To: Chan, Renee[Chan.Renee@EPA.GOV]
From: kfrazier@wrpt.us
Sent: Mon 10/31/2016 11:19:49 PM
Subject: RE: When are you free? (WRPT: Tribal match re: IG Report)

Sorry I was signing check requests. I am available right now.

Kathleen Frazier

Finance Director

Walker River Paiute Tribe

P.O. Box 220

Schurz, NV 89427

T: 775-773-2306 X304

F: 775-773-2045

kfrazier@wrpt.us

From: Chan, Renee [mailto:Chan.Renee@EPA.GOV]
Sent: Tuesday, October 06, 2015 2:44 PM
To: kfrazier@wrpt.us
Subject: When are you free? (WRPT: Tribal match re: IG Report)

Hi Kathy –

I'm working with Marie Ortesi right now. I'm just checking if you would be free later this afternoon – maybe after 3:30 or 4pm.

Right now, Marie is going through the time & attendance portion.

Let me know By email – we're working in a conference room.

Thanks, Renee

From: Ortesi, Marie
Sent: Thursday, October 01, 2015 5:21 PM
To: rbegay@wrpt.us; ginaleemckay@yahoo.com; kfrazier@wrpt.us
Cc: Wilson, Stephanie; Cynthia Oceguera; Mak, Magdalen; Chan, Renee
Subject: RE: WRPT: Tribal match re: IG Report - propose meeting: Thur 9/24 at 10am

Kathy, Roy, and Gina -

I did some research and took a look at the documentation from Desert Engineering and unfortunately, we will not be able to use those comparable rates as supporting documentation.

If the tribe owns the building, shed, parking space, stockpile…, then according to the Cost Principles A-87 and the 2CFR Part 225, it would be consider as "less-than-arms-length". Per the regulations, the only expenses that would qualify are depreciation, maintenance, repair, taxes, and insurance that can be use. The supporting documentation for these expenses can be complicated as well and must not be part of the indirect.

On the in-kind, cost of ownership, please see the A-87, section 37 – rental costs of buildings and equipment

37c) Rental costs under ''less-than-arm's length'' leases are allowable only up to the amount (as explained in section 37.b of this

appendix) that would be allowed had title to the property vested in the governmental unit.

37b) ..the amount that would be allowed had the governmental unit continued to own the property… would include expenses such as depreciation or use allowance, maintenance, taxes, and

insurance.

The same language is also in the new Super Circular

§200.465 Rental costs of real property and equipment.

(a) Subject to the limitations described in paragraphs (b) through (d) of this section, re
are allowable to the extent that the rates are reasonable in light of such factors as: rental c
comparable property, if any; market conditions in the area; alternatives available; and the t
expectancy, condition, and value of the property leased. Rental arrangements should be re
periodically to determine if circumstances have changed and other options are available.

(b) Rental costs under "sale and lease back" arrangements are allowable only up to th
that would be allowed had the non-Federal entity continued to own the property. This amou
include expenses such as depreciation, maintenance, taxes, and insurance.

(c) Rental costs under "less-than-arm's-length" leases are allowable only up to the am
explained in paragraph (b) of this section). For this purpose, a less-than-arm's-length lease
under which one party to the lease agreement is able to control or substantially influence th
the other. Such leases include, but are not limited to those between:

If the tribe has payroll that was paid entirely by the tribal funds and not funded by any other agency, this may be a better option to use personnel as in-kind contribution.

Currently, the audit questioned $346,603 but the amount that you will need to provide in-kind contribution documentation is the cost share percentage shown on your grant awards. If the tribe is unable to provide documentation for the in-kind match, then the entire $346,603 would be disallowed because the OIG is basically questioning the entire grant drawn as of September 10, 2014.

If you have additional questions or would like to discuss this in more detail, please give me or Renee a call. We are both in on Friday.

Thank you.

Marie Ortesi

U.S. EPA, Region IX

75 Hawthorne Street (MTS 4-2)

San Francisco, CA 94105

(415) 972-3710

Ortesi.marie@epa.gov

From: Chan, Renee
Sent: Tuesday, September 22, 2015 4:17 PM
To: rbegay@wrpt.us; ginaleemckay@yahoo.com; kfrazier@wrpt.us
Cc: Wilson, Stephanie; Ortesi, Marie; Cynthia Oceguera; Mak, Magdalen
Subject: WRPT: Tribal match re: IG Report - propose meeting: Thur 9/24 at 10am

Hi Kathy, Gina, and Roy –

I would like to schedule a meeting for Thursday 9/24 at 10am (about 1 hour or less!) – **Please provide a phone number, so we could call you**.

I'm flexible on the time, but I understand WRPT works half day Thur and is off on Friday. Also, I would like Marie Ortesi, EPA Finance/Audit Coordinator, at the meeting and she is free on Thursday morning. Also, we are all under a tight timeframe.

One of the findings on the IG Report has to do with in-kind match (Chapter 2). I would like for us to discuss what is needed since it has a large dollar amount associated with it….and with the staff working the in-kind, so they know what to do to support the in-kind costs past and future.

Thanks,

Renee Chan

Grants Management Office

415-972-3675