

# FY2026 Community Directed Spending (CDS) Recipient Webinar

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## EPA Region 2 Contacts

Region 2 CDS Coordinators:

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Region 2 Grant Application Box for Revised Application Material:

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- CC'ing the following contacts on the email request:
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CATEX request letter and supporting documentation can be addressed to:

**Mark Austin**

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## Compiled Q & As from webinars held on June 23, 2026 and June 25, 2026

Q: Town of Herkimer Wastewater Project. This project also has USDA Community Renewal loan associated with this project. To receive such, we conducted a NEPA review and was accepted by USDA. In this case will EPA accept the USDA NEPA review of the town?

A: The EPA Environmental Review Team must conduct its own NEPA review. However, EPA can use the USDA review to inform its decision and possibly adopt the USDA Decision. The Town may submit the USDA review along with the request for an EPA review.

Q: If a project cost exceeds the EPA contribution and the calculated 20% local share, do federal cross-cutters also need to be applied for those costs?

A: All project costs need to meet federal requirements, including cross-cutters, even if EPA funds are only used for a portion of the project costs.

Q: How long does a PEA typically take?

A: A NEPA PEA determination could take approximately 3 months to complete.

Q: Town of Herkimer Wastewater project. Relative to cost share. This project is estimated to be a 5.3 million dollar construction project. EPA portion is about 1.5 million. How do I proceed to figure out cost share?

A: The funding amounts listed in the FY26 Consolidated Appropriations Act (P.L. 119-74) and the FY26 Community Grants Guidance document represent the 80% EPA funded portion of the community grant. The \$1.5M federal portion divided by 0.8 gives a total project cost of \$1,875,000. Twenty percent of the total project cost ( $\$1,875,000 \times 0.2$ ) is \$375,000, which is the required cost share amount.

Q: I was told that ARPA money the Town of Richmondville received from Schoharie County could be used as our cost share before I submitted our request for consideration. Can we use those monies as our cost share?

A: ARPA funds are federal funds and are not eligible to be used as cost share. Please see the [FY26 Community Grant Guidance](#) as a reference.

Follow-up Q: I understand that they are federal monies but does it change the character of the monies since we received them from the County?

A: Cost share funds from County sources will need to be reviewed for eligibility with supporting documentation.

Q: Our actual federal appropriation is \$600,000. Does that mean our project cost is \$720,000?

A: No. A \$600,000 federal appropriation requires a \$150,000 cost share for a total project grant cost of \$750,000.

Q: The Town also received an Enhanced WIIA grant. Can this grant be considered for our cost share?

A: NYS WIIA funds are state funds and can be used as cost share.

Q: If a project has State DWSRF or CWSRF funding or a grant, should it be recorded as cost share, or should it remain in the "other" category?

A: Not necessarily. Eligible cost share amounts should be in the specific budget category for which payment will be made. State DWSRF or CWSRF funding is an eligible source of cost share and should be identified as the "applicant" portion of the total project grant cost in Block 18 of

the SF424 application form. Only the 80% federal and 20% cost share amounts should be included in the SF424. Any other sources of funding exceeding the cost share should not be included in the SF424.

Q: Could you restate the order of reimbursement? Are applicants required to draw down their 20% share first or is it proportional to the work being reimbursed (80/20?)

A: Per the [FY26 Community Grant Guidance](#), communities can submit proof that the 20% cost-share was paid up front first, or each payment request will be paid at a proportional (80/20) split. Payment Requests can be submitted as an advance (for unpaid invoices) or reimbursement (for paid invoices).

Q: Can we take the training before officially filing in grants.gov?

A: Yes. The mandatory training is meant to help you submit a complete application in Grants.gov. Recipients should ideally take the required training before submitting in Grants.gov which includes [EPA Grants Management Training for Applicants and Recipients](#); [How to Develop a Budget](#); [Administrative](#); and [Programmatic](#) requirements trainings.

Q: Question about procurement of A/E consultant: if the Village's consulting engineer assisted with the original project planning prior to applying to the Congressman for this funding, can that consultant still submit a response to the RFQ for the project?

A: A contractor who previously assisted with project planning should not respond to the RFQ for that same project according to fair competition requirements.

Q: Are de minimis indirect costs permitted (using the Construction limitation of first \$50k in MTDC for construction contracts)?

A: The de minimis indirect cost rate is 15% of the direct costs without a negotiated indirect cost agreement.

Q: Is there a cap on grant administration fees?

A: No. However, it should be minimized to allow as much funding as possible towards project implementation (planning & design and/or construction) activities. It is suggested that no more than \$15,000 (up to the micro-purchase threshold) should be used for grant administration fees.

Q: For projects with IJA funding, should the EPA Terms and Conditions be applied in conjunction with the New York State Terms and Conditions? Additionally, all contracts involving BABA, AIS, DBE, and Davis-Bacon requirements must be in compliance with applicable federal and state regulations.

A: Yes.

Q: If the Village has an Engineer of Record who has been the same firm for ten years but was originally retained without an RFP process, can we submit for a procurement Flexibility for this engineering firm to be the A/E consultant on the project?

A: Yes. Recipients with projects identified in the FY 2026 or prior (i.e., FY 2022, FY 2023, and FY 2024) Appropriations Acts are not subject to compliance with Federal procurement requirements for competition and methods of procurement applicable to Federal financial assistance if the recipient has:

- 1) procured services or products through contracts entered into prior to January 23, 2026; and
- 2) complied with state and/or local laws governing competition (including state and local laws/policies relating to participation by disadvantaged business enterprises or equivalent, as applicable, and method of procurement).

Q: For the application to be processed, does the cost share have to be encumbered already?

A: Yes. Evidence and source of the cost share requirement can be provided by resolution, bond ordinance or commitment letter from the recipient. Also, SRF co-funding with state funds are eligible cost share sources verified with a State SRF Financing agreement.

Q: Do the A/E procurement documents only need to be submitted to EPA if those costs are part of the award? If the award is limited to construction/contractual costs, are the A/E procurement documents required to be submitted?

A: No. Only documentation for costs incurred to be paid with grant funds (federal and cost share portions) should be submitted as part of the award for review and approval by the EPA Project Officer. Additionally, compliance with all grant reporting conditions are required to receive approval of grant payment of funds request and grant amendments such as budget modifications and/or no-cost time extensions.

Q: Does every grant contact need to complete training or is one rep of the recipient org enough to meet training requirements?

A: One official representative of the recipient will meet the minimum training requirements with supporting evidence of completion.

Q: What is meant by required signage?

A: Methods of public notification for awareness of the project is part of the programmatic grant terms and conditions. Grant terms and conditions should be reviewed upon receipt of the grant award.

Q: Is there a list of grant consultants available?

A: EPA does not have a list of grant consultants available. It is the responsibility of the recipient to conduct a competitive solicitation of at least 3 consultants from their own formal or informal solicitation of qualified consultant firms.