Federal Funding FAQs

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Welcome to the Federal Funding Frequently Asked Questions (FAQ) page! This page is a potpourri of Q&As about federal grants with topics ranging from very basic to very specific. It is a "living page" and as VLCT sees a growing number of questions about a particular aspect of federal funding, you will see that they will be added to the list below so that everyone will have access to the same information. Additional Q&As are located on these topic-specific pages: Climate, Energy & the Environment.

Is VLCT still offering ARPA guidance and assistance for its members?

Yes! Since ARPA is federal funding, it is now nested under the Federal Funding Assistance Program and there is still a dedicated webpage for it HERE, since it is a big topic impacting all members, asl well as a specific ARPA FAQ page HERE and ARPA Compliance and Reporting page HERE. The ARPA@vlct.org email box is still active and you can send your inquiries related to ARPA to it.

What is a Unique Entity Identifier (UEI)?

A Unique Entity Identifier (UEI) is a unique number assigned to all entities (public and private companies, individuals, institutions, or organizations) who register to do business with the federal government. (U.S. General Services Administration(opens in a new tab)). UEI numbers are obtained from www.sam.gov(opens in a new tab).

Why did the federal government change from DUNS to UEI (SAM)?

DUNS is done! The transition from UEI (DUNS) to UEI (SAM) is a federal, government-wide initiative. The Office of Management and Budget (OMB) directed federal agencies/systems to complete their transition to the UEI (SAM) no later than April 4, 2022.

What verification can I use for SAM.gov to prove my municipality is a valid entity?

SAM.gov provides a list of Entity Validation Documentation Requirements. Most municipalities lack these documents.

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The Vermont State Archives & Records Apostilles/Authentications office can assist with SAM.gov entity verifications. They will send a letter to SAM.gov with a copy of the municipality's charter. This method has been accepted by SAM.gov.

For assistance, call the Apostilles/Authentications office at 802-828-3709 or email them at sos.statutoryfilings@vermont.gov with your request.

Where can I find a comprehensive glossary of federal grant terminology?

Grants.gov has a Grant Terminology page HERE for federal grants.

What is "pass-through funding" and what does it mean when the State of Vermont is a "prime recipient"?

Pass-Through Funding are funds issued by a federal agency to a state agency or institution that are then transferred to other state agencies, units of local government, or other eligible groups per the award eligibility terms. The **state agency** (State of Vermont) or institution is referred to as the "**prime recipient**" of the pass-through funds. The secondary recipients (ex. local government) are referred to as "subrecipients." The prime recipient issues the subawards as competitive or noncompetitive as dictated by the prime award terms and authorizing legislation.

A **Pass-Through Entity** means a non-Federal entity (the State of Vermont) that provides a subaward to a subrecipient to carry out part of a Federal program.

Example: The State of Vermont (SOV) receives an annual allocation of Community Development Block Grant (CDBG) funding. The State then assigns the responsibility for administering and deploying this funding to the Dept. of Housing and Community Development (DHCD); CDBG funds flow through the Vermont Community Development Program (VCDP). This allocation comes from the U.S. Dept. of Housing and Urban Development (HUD).

- CDBG is "pass-through funding"
- SOV is the "prime recipient"

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- DHCD is the "primary pass-through entity"
- A municipality that receives a CDBG award is the "subrecipient"

Where can I find a list of definitions for State of Vermont grant terminology?

The Agency of Administration's Bulletin 5 (found HERE) promulgates the policies and procedures governing the issuance and monitoring of grant awards issued by the State of Vermont. A list of terms and definitions is contained on pages 5-7. These terms may vary slightly from the federal grant terminology.

What are the three (3) phases of a federal grant lifecycle?

1. **Pre-Award Phase** - Funding Opportunities and Application Review
2. **Award Phase** - Award Decisions and Notifications
3. **Post Award** - Implementation, Reporting, and Closeout

Where can I find the slide deck from the 2022 Town Fair session "Where's the Money"?

The "Where's the Money?" slide deck can be found HERE (PDF, 6.43 MB)(opens in a new tab).

"Where's the Money?" was a panel discussion session in the Infrastructure track at VLCT's 2022 Town Fair. The panelists each had slides they presented. Their slides are chock full of information from the State agencies about their funding opportunities. The session description is here:

Towns, cities, and villages have received over $200 million in local ARPA awards, and much of it remains unspent – in part because VLCT encouraged you to wait, be patient, be strategic, and leverage your funds when you do use them. The Final Rule added significant flexibility to how ARPA funds can be spent: Most municipalities could use their entire ARPA award as a grant match, even for other federal programs. The remaining State ARPA funds were allocated in the last legislative session. Billions of dollars of infrastructure money are headed to Vermont, and other existing federal programs are swelling with additional funding. In this session you will learn where the money is and how it will be available for municipalities.

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Where can I find a listing of the new federal grant programs that my town will be eligible for?

There are three ways to find out!

- VLCT's ***Summary of Open Funding Opportunities***
- VLCT's ***Calendar of Upcoming Funding Opportunities***
- VLCT's ***Vermont Federal Funding Guidebook*** (PDF, 1.26 MB)(opens in a new tab) !

We have culled the hundreds of new federal funding programs, eliminating those that are inappropriate for or not applicable to Vermont's municipalities. Those that remain, we have combined into a single document, the ***Guidebook.*** For each one, we have reviewed the program details, read the NOFO (Notice of Funding Opportunity) and pulled out the most salient details about the funding source we know at this moment. To help you plan ahead, we've created the ***Calendar of Upcoming Grant Opportunities.*** If you get stuck or feel overwhelmed, don't get discouraged - we can help! You can **book an appointment** to self-schedule a video conference with us or you can send us an email: **FFA@vlct.org**.

USER TIP: To search the ***Guidebook*** for your topic of interest, you can use the "shortcut keys" on your computer. Open the document, hit the "Control" and "F" keys ***simultaneously*** and then type the keyword you want to search into the dialogue box that opens in the upper right-hand corner of your screen. If you type "water" it will show you every time "water" is used in the document.

What is the Inflation Reduction Act of 2022?

Passed in August 2022, the Inflation Reduction Act (IRA)[1], invests in climate and clean energy actions and job creation, extends the Affordable Care Act, and implements prescription drug reform. The Inflation Reduction Act is a 10-year plan. It includes grant investments and tax incentives that Vermont municipalities can use to further

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their clean energy and climate mitigation and resilience goals.

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[1] Public Law 117-369 (136 Stat. 1818)

What is prevailing wage?

Informally known as Davis-Bacon wages, ***prevailing wage*** refers to the minimum wage rates that must be paid to laborers and mechanics performing construction of a facility, project, property, or equipment and, in some cases, alteration or repair. A prevailing wage is the combination of the basic hourly wage rate and any fringe benefits rate, paid to workers in a specific classification of laborer or mechanic in the area where construction, alteration, or repair is performed, as determined by the Secretary of Labor in accordance with the Davis-Bacon Act.

Where can I find prevailing wage rates for Federally funded projects?

Requirements for Federal Prevailing Wages, informally known as "Davis-Bacon," are available via Sam.gov. VLCT's ***Guide to Obtaining Federal Davis-Bacon Wage Determinations*** (PDF, 595.9 KB)(opens in a new tab) walks you through the sam.gov access process.

What if the US Department of Labor hasn't published a labor classification I need?

If a wage determination does not include a needed labor classification, an additional classification may be requested at IRAprevailingwage@dol.gov.

The request should include:

- The type of facility;
- Facility location;
- Proposed labor classifications;
- Proposed prevailing wage rates;
- Job descriptions and duties; and
- Any rationale for the proposed classification.

How do I know what wage determinations to use?

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If contracting out the work, use the wage determination ***at the time your municipality enters into the contract***. If completing the work with in-house municipal labor, use the wage determination available ***at the time the work commences***. Either way, don't forget to include documentation in your project file for how the wage rate was determined.

What is a Registered Apprenticeship?

Registered apprenticeships are high-quality work-based learning and post-secondary earn-and-learn models that meet national standards for registration with the U.S. Department of Labor. Apprenticeship combines classroom studies with extensive on-the-job training under the supervision of journey level craftsperson or trade professional.

Is a list of Registered Apprenticeship programs available?

The Vermont Department of Labor maintains a list of Registered Apprenticeship Sponsors. This list can be used when issuing Requests for Bids or Requests for Proposals. Contact Jay Ramsey at jay.ramsey@vermont.gov to request a current list.

What are the Registered Apprenticeship requirements?

The apprenticeship requirements are:

- ***Labor Hour Requirement:*** a certain number of project labor hours, including work performed by any contractor or subcontractor, must be performed by qualified apprentices,
- ***Ratio Requirement:*** project labor hours performed by qualified apprentices must be a certain percentage of total project labor hours, subject to any applicable requirement for the ratio of apprentices to journeyworkers; and
- ***Participation Requirement:*** an entity (municipality, contractor, subcontract) who employ 4 or more individuals dedicated to a project must employ at least one qualified apprentice for that project. This applies to municipalities if they perform the work using their employees.

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"Project" means the construction, alteration, or repair work. The Ratio percentage is based on when construction begins: 10% through December 31, 2022; 12.5% during calendar year 2023; and 15% beginning January 1, 2024. All requirements must be met to qualify for the increased tax benefit amounts.

IRS Notice 2022-61

Can a project still qualify for a tax incentive or bonus if Registered Apprentices aren't available?

Projects that do not meet the apprenticeship requirements can still be eligible for the increased credit if the project sponsor (or employer) **pays a fine ($50/hour x total required apprentice labor hours)** or if they **make a Good Faith Effort to employ apprentices** but fail.

Good Faith Effort means a request for qualified apprentices were made from a Registered Apprenticeship program and

a) the request was denied by the Registered Apprenticeship program, or

b) the Registered Apprenticeship program failed to respond to the employer's request within five business days of receiving the request.

In the case of denial, the requestor cannot have refused to comply with the established standards or requirements of the Registered Apprenticeship program. It is advisable to obtain ***and save in the project file*** a receipt that indicates when the request was received. The receipt provides the provision was met in case of audit.

Fines are increased by 10 fold ($500/hour x total required apprentice labor hours) for intentional disregard of the requirement.

- IRC § 45(d)(8)(D)(ii)

When do prevailing wage and apprenticeship requirements go into effect?

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Prevailing wage and apprenticeship requirements are effective for facilities that begin construction *on or after January 29, 2023.*

What is the Build America, Buy America Act?

The Build America, Buy America Act**[1]** applies a domestic content procurement preference requirement (Buy America Requirement) to Federally funded public "infrastructure projects" with the goal of increasing a resilient domestic supply chain and manufacturing supply for critical materials both for emerging and existing industries in the United States. *The Build America, Buy America Act is referred to as Buy America, Buy American, BABA Act or BABAA. Its provisions are different than the Buy American Act of 1933 (41 USC 10a-10d).*

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[1] Public Law 117-58 *§§ 70901-52* (135 Stat. 429)

What is the Buy America domestic content requirement?

The domestic content procurement preference requirement is:

1. *All iron and steel used in the project are produced in the United States.* This means all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States.
2. *All manufactured products used in the project are produced in the United States.* This means the manufactured product was manufactured in the United States, and the cost of the components of the manufactured product that are mined, produced, or manufactured in the United States is greater than 55 percent of the total cost of all components of the manufactured product, unless another standard for determining the minimum amount of domestic content of the manufactured product has been established under applicable law or regulation.
3. *All construction materials are manufactured in the United States.* This means that all manufacturing processes for the construction material occurred in the United States.

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What is Build America, Buy America? explains what federal grant applicants should know before pursuing a federal grant.

How do I know if Buy America domestic content requirements apply to my project?

The Build America, Buy America Act applies a domestic content procurement preference requirement to Federally funded public infrastructure projects. Projects can be construction, alteration, maintenance, or repair of infrastructure. The requirement applies to infrastructure for transportation, water, wastewater, electrical transmission facilities and systems, utilities, broadband, buildings and real property, and energy generation, transportation, and distribution systems.

All Federal funding announcements issued for infrastructure projects on or after May 14, 2022 contain the requirement. Funding modifications to existing awards also incorporate the requirement.

Does Buy America only apply to the portion of a project that is federally funded?

Buy America requirements apply to an entire infrastructure project, even if the project is funded by both Federal and non-Federal funds under one or more awards, regardless of the amount of federal funds in the project. Even one dollar ($1) of federal money in an infrastructure project triggers Buy America requirements.

Who is responsible for determining whether a product is subject to the Buy America provision?

Grantees are response for determining whether a product is subject to the Buy America provision.

Are waivers available if a project cannot meet domestic content requirements?

The Federal agency providing funding for the project may apply for a waiver to the requirement. To approve a waiver, the head of the Federal agency must find that one of the following apply:

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1. Public Interest Waiver: applying the domestic content procurement preference would be inconsistent with the public interest;
2. Nonavailability Waiver: types of iron, steel, manufactured products, or construction materials are not produced in the United States in sufficient and reasonably available quantities or of a satisfactory quality; or
3. Unreasonable Cost Waiver: the inclusion of iron, steel, manufactured products, or construction materials produced in the United States will increase the cost of the overall project by more than 25 percent.

Existing waivers are available on the madeinamerica.gov website. To the greatest extent practicable, waivers are targeted to specific products and projects.

- OMB Memo dated April 18, 2022

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What should I do if my project needs a Buy America waiver?

If your project requires a Buy America waiver, check your grant agreement. It should refer you to the Federal funding agency's waiver procedures. If it does not, search the internet using the funding agency's name and "Buy America waiver".

Waivers requests are required to certify a good faith effort was made to solicit bids for domestic products. A strong paper trail is required to prove this. It can be helpful to research waiver request requirements well in advance of starting any purchasing as the research should identify what proof is needed.

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Only the grant recipient can submit a waiver request to the Federal funding agency. If subrecipients or subcontractors need a waiver, they must submit a waiver request to the grant recipient.

What does "executed grant agreement" mean?

The grant agreement has been signed by the authorized signatories of all the parties listed in the grant award. In simple terms - there are appropriate signatures on all the required signature lines in the agreement.

What do "stacking" and "braiding" funding mean?

Stacking (a.k.a. layering) means multiple sources of funding are used for one purpose (project). Each source of funding is tracked and reported separately.

Braiding means the stacked sources of funding are woven together. One funding source is used as match to another source. Each individual funding source maintains its specific program identity. Both must be tracked independently. However, the source used as match must be reported once to its original funder and a second time as part of the matched project.

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