (or from one Management Fund subaccount to another) provided that:

(1) The agency that originally made the payment of the funds in question to the Management Fund approves the reallocation in writing;

(2) The reallocation would promote the statutory mission of the Office of Environmental Quality; and

(3) The Director determines the reallocation is in the best interest of the Federal Government.

(i) The Office of Environmental Quality must classify each financial transaction involving a Management Fund subaccount in sufficient detail to meet the Office of Environmental Quality's management planning, fiscal control, and financial audit requirements.

(ii) [Reserved]