

INELIGIBLE EXPENSES FOR 319(H) PROJECTS

Section 319(h) Funds: Section 319(h) funds are to be used to address causes and sources of nonpoint source pollution. While 319(h) funds can be used to fund a wide variety of activities or expenses, there are instances where these funds cannot be used; these expenses would be considered ineligible for reimbursement. The following programs and Best Management Practices (BMPs) are ineligible for Section 319(h) funding:

Ineligible Agricultural BMPs

- CAFOs – Section 319(h) funds cannot implement BMPs for Concentrated Animal Feeding Operations (CAFOs). Since CAFOs are required to have a KPDES permit (Kentucky Pollutant Discharge Elimination System), 319(h) funds cannot be used to meet or maintain compliance with a KPDES permit requirements.
- AFOs – Section 319(h) funds can only implement BMPs for Animal Feeding Operations (AFOs) if they have a Nutrient Management Plan that includes the following:
 - Provides and maintains buffers or equivalent practices
 - Diverts clean water away from animal manure storage structures
 - Prevents direct contact of confined animals with waters of the Commonwealth
 - Addresses animal mortality disposal
 - Addresses chemical disposal
 - Addresses manure testing
 - Addresses record keeping and testing
 - Addresses proper storage capacity and maintenance of animal waste-storage structures/facilities
 - Addresses rates and timing of land application of manure and wastewater
- Any agricultural BMP that requires a KPDES or KNDOP (Kentucky No Discharge Operators Permit), other than stream crossing BMPs, which might require a 401 or 404 permit are considered ineligible for Section 319(h) funding.

Ineligible Onsite Wastewater Treatment BMPs

- Any wastewater treatment system that requires a KPDES permit.
 - Wastewater Treatment plants
 - Lagoon systems that serve more than one home
 - Home Treatment Units / Aerobic treatment systems
 - Other onsite wastewater treatment systems that require a KPDES permit

Ineligible Expenses for Homeowner Assistance Programs

- Activities and/or expenses that are subject to KPDES permit requirements, such as the construction or maintenance of the sanitary sewer line.
 - We cannot pay for the Tee installation in the sanitary sewer line. The Tee is the physical structure in the main sanitary sewer line that is used to create a connection between the sanitary sewer line and the lateral line.
 - Easement acquisition
 - Road repair or driveway repair

Ineligible MS4 and Stormwater BMPs

- As a rule, 319(h) funds cannot be used to achieve or maintain compliance with MS4 Phase I or Phase II permit requirements.
- However, 319(h) funds can be used to implement BMPs or education and outreach programs if said BMPs or programs go “above and beyond” the permit requirements.
 - “Above and Beyond” determinations should be made on a case-by-case basis.
 - If working directly with an MS4, the MS4 needs to be prepared to not be able to claim the activity or expense on their Annual Report towards meeting permit requirements.
- In general, BMPs can be implemented to treat or control stormwater before said stormwater enters the conveyance system of the MS4. Once the water has entered the conveyance system, its quality is considered the responsibility of the MS4, and as such, 319(h) funds cannot be used to improve the quality of the water that has entered the conveyance system.
 - 319(h) funds can be used to install rain gardens, rain harvesting BMPs, pervious pavers, etc. that will treat and/or promote water infiltration before the water enters the conveyance system.

- 319(h) funds cannot be used to install hydrodynamic separators within the network of the storm sewer systems.

Other Ineligible Expenses

Ineligible Indirect Cost

- Indirect Cost cannot be more than 15% of the total federal – federal contractual budget
- Indirect cost must be project, not organization expenses
- Cannot include travel, personnel, or other costs that should fall into another category
- Cannot include utility and maintenance expenses for the organization
- Cannot include membership fees for the organization (accounting software)
- Cannot be used for office space not used by direct project staff
- Cannot be used for shipping and postage for bills and other organizational expenses
- Cannot include janitorial fees.
- Cannot include bank, tax, or accounting fees.
- Cannot include vehicle maintenance or repair.
- Cannot include office maintenance.
- Cannot include building security.

Ineligible Miscellaneous Expenses

- 319(h) funds cannot be used for developing or purchasing of promotional materials (T-shirts, bumper stickers, mugs, etc.).
- 319(h) funds can generally not be used to purchase food or beverages. An example would be that 319(h) funds cannot be used to provide a catered meal for an event.
- 319(h) funds cannot be used to purchase alcohol.
- 319(h) funds should not be used to provide entertainment at an event (such as a bounce house rental or a band (music)).
- 319(h) funds cannot be used for research, faculty salaries, and development of college credit courses or tuition.
- Since projects are funded with federal tax dollars you may not sell products produced by the project for profit.

319 related costs must be detailed in the invoice and receipts provided.