



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

WASHINGTON, D.C. 20460

April 21, 2023

OFFICE OF THE
CHIEF FINANCIAL OFFICER

MEMORANDUM

SUBJECT: FY 2023 Infrastructure Investment and Jobs Act Advice of Allowance Letter

FROM: Angel Robinson, Acting Director
Office of Budget

TO: Assistant Regional Administrators
Senior Budget Officers
Regional Comptrollers

***** PLEASE DISTRIBUTE TO APPROPRIATE STAFF *****

This memorandum is the formal FY 2023 addendum to the FY 2022 Advice of Allowance guidance for the *Infrastructure Investment and Jobs Act* (IIJA) (Public Law 117-58) funding issued on February 23, 2022. This FY 2023 addendum provides supplemental guidance for FY 2023 IIJA funding levels, IIJA split funding / multiple appropriations policies, payroll charging and monitoring, managing deobligated BFY 2022 IIJA Superfund remedial funds, and IIJA reprogrammings. (FY 2022 IIJA AOA link: [FY 2022 IIJA AOA Memo.](#))

To help the community track and locate all relevant IIJA guidance, this AOA addendum and other IIJA OCFO, program and other guidances are posted on the linked SharePoint site: <https://usepa.sharepoint.com/sites/IIJAResourceGuidance>.

If you have SharePoint access issues, please contact Ntekereze Enock (202-564-1232 or enock.ntekereze@epa.gov).

Funding Levels

The IIJA appropriated over \$60 billion in five annual increments over fiscal years 2022 through 2026 to grow the economy, enhance our competitiveness, create good jobs, and make our economy more sustainable, resilient, and just. The \$11.205 billion in FY 2023 IIJA funding is distributed as follows:

State and Tribal Assistance Grants: \$10.819 billion for STAG Grants and Loans.

State and Tribal Assistance Grants (STAG) and Loans	Amount (\$ in Millions)
Drinking Water State Revolving (SRF) Loan Fund	
Lead Service Line Replacement	3,000
Clean Water State Revolving Fund	2,202
Drinking Water State Revolving Loan Fund	2,202
Clean School Bus Program	1,000
Addressing Emerging Contaminant Grants	1,000
Drinking Water SRF Loan Funds - Emerging Contaminants	800
Brownfield Projects authorized by Section 104(k) (CERCLA)	300
Clean Water SRF Loan Funds - Emerging Contaminants	225
Solid Waste Infrastructure Financing - Save Our Seas Act Grants	55
Pollution Prevention Grants	20
Recycling Grants	15
Total STAG	10,819

Environmental Programs and Management: \$486.8 million to clean up hazardous and toxic waste sites that threaten health and the environment.

Environmental Program and Management (EPM)	Amount (\$ In Millions)
Geographic Programs	343.4
National Estuary Program	26.4
Gulf Hypoxia Plan	12.0
Drinking Water Programs	5.0
Total EPM	386.8

Appropriation Transferred to the Office of Inspector General (OIG) for Oversight: The IJA transfers 0.50% from each appropriation listed above for the oversight of Agency IJA funds. The \$49.4 million transferred IG oversight funding is split out as follows:

Office of Inspector General	Amount (\$ In Millions)
State and Tribal Assistance Grants	47.5
Environmental Programs and Management	1.9
Total OIG	49.4

Time, Period, and General Requirements

Availability of IJA Funds provided in FY 2023

STAG, EPM No-Year funds, and OIG funds (transferred from IJA appropriations accounts) are available for obligation until expended. All FY 2023 IJA funds will maintain the BBFY 2023 fiscal year identity until expended.

Carryover and Recertification of IJA No-Year Funds

Infrastructure No-Year funds are not subject to the recertification and carryover processes normally used for EPA No-Year funds after the first 2 years of availability. All IJA funds will retain their original Budget Fiscal Year (BFY) identity until expended. Prior year deobligated funds will be re-obligated in the original BBFY. Although No-Year funds will not be swept after the first 2 years, Responsible Planning Implementation Offices (RPIOs) are encouraged to obligate No-Year STAG and EPM funds during the first 2 years of availability.

Use of deobligated BFY 2022 IJA Superfund Remedial funds

As described in the “Infrastructure Investment and Jobs Act, 2021 Advice of Allowance” memorandum, when BIL funds are deobligated they will retain their original BBFY identity of 2022 and return as available BBFY 2022 TSD funds to the obligating Allowance Holder. As a result, Superfund Remedial BIL funds will not be subject to the recertification process outlined in the “Deobligation Recertification Guidance – Superfund/LUST/Oil Spill Response Resources” memorandum issued February 23, 2015. To support Superfund Remedial National Program priorities, all deobligated Superfund Remedial BIL funds should be reprogrammed by regions 100 percent to the National Remedial Pool (PRC code 000DD2, budget organization code 9R) as soon as they become available in the obligating Allowance Holder.

Exceptions to this policy for 100 percent of deobligated BIL funds to be reprogrammed to the National Remedial Pool must be approved by the Office of Superfund Remediation and Technology Innovation (OSRTI) and include, but are not limited to, shifting site-specific resources from contracts, cooperative agreements, and interagency agreements to new agreements for the same site, shifting site-specific resources from base or options periods under the same task order, or shifting ongoing work to new contractors due to conflict of interest.

Detailed information on the use of deobligated TSD funds can be found in the [IJA Resource - Program Guidance](#). The [FY 2022 IJA AOA Memo](#) also has more information on the IJA time, period and general requirements.

Budget Loaded in Compass

OCFO loaded IJA 2023 funds with the appropriate accounting information. Budget Formulation System (BFS) version 8.0 2023 OPP 10.0 provides the final information used for the budget load.

To help readily identify IJA funds in Compass for tracking and reporting, all EPA IJA funds have been designated with the letter “Z” as a DEFC (Disaster Emergency Fund Code).

IIJA Charging and Program Integrity

The IIJA statute requires an unprecedented level of transparency and accountability in the execution of these resources. RPIOs must align charging with the work performed and ensure the execution of funds is consistent with the time, purpose, and amounts stipulated in the appropriation bill language.

For additional information on IIJA Charging, Administrative set asides and the Management and Oversight program project please refer to the [FY 2022 IIJA AOA Memo](#).

Payroll Charging for IIJA

Offices Must Strictly Manage IIJA Payroll

IIJA funds are not like EPA's annual appropriation and have significantly more complex controls that RPIOs must pay close attention to. RPIOs must spend within the strict administrative controls set by the law, closely monitor and adhere to FTE ceilings, and monitor and manage their payroll utilization. If actual IIJA pay needs are greater than the amounts estimated, offices must be prepared to shift IIJA non-pay into IIJA pay, abiding by all administrative ceilings, to cover shortfalls or update their IIJA work code.

Monthly Payroll Reviews

OB will discuss IIJA payroll in regular monthly meetings with each RPIO to jointly review payroll and FTE data using the payroll dashboard. OB will highlight any budget lines projected to exceed authority and ask offices for their plans to manage the situation, including how the RPIO will cover their projected pay deficits. If work code adjustments are required, please fill out the work code template and submit to OCFO_OB_Payroll@epa.gov for review before entering any changes in PCA.

For additional details on work codes and payroll charging, please refer to the [FY 2022 IIJA AOA Memo](#) and [PCA Work Code Guidance](#).

Offices should continue using the [Payroll Dashboard](#) after each pay period posts to check FTE and payroll utilization as well as the [Financial Dashboard](#) for non-pay/pay.

Workforce Support and Working Capital Fund

Ensuring that all programs have adequate workforce support costs is a priority to support the significant number of new IIJA FTE. In the data entry, programs are to ensure adequate funding for Working Capital Fund (WCF) BOC 38 of at least \$10K per headquarters FTE and \$6K per regional FTE. The Office of Budget recommends that program offices establish separate WCF service agreements for IIJA FTE.

Additional 2023 IIJA WCF Service Agreement can be found in Attachment 2 in the link below [FY2023 WCF Service Agreement Guidance](#)

Please contact Ryan Lun (919-541-4145 or Lun.Ryan@epa.gov) or Andrew Cardenas (202-564-0352 or Cardenas.Andrew@epa.gov) if you need assistance.

Reprogramming IIJA Funds

FY 2023 IIJA funds were distributed and allocated in the FY 2023 IIJA Spend Plan. Since the IIJA statute did not contain any reprogramming authorization, IIJA reprogrammings that cross Fund, Program Project, or RPIO Activity Codes are not allowed. IIJA reprogrammings will not be processed in BFS as part of the Congressional Reprogramming Process.

Payroll

RPIOs may request approval to transfer payroll funds (BOC 10) to other RPIOs. Please submit a Payroll [reprogramming request form](#) to your OB Control Team Analyst if you plan to move payroll to another RPIO. The form is also required for NPMs distributing payroll from the 9R allowance holder.

RPIOs are expected to carefully manage pay and FTE utilization. If actual IIJA pay needs are greater than the amounts estimated, offices must be prepared to shift IIJA non-pay into IIJA pay, abiding by all administrative ceilings, to cover shortfalls.

Non-Payroll BOCs (21, 36, 37, 41)

RPIOs may reprogram across non-payroll BOCs for travel, expenses, contracts, and grants. RPIOs can reprogram non-pay to resolve IIJA payroll defactos. Administrative ceilings must be adhered to for all reprogramming.

- **Note:** IIJA Traditional SRF PRCs 000B80X70 and 000B81X70 have explicit pay caps of no more than 20 percent of the administrative ceiling that may be used for salaries.

Working Capital Fund BOC 38

OB will provide oversight of reprogramming IIJA funds out of the WCF BOC (38). RPIOs are required to submit a request to their OB Control Team analyst prior to reprogramming WCF funds out of BOC 38 or across RPIOs. The purpose of these requests is to allow OCFO to understand the rationale behind the reprogramming out of the WCF. The WCF request form can be found in the IIJA SharePoint [reprogramming request form](#) folder.

Crossing NPMs (PRC)

RPIOs must submit a supplemental reprogramming form to their OB control team analyst for approval, prior to processing supplemental appropriation reprogrammings that cross between NPM and Program Project codes. Reprogramming requests must be coordinated between originating and receiving NPMs before submitting to OB control team. IIJA NPM supplemental form be found in the IIJA SharePoint [reprogramming request form](#) folder.

Split Funding / Multiple Appropriations

“Split funding,” generally, is the use of more than one appropriation available for different purposes on a single obligating document. EPA has different policies and procedures in place for split funding (i) procurement obligations and (ii) grant obligations. Each of these policies

and procedures is designed to ensure compliance with the Purpose Statute, 31 U.S.C. 1301(a), which generally requires funds to be spent only on the purposes for which they were appropriated. These policies and procedures ensure Purpose Statute compliance by (1) Requiring sufficient documentation confirming that all appropriations being used are legally available for all activities funded by an obligating document, or (2) requiring program officials to explain the rationale for the allocation percentage of the total obligation. Each appropriation must be charged in accordance with the programmatic benefit it receives from the activity being performed.

Procedures for using multiple appropriations for contracts, grants, IAs and WCF are below. Currently OCFO OC manages the process for reviewing multiple appropriations for contracts, OMS OGD manages the processes for grants and IAs and WCF has a separate process.

Contracts

All program offices and contracting officers must ensure that the OCFO OC approves split-funding with multiple appropriations prior to awarding a single procurement obligation which may be (1) a contract when the contract itself is operating as the obligating document, the award of which requires the contractor to begin providing the goods or services, or (2) a task order in the case of an Indefinite Delivery Indefinite Quantity (IDIQ) contract, or (3) a delivery order or call order in the case of a Blanket Purchase Agreement (BPA).

[RMDS 2520-04, Multiple Appropriations of Non-Direct Allocable Costs](#) and RMDS 2520-funding requests to OCFO OC for approval using the [Multiple Appropriations Request Tool](#). Staff should email questions and requests to access the Multiple Appropriations Request Tool to ocfo_financial_policy@epa.gov.

[RMDS 2520-T1, Split Funding with Multiple Appropriations](#) contain split funding policies, tools to determine whether requests need to be submitted and the process to submit split All offices must ensure that the time, purpose, and amounts of obligated resources align with available appropriations. IIJA funds must only be used only for work provided for under the IIJA law. Given the complexity of reporting and execution, offices are encouraged to evaluate if requesting split funding is appropriate. Questions regarding split or multiple appropriations requests should be emailed to ocfo_financial_policy@epa.gov.

Grants

Per EPA Order 5730.2, the policy is generally to use only one appropriation as the funding source for an assistance project. (The term “grant” is understood to include grants and cooperative agreements.) OGD issued [PN-2022-G03](#): to provide guidance on awarding financial assistance agreements funded by IIJA, including the use of multiple appropriations on a single award.

Interagency Agreements

OGD issued [PN-2022-I01-R1](#): Funding Interagency Agreements with Infrastructure Investment and Jobs Act Appropriations to provide the requirement to use separate stand-alone IAs for IIJA funding.

Working Capital Fund

The linked [FY2023 WCF Service Agreement Guidance](#) provides instructions on how to use IJJA funds for WCF requests.

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