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Appraisal Subcommittee

Federal Financial Institutions Examination Council

TO: Appraisal Subcommittee

FROM: Jim Park, Executive Director

VIA: Mark Abbott, Grants Director

RE: ASC Grants Program Recommendation Memo

DATE: November 6, 2019

At the November 13th ASC Meeting, the agenda includes consideration of the following action items:

1. Adoption of the new ASC Grants Handbook, which provides the policies and procedures for ASC's grantmaking activities and wholly replaces the ASC's Appraisal Foundation Grant Policy (effective June 2014), and the ASC's State Grant Policy (effective September 11, 2013).
2. The Appraisal Foundation's (TAF) 2020 proposal to support the Appraisal Standards Board (ASB) and Appraiser Qualifications Boards (AQB), not to exceed \$471,348, and additional grants budget authority for years two and three of this program not to exceed \$892,184 (this totals a three-year grants budget authority not to exceed \$1,363,532).
3. The Investigator Training Program proposal for State appraiser regulatory agencies, administered by TAF, at the proposed level of \$314,058 for Fiscal Year (FY) 2020.

ASC Grants Handbook

The handbook provides a detailed explanation of how the ASC will manage all aspects of its grants program from announcing the availability of new funds through the award process, oversight and management of awards, and the close out of completed awards. The handbook is structured to provide consistency and transparency for both ASC grantees and ASC staff. The handbook explicitly adopts by policy OMB Title 2, Subtitle A, Chapter II, Part 200, *UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS*. The ASC will work in the next year to adopt the same policy guidance as a Rule.

TAF Proposal for ASB/AQB Support

TAF has proposed a \$382,443 increase in the total operating budgets in support of ASB/AQB Boards for 2020. The primary cost drivers for the increase are 4 additional Board meetings and associated travel, and one-time consulting costs for the job analysis. ASC staff finds the proposed increases reasonable and necessary for ensuring the success of the Boards' work. ASC staff recommends that the increased costs be shared between the TAF and the ASC, and recommends that the ASC increase its financial commitment to defray the costs of operating the Boards from \$350,000 in 2019 to \$471,348 in 2020. This increase will pay for approximately 35 percent of the proposed increased costs for the program (*see* attachment A for details). It is likely TAF will have additional cost savings on the total cost of the program from a new indirect cost rate and realized versus planned travel-related costs.

TAF Investigator Training Program Proposal

ASC staff has carefully reviewed the Investigator Training Program proposal and finds that the requested \$314,068 is reasonable and necessary for the successful implementation of the program in 2020. The proposal reflects an 11 percent increase in costs primarily associated with increased travel costs because of locations selected for the training. FY2020 will be the final year of this grant in its current form. For FY2021, the ASC will invite proposals for continued execution of this training and development of other types of training/courses that will be of benefit to State appraiser regulatory agencies.

Attachment

Attachment A

AQB Proposal	2019 Fed Share	2020 Fed Share	2020 TAF Share	2020 Total	
Budget Category	Actual	Proposed	Proposed	Proposed	Notes
Personnel (Direct Labor)	\$ 33,000	\$ 33,924	\$ 67,592	\$ 101,516	Hours and COL-adjusted rates.
Travel	\$ 58,000	\$ 83,000	\$ 137,060	\$ 220,060	1 extra board meetings planned.
Consultants	\$ 32,460	\$ 46,000	\$ 51,500	\$ 97,500	Typical increase related to USPAP cycle.
Contracts	\$ 49,000	\$ 74,000	\$ 18,160	\$ 92,160	Job analysis conducted every 4-5 years.
Other Direct Costs	\$ -	\$ 2,460	\$ 11,549	\$ 14,009	Contingent on establishing a new rate
Indirect Costs **	\$ 38,270	\$ 38,270	\$ 79,457	\$ 117,727	Based on direct labor estimates.
Total 2020 (Year 1)	\$ 210,730	\$ 277,654	\$ 365,318	\$ 642,972	
Year 2		\$ 260,983			
Year 3		\$ 268,813			
Three Year Budget Authority		\$ 807,450			
ASB Proposal	2019 Fed Share	2020 Fed Share	2020 TAF Share	2020 Total	
Budget Category	Actual	Proposed	Proposed	Proposed	Notes
Personnel (Direct Labor)	\$ 33,000	\$ 33,924	\$ 86,304	\$ 120,228	Hours and COL-adjusted rates.
Travel	\$ 45,000	\$ 82,500	\$ 32,980	\$ 115,480	3 extra board meetings planned.
Consultants	\$ 23,000	\$ 36,000	\$ 54,000	\$ 90,000	Typical increase related to USPAP cycle.
Contracts	\$ -	\$ -	\$ -	\$ -	
Other Direct Costs	\$ -	\$ 3,000	\$ 1,338	\$ 4,338	Contingent on establishing a new rate
Indirect Costs **	\$ 38,270	\$ 38,270	\$ 101,156	\$ 139,426	Based on direct labor estimates.
Total 2020 (Year 1)	\$ 139,270	\$ 193,694	\$ 275,778	\$ 469,472	
Year 2		\$ 168,694			
Year 3		\$ 193,694			
Three Year Budget Authority		\$ 556,082			
Total 3 Year Authority up to:		\$ 1,363,532			