



U.S. DEPARTMENT OF HOMELAND SECURITY

FISCAL YEAR 2010

**EMERGENCY MANAGEMENT PERFORMANCE GRANTS
PROGRAM**

GUIDANCE AND APPLICATION KIT

DECEMBER 2009



U.S. DEPARTMENT OF HOMELAND SECURITY

Title of Opportunity: FY 2010 Emergency Management Performance Grants (EMPG) Program

Funding Opportunity Number:

| Grant Program Name | Opportunity Number |
|--|-----------------------|
| Emergency Management Performance Grants (EMPG) - Region I | DHS-10-GPD-042-001-01 |
| Emergency Management Performance Grants (EMPG) - Region II | DHS-10-GPD-042-002-01 |
| Emergency Management Performance Grants (EMPG) - Region III | DHS-10-GPD-042-003-01 |
| Emergency Management Performance Grants (EMPG) - Region IV | DHS-10-GPD-042-004-01 |
| Emergency Management Performance Grants (EMPG) - Region V | DHS-10-GPD-042-005-01 |
| Emergency Management Performance Grants (EMPG) - Region VI | DHS-10-GPD-042-006-01 |
| Emergency Management Performance Grants (EMPG) - Region VII | DHS-10-GPD-042-007-01 |
| Emergency Management Performance Grants (EMPG) - Region VIII | DHS-10-GPD-042-008-01 |
| Emergency Management Performance Grants (EMPG) - Region IX | DHS-10-GPD-042-009-01 |
| Emergency Management Performance Grants (EMPG) - Region X | DHS-10-GPD-042-010-01 |

Federal Agency Name: U.S. Department of Homeland Security (DHS) Federal Emergency Management Agency (FEMA)

Announcement Type: Initial

Dates: Completed applications must be submitted **no later than 11:59 p.m. EST, January 22, 2010.**

Additional overview information:

- **Funding Restrictions.** The requirement to allocate 25 percent of funding towards the planning priority has been removed in the FY 2010 EMPG Guidance.
- **Management and Administration (M&A) Amounts:** For FY 2010, M&A costs are allowable for both State and local-level EMAs. The State EMA may use up to **five percent (5%) of the total amount** for M&A purposes. In addition, local EMAs may retain and use up to **3% of their subaward** from the State for local M&A purposes.
- **FY 2010 Match Guidance:** The Grants Management Division (GMD) Guidance document notating the Codes of Federal Regulations (CFRs) governing match provisions, defining the different types of match, and outlining basic guidelines for cost allowability has been included in the FY 2010 EMPG Guidance.
- **Maintenance and Sustainment.** The use of FEMA preparedness grant funds for maintenance contracts, warranties, repair or replacement costs, upgrades, and user

fees are allowable under all active and future grant awards, unless otherwise noted. Please refer to “Maintenance and Sustainment” in this kit for more information.

- **Eligible Applicants.** Either the State Administrative Agency (SAA) or the State’s Emergency Management Agency (EMA) are eligible to apply directly to FEMA for EMPG funds on behalf of State and local emergency management agencies, however only one application will be accepted from each State or territory.

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PART I.

FUNDING OPPORTUNITY DESCRIPTION

Day-to-day disasters continue to highlight the critical importance of effective catastrophic all-hazards preparedness, which includes prevention, mitigation, protection, response, and recovery activities. An all-hazards approach to emergency management preparedness, including the development of a comprehensive program of planning, training, and exercises, provides for an effective and consistent response to disaster or emergency, regardless of the cause.

As appropriated by *the Department of Homeland Security Appropriations Act, 2010* (Public Law 111-83), the Fiscal Year (FY) 2010 Emergency Management Performance Grants (EMPG) Program provides \$329,799,991 to assist State and local governments in enhancing and sustaining their all-hazards emergency management capabilities. The EMPG Program requires a 50 percent Federal and 50 percent State cost share, cash- or in-kind, match, as authorized by the *Robert T. Stafford Disaster Relief and Emergency Assistance Act* (Public Law 93-288), as amended, 42 U.S.C. 5121-5207. Specifically, Title VI, sections 611(j) and 614.

A comprehensive State emergency management system must include local stakeholder input. Local emergency management organizations should remain informed and have the opportunity to provide input to State planning processes. Although DHS expects States to include support for their local jurisdictions in the EMPG Program, each Governor is responsible for determining the appropriate amount of funding to be passed through to support the development or enhancement of local emergency management performance capabilities.

An essential component in achieving State emergency management goals and target capabilities involves establishing strong working relationships with neighboring jurisdictions. These relationships are necessary for developing performance capabilities that leverage joint operations, mutual aid and support local, regional, tribal, State-to-State, and nationwide priorities, particularly when responding to a catastrophic event. States have the flexibility to leverage FY 2010 EMPG Program funds to develop intra- and inter-state emergency management systems that encourage building partnerships across all levels of government and with non-governmental organizations.

National Priorities

The eight National Priorities as identified in the *National Preparedness Guidelines*¹ continue to be instrumental in guiding our local, tribal, and State stakeholders' homeland security needs. Specifically, the *Implement NIMS and NRF, Expand Regional Collaboration, and Strengthening Planning* priorities continue to have a direct

¹ http://www.fema.gov/pdf/emergency/nrf/National_Preparedness_Guidelines.pdf

complement to the scope, mission, and funding audience members of the EMPG Program.

Stakeholder recipients of EMPG Program funds should continue to strategically align their emergency management performance activities and projects to support the overarching objectives of HSPD - 5 and 8 and the three National Priorities noted above. It is important to note, however, that this does not preclude stakeholders from focusing on the traditional uses of EMPG Program funding, as identified in Part IV, Section E.2. Those traditional uses of funding should naturally complement the overarching strategic guidance and direction embodied through the documents noted above.

Department of Homeland Security Mission and Supporting Responsibilities

The Secretary of the Department of Homeland Security recently identified five responsibilities to assist the Department in achieving its mission to secure our Nation.² Of those identified, the fourth responsibility – *Improving our Readiness for, Response to, and Recovery from Disasters* - directly support the Department's engagement in working with our emergency management stakeholders to develop and administer this Program. One of many ways in which this responsibility is being implemented is through the EMPG Program.

While the EMPG Program is inherently a grant funding opportunity to assist stakeholders in improving emergency performance capabilities, it is also a robust and transparent Program which involves both day-to-day and long-term strategic relationships. FEMA personnel maintain close relationships with the emergency management community in order to ensure that the Program is developed to meet the needs of such stakeholders. Close relationships are also maintained in order to allow FEMA to analyze lessons learned, best practices, and overall progress made in achieving identified needs and goals.

² <http://www.dhs.gov/journal/leadership/2009/06/departments-five-responsibilities.html>

PART II.

AWARD INFORMATION

Authorizing Statutes

Implementing Recommendations of the *9/11 Commission Act of 2007* (Public Law 110-53); the *Department of Homeland Security Appropriations Act, 2010* (Public Law 111-83); the *Post-Katrina Emergency Management Reform Act of 2006* (PKEMRA) (Public Law. 109–295); and the *Robert T. Stafford Disaster Relief and Emergency Assistance Act*, (Public Law 93-288), as amended, 42 U.S.C. 5121-5207.

Period of Performance

The period of performance of this grant is 24 months, beginning on October 1, 2009. Extensions to the period of performance will be considered only through formal requests to FEMA with specific and compelling justifications as to why an extension is required.

Available Funding

In FY 2010, the total amount of funds distributed under this grant will be \$329,799,991. FY 2010 EMPG allocations will be allocated by the Section 662 of the *Post-Katrina Emergency Management Reform Act of 2006*, as amended, 6 U.S.C. 762. All 50 States, the District of Columbia, and Puerto Rico will receive a base amount of 0.75 percent of the total available grant funding. Four Territories (American Samoa, Guam, Northern Mariana Islands, and the U.S. Virgin Islands) will receive a base amount of 0.25 percent of the total available grant funding. The balance of EMPG funds is distributed on a population-share basis. Pursuant to Article X of the Federal Programs and Services Agreement of the Compact of Free Association authorized by Public Law 108-188, funds are available for the Federated States of Micronesia and for the Republic of the Marshall Islands.

Table 1. FY 2010 EMPG Funding Allocations

| State/Territory | Allocation | State/Territory | Allocation |
|------------------------|-------------------|----------------------------------|----------------------|
| Alabama | \$5,463,038 | New Hampshire | \$3,317,289 |
| Alaska | \$2,913,599 | New Jersey | \$8,041,432 |
| Arizona | \$6,641,872 | New Mexico | \$3,746,008 |
| Arkansas | \$4,304,577 | New York | \$14,972,047 |
| California | \$26,044,455 | North Carolina | \$8,387,559 |
| Colorado | \$5,641,026 | North Dakota | \$2,884,863 |
| Connecticut | \$4,718,749 | Ohio | \$9,839,072 |
| Delaware | \$3,033,388 | Oklahoma | \$4,809,238 |
| District of Columbia | \$2,853,025 | Oregon | \$4,903,953 |
| Florida | \$14,226,919 | Pennsylvania | \$10,456,211 |
| Georgia | \$8,684,679 | Rhode Island | \$3,147,339 |
| Hawaii | \$3,299,583 | South Carolina | \$5,346,262 |
| Idaho | \$3,450,678 | South Dakota | \$2,989,206 |
| Illinois | \$10,746,888 | Tennessee | \$6,458,923 |
| Indiana | \$6,562,747 | Texas | \$18,073,664 |
| Iowa | \$4,398,949 | Utah | \$4,228,287 |
| Kansas | \$4,270,425 | Vermont | \$2,871,902 |
| Kentucky | \$5,211,240 | Virginia | \$7,455,585 |
| Louisiana | \$5,302,012 | Washington | \$6,673,322 |
| Maine | \$3,317,704 | West Virginia | \$3,637,064 |
| Maryland | \$6,086,158 | Wisconsin | \$6,082,548 |
| Massachusetts | \$6,640,453 | Wyoming | \$2,815,084 |
| Michigan | \$8,888,397 | Puerto Rico | \$5,009,106 |
| Minnesota | \$5,821,183 | U.S. Virgin Islands | \$894,928 |
| Mississippi | \$4,357,948 | American Samoa | \$866,585 |
| Missouri | \$6,264,436 | Guam | \$938,922 |
| Montana | \$3,093,877 | Northern Mariana Islands | \$857,515 |
| Nebraska | \$3,617,162 | Republic of the Marshall Islands | \$50,000 |
| Nevada | \$4,140,910 | Federated States of Micronesia | \$50,000 |
| Total | | | \$329,799,991 |

PART III.

ELIGIBILITY INFORMATION

A. Eligible Applicants

All 56 States and territories, as well as the Republic of the Marshall Islands and the Federated States of Micronesia, are eligible to apply for FY 2010 EMPG funds. Either the State Administrative Agency (SAA) or the State's Emergency Management Agency (EMA) are eligible to apply directly to FEMA for EMPG funds on behalf of State and local emergency management agencies, however only one application will be accepted from each State or territory.

National Incident Management System (NIMS) Implementation Compliance

In accordance with Homeland Security Presidential Directive (HSPD)-5, *Management of Domestic Incidents*, the adoption of the NIMS is a requirement to receive Federal preparedness assistance, through grants, contracts, and other activities. The NIMS provides a consistent nationwide template to enable all levels of government, tribal nations, nongovernmental organizations, and private sector partners to work together to prevent, protect against, respond to, recover from, and mitigate the effects of incidents, regardless of cause, size, location, or complexity.

Federal FY 2009 NIMS implementation must be considered prior to allocation of any Federal preparedness awards in FY 2010. In April 2009, the National Integration Center Incident Management Systems Integration (IMSI) Division advised State, tribal nation, and local governments to respond to metric assessments in the NIMS Compliance Assistance Support Tool (NIMSCAST) to assess on-going progress and achievement.³ The list of objectives against which progress and achievement are assessed and reported can be found at

<http://www.fema.gov/emergency/nims/ImplementationGuidanceStakeholders.shtm#item2>.

All State, tribal nation, and local government grantees were required to update their respective NIMSCAST assessments by September 30, 2009. State, tribal, and local grantees unable to meet implementation objectives were required to submit a Corrective Action Plan via NIMSCAST no later than October 31, 2009. Comprehensive information concerning NIMS implementation for States, tribal nations, local governments, nongovernmental organizations, and the private sector is available through IMSI via its NIMS Resource Center at www.fema.gov/nims.

³ As defined in the *Homeland Security Act of 2002* (Public Law 107-296), the term "State" means "any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and any possession of the United States" 6 U.S.C. 101 (14).

States, tribal nations, and local governments should continue to implement the training guidance contained in the *5-Year NIMS Training Plan*, released in February 2008.

The primary grantee/administrator of FY 2010 EMPG award funds is responsible for determining if sub-awardees have demonstrated sufficient progress to disburse awards.

State Preparedness Report Submittal

Section 652(c) of the *Post-Katrina Emergency Management Reform Act of 2006* (Public Law 109-295), 6 U.S.C. §752(c), requires any State that receives Federal preparedness assistance to submit a State Preparedness Report to DHS. FEMA will provide additional guidance on the FY 2009 State Preparedness Report submission. **Receipt of this report is a prerequisite for applicants to receive any FY 2010 DHS preparedness grant funding.**

B. Cost Sharing

In FY 2010, EMPG has a 50 percent Federal and 50 percent State cost share, cash- or in-kind, match requirement, as authorized by the *Robert T. Stafford Disaster Relief and Emergency Assistance Act* (Public Law 93-288), as amended, 42 U.S.C. 5121-5207. Specifically, Title VI, sections 611(j) and 614. Unless otherwise authorized by law, Federal funds cannot be matched with other Federal funds. To meet matching requirements, the grantee contributions must be reasonable, allowable, allocable and necessary under the grant program and must comply with all Federal requirements and regulations. In accordance with 48 U.S.C. 1469a, match requirements are waived for the U.S. Territories of American Samoa, Guam, the U.S. Virgin Islands, and the Commonwealth of the Northern Mariana Islands. FEMA administers cost sharing requirements in accordance with 44 CFR §13.24, which is located at http://www.access.gpo.gov/nara/cfr/waisidx_07/44cfrv1_07.html.

Please refer to Part VIII for additional match guidance to include match definitions, basic guidelines, and governing provisions.

C. Restrictions

Please see Part IV.E. for Management & Administration (M&A) limits and allowable/unallowable costs guidance.

PART IV.
**APPLICATION AND SUBMISSION
INFORMATION**

A. Address to Request Application Package

All applications for DHS grants will be filed using the common electronic “storefront” – www.grants.gov. To access application forms and instructions, select “Apply for Grants,” and then select “Download Application Package.” Enter the Catalog of Federal Domestic Assistance (CFDA) and/or the funding opportunity number located on the cover of this announcement. Select “Download Application Package,” and then follow the prompts to download the application package. To download the instructions, go to “Download Application Package” and select “Instructions.” If you experience difficulties or have any questions, please call the www.grants.gov customer support hotline at (800) 518-4726.

DHS may request original signatures on forms at a later date.

B. Content and Form of Application

The on-line application must be completed and submitted using www.grants.gov after Central Contractor Registry (CCR) registration is confirmed. The on-line application includes the following required forms and submissions:

- EMPG Work Plan
- Standard Form 424, Application for Federal Assistance
- Standard Form 424A, Budget Information
- Standard Form 424B, Assurances
- Standard Form 424C, Budget Information – Construction Form
- Standard Form 424D, Assurances – Construction Programs
- Lobbying Form – Certification Regarding Lobbying (this form must be completed by all grant applicants)
- Standard Form LLL, Disclosure of Lobbying Activities
- Certification Regarding Debarment, Suspension, and Other Responsibility Matters
- Certification Regarding Drug-Free Workplace Requirements

The program title listed in the CFDA is “*Emergency Management Performance Grant Program*”. The CFDA number is **97.042**.

1. **Application via www.grants.gov.** All applicants must file their applications using the Administration's common electronic "storefront" - www.grants.gov. Eligible grantees must apply for funding through this portal, accessible on the Internet at www.grants.gov.
2. **DUNS Number.** The applicant must provide a DUNS number with their application. This number is a required field within www.grants.gov and for CCR Registration. Organizations should verify that they have a DUNS number, or take the steps necessary to obtain one, as soon as possible. Applicants can receive a DUNS number at no cost by calling the dedicated toll-free DUNS number request line at (866) 705-5711.
3. **Valid Central Contractor Registry (CCR) Registration.** The application process also involves an updated and current registration by the applicant. Eligible applicants must confirm CCR registration at <http://www.ccr.gov>, as well as apply for funding through www.grants.gov.
4. **EMPG Work Plan.** All EMPG applicants must submit a Work Plan that outlines the State's emergency management sustainment and enhancement efforts, including new and ongoing projects, proposed for the FY 2010 EMPG period of performance. The Work Plan consists of a Program and Budget Narrative as well as a Grant Activities Outline. FEMA regional offices will work closely with States to monitor Work Plans during the performance period. In addition, FEMA regional offices must concur on final Work Plans before States may draw down EMPG funds. Grant funds will be released on a rolling basis upon approval of the State's final Work Plan.

EMPG Work Plan Template

A. Program and Budget Narrative

Provide a brief description of the State emergency management priorities and initiatives that will be addressed with FY 2010 EMPG funds as they relate to expenditures outlined in the SF 424A. In addition, the narrative must address, if applicable, the following:

- Overview of the State's risk profile (natural, technological, man-made)
- Areas of need identified through assessment processes
- Baseline inventory of where States are now relative to goals and objectives identified in relevant strategic plans
- State emergency management priorities and planning focus for FY 2010

B. EMPG Grant Activities Outline

To facilitate performance measures and focus on outcomes, an EMPG Grant Activities Outline must be completed for activities supported with FY 2010 EMPG funds (including construction and renovation projects).

Grantees should complete a template as shown on the next page and address the following areas:

- **Emergency Management Functions (EMF):** Identify how the grant activities relate to the Emergency Management Functions identified through the EMAP Standard (e.g., Resource Management, Communications and Warning, etc.)
- **Objective:** Briefly explain the major objective of the grant activities, including how activities will address shortfalls identified through various assessments conducted
- **Performance Measure and Basis of Evaluation:** Indicate the performance measure(s) that will be used to evaluate these activities
- **Challenges/Risks:** Identify any challenges to implementing these activities
- **Quarterly Activity:** For each quarter, briefly identify the expected outcome. This information will provide the foundation for the Quarterly Progress Report

FY 2010 EMPG, Sample Grant Activities Outline Template

| | |
|---|--------------------------|
| EMF #: | |
| Objective: | |
| Performance Measure and Basis of Evaluation: | |
| Challenges/Risks: | |
| Quarterly Activity | |
| 1st Quarter Activity (10/1/09-12/31/09) | Expected Outcome: |
| 2nd Quarter Activity (1/1/10-3/31/10) | Expected Outcome: |

| | |
|--|---------------------------------|
| <p>3rd Quarter Activity (4/1/10-6/30/10)</p> | <p>Expected Outcome:</p> |
| <p>4th Quarter Activity (7/1/10-9/30/10)</p> | <p>Expected Outcome:</p> |
| <p>5th Quarter Activity (10/1/10-12/31/10)</p> | <p>Expected Outcome:</p> |
| <p>6th Quarter Activity (1/1/11-3/31/11)</p> | <p>Expected Outcome:</p> |
| <p>7th Quarter Activity (4/1/11-6/30/11)</p> | <p>Expected Outcome:</p> |
| <p>8th Quarter Activity (7/1/11-9/30/11)</p> | <p>Expected Outcome:</p> |

C. Submission Dates and Times

Application submissions will be received by **11:59 p.m. EST on January 22, 2010**. Only applications made through <http://www.grants.gov> will be accepted.

D. Intergovernmental Review

Executive Order 12372 requires applicants from State and local units of government or other organizations providing services within a State to submit a copy of the application to the State Single Point of Contact (SPOC), if one exists, and if this program has been selected for review by the State. Applicants must contact their State SPOC to determine if the program has been selected for State review. Executive Order 12372 can be referenced at <http://www.archives.gov/federal-register/codification/executive-order/12372.html>. The names and addresses of the SPOCs are listed on OMB's home page available at <http://www.whitehouse.gov/omb/grants/spoc.html>.

E. Funding Restrictions

DHS grant funds may only be used for the purpose set forth in the grant, and must be consistent with the statutory authority for the award. Grant funds may not be used for matching funds for other Federal grants/cooperative agreements, lobbying, or intervention in Federal regulatory or adjudicatory proceedings. In addition, Federal funds may not be used to sue the Federal government or any other government entity.

Pre-award costs are allowable only with the written consent of DHS and if they are included in the award agreement.

The following pages outline general allowable and unallowable EMPG costs guidance.

1. Management and Administrative (M&A) Costs Guidance

M&A activities are those defined as directly relating to the management and administration of EMPG funds, such as financial management and monitoring. It should be noted that salaries of State and local emergency managers are not typically categorized as M&A, unless the State or local EMA chooses to assign personnel to specific M&A activities.

If the SAA is not the EMA, the SAA is **not** eligible to retain funds for M&A. M&A costs are allowable for both State and local-level EMAs. The State EMA may use up to **five percent (5%) of the total amount** for M&A purposes. In addition, local EMAs may retain and use up to **3% of their subaward** from the State for local M&A purposes.

2. Allowable Costs

Planning

FY 2010 EMPG funds may be used for a range of emergency management planning activities. These plans may include aspects of the following, but are not limited to:

- Disaster housing planning
- Modifying existing incident management and emergency operations plans
- Developing/enhancing comprehensive emergency management plans
- Conducting a hazard analysis and risk assessment prior to mitigation plan development
- Developing/enhancing all-hazards mitigation plans
- Developing/enhancing large-scale and catastrophic event incident plans
- Developing/enhancing COOP/COG plans
- Developing/enhancing logistics and resource management plans
- Developing/enhancing evacuation plans, including alerts/warning, crisis communications, sheltering, and re-entry
- Developing/enhancing financial and administrative procedures for use before, during, and after disaster events in support of a comprehensive emergency management program

- Public education and awareness
- Developing/enhancing other response and recovery plans
- Developing/enhancing emergency management and operations plans to integrate citizen/volunteer and other non-governmental organization resources and participation
- Program evaluations
- Mass evacuation planning and pre-positioning of equipment for areas potentially impacted by mass evacuations
- Supply preparation
- Pre-event recovery plans/response and mitigation plans in coordination with State and local governments (including tribal governments, rural water associations, and chief information officers)

Organization

Per the *Robert T. Stafford Disaster Relief and Emergency Assistance Act*, as amended, 42 U.S.C. 5121-5207, EMPG funds may be used for all-hazards emergency management operations, staffing, and other day-to-day activities in support of emergency management, including hazard mitigation staffing of the State Hazard Mitigation Officer (SHMO) position. Proposed staffing activities should be linked to achieving goals outlined in the EMPG Work Plan.

Personnel costs, including salary, overtime, compensatory time off, and associated fringe benefits, are allowable costs with FY 2010 EMPG funds. These costs must comply with 2 CFR Part 225, *Cost Principles for State, Local, and Indian Tribal Governments (OMB Circular A-87)*. Proposed personnel costs should be linked to achieving objectives outlined in the EMPG Work Plan.

Equipment

Allowable equipment categories for FY 2010 EMPG are listed on the web-based version of the Authorized Equipment List (AEL) on the Responder Knowledge Base (RKB), which is sponsored by FEMA at <http://www.rkb.us>. Unless otherwise stated, equipment must meet all mandatory regulatory and/or FEMA-adopted standards to be eligible for purchase using these funds. In addition, agencies will be responsible for obtaining and maintaining all necessary certifications and licenses for the requested equipment.

The select allowable equipment includes equipment from the following AEL categories:

- Information Technology (Category 4)
- Cyber-Security Enhancement Equipment (Category 5)
- Interoperable Communications Equipment (Category 6)
- Detection Equipment (Category 7)
- Power Equipment (Category 10)
- CBRNE Reference Materials (Category 11)
- CBRNE Incident Response Vehicles (Category 12)

- Physical Security Enhancement Equipment (Category 14)
- CBRNE Logistical Support Equipment (Category 19)
- Other Authorized Equipment (Category 21)

In addition to the above, general purpose vehicles (such as sports utility vehicles) are allowed to be procured in order to carry out the responsibilities of the EMPG Program. If State agencies and/or local governments have questions concerning the eligibility of equipment not specifically addressed in the AEL, they should contact their FEMA Regional Program Analyst for clarification.

States that are using FY 2010 EMPG funds to purchase Interoperable Communications Equipment (Category 6) must consult SAFECOM's coordinated grant guidance which outlines standards and equipment information to enhance interoperable communications. This guidance can be found at <http://www.safecomprogram.gov>. Additionally, grantees are required to coordinate with other State and local partners in integrating their interoperable communications plans and projects as outlined in each State's State Communication Interoperability Plan (SCIP).

Training

EMPG funds may be used for a range of emergency management-related training activities to enhance the capabilities of State and local emergency management personnel through the establishment, support, conduct, and attendance of training. Types of training include, but are not limited to, the following:

- Developing/enhancing systems to monitor training programs
- Conducting all hazards emergency management training
- Attending Emergency Management Institute (EMI) training or delivering EMI train-the-trainer courses
- Attending other FEMA-approved emergency management training
- Mass evacuation training at local, State, and tribal levels

Allowable training-related costs include the following:

- **Funds used to develop, deliver, and evaluate training** – Includes costs related to administering the training: planning, scheduling, facilities, materials and supplies, reproduction of materials, and equipment.
- **Overtime and Backfill** – The entire amount of overtime costs, including payments related to backfilling personnel, which are the direct result of attendance at FEMA and/or approved training courses and programs are allowable. These costs are allowed only to the extent the payment for such services is in accordance with the policies of the State or unit(s) of local government and has the approval of the State or the awarding agency, whichever is applicable. In no case is dual compensation allowable. That is, an employee of a unit of government may not receive compensation from their unit or agency of government AND from an award for a single period of

- time (e.g., 1:00 p.m. to 5:00 p.m.), even though such work may benefit both activities.
- **Travel** – Travel costs (e.g., airfare, mileage, per diem, hotel) are allowable as expenses by employees who are on travel status for official business related to approved training.
 - **Hiring of Full or Part-Time Staff or Contractors/Consultants** – Full- or part-time staff may be hired to support direct training-related activities. Payment of salaries and fringe benefits must be in accordance with the policies of the State or unit(s) of local government and have the approval of the State or awarding agency, whichever is applicable.
 - **Certification/Recertification of Instructors** – Costs associated with the certification and re-certification of instructors are allowed. States are encouraged to follow the FEMA Instructor Quality Assurance Program to ensure a minimum level of competency and corresponding levels of evaluation of student learning. This is particularly important for those courses which involve training of trainers.

Exercises

EMPG funds may be used to design, develop, conduct, and evaluate emergency management related exercises. Exercises must be consistent with the principles outlined in the Homeland Security Exercise and Evaluation Program (HSEEP), as well as applicable existing emergency management standards. *HSEEP Volumes I-III* contains guidance and recommendations for designing, developing, conducting, and evaluating exercises. *HSEEP Volume IV* provides sample exercise materials. All four volumes can be found at the HSEEP website (<http://hseep.dhs.gov>). Exercises conducted using EMPG funding must be NIMS compliant.

Allowable exercise-related costs include:

- **Funds Used to Design, Develop, Conduct and Evaluate an Exercise** – Includes costs related to planning, meeting space and other meeting costs, facilitation costs, materials and supplies, travel, and documentation.
- **Hiring of Full or Part-Time Staff or Contractors/Consultants** – Full- or part-time staff may be hired to support direct exercise activities. Payment of salaries and fringe benefits must be in accordance with the policies of the State or unit(s) of local government and have the approval of the State or the awarding agency, whichever is applicable. The services of contractors/consultants may also be procured to support the design, development, conduct and evaluation of exercises.
- **Overtime and Backfill** – The entire amount of overtime costs, including payments related to backfilling personnel, which are the direct result of time spent on the design, development and conduct of exercises are allowable expenses. These costs are allowed only to the extent the payment for such services is in accordance with the policies of the State or unit(s) of local government and has the approval of the State or the awarding agency, whichever is applicable. In no case is dual compensation allowable. That is,

an employee of a unit of government may not receive compensation from their unit or agency of government AND from an award for a single period of time (e.g., 1:00 p.m. to 5:00 p.m.), even though such work may benefit both activities.

- **Travel** – Travel costs (e.g., airfare, mileage, per diem, hotel) are allowable as expenses by employees who are on travel status for official business related to the planning and conduct of the exercise project(s).
- **Supplies** – Supplies are items that are expended or consumed during the course of the planning and conduct of the exercise project(s) (e.g., copying paper, gloves, tape, non-sterile masks, and disposable protective equipment).
- **Implementation of HSEEP** – This refers to costs related to developing and maintaining a self-sustaining State Homeland Security Exercise and Evaluation Program which is modeled after the national HSEEP.
- **Other Items** – These costs are limited to items consumed in direct support of exercise activities such as the rental of space/locations for planning and conducting an exercise, rental of equipment (e.g., portable toilets, tents), and the procurement of gasoline, exercise signs, badges, and other essential nondurable goods.

Unauthorized exercise-related costs include:

- Reimbursement for the maintenance and/or wear and tear costs of general use vehicles (e.g., construction vehicles) and emergency response apparatus (e.g., fire trucks, ambulances). The only vehicle costs that are reimbursable are fuel/gasoline or mileage
- Equipment that is purchased for permanent installation and/or use, beyond the scope of exercise conduct (e.g., electronic messaging signs)
- Durable and non-durable goods purchased for installation and/or use beyond the scope of exercise conduct

Construction and Renovation

FEMA recognizes that updated, functioning emergency operations centers (EOC), accessible to and usable by individuals with disabilities, are a core component of an effective emergency management system. Therefore, construction and renovation activities for a State, local, or tribal government's principal EOC are allowable under EMPG. Allowable costs for EOC construction and renovation are consistent with the FY 2010 EOC Grant Program. In using EMPG funds for construction or renovation of EOCs, grantees may use up to \$1,000,000 for construction projects or up to \$250,000 for renovation projects. The match requirement for EOC construction and renovation with EMPG funding is 50 percent Federal and 50 percent grantee. Please see requirements related to Duplication of Benefits in Part VI, Section B 1.4.

FY 2010 EMPG grantees using funds for construction projects must comply with the Davis-Bacon Act (40 U.S.C. 3141 *et seq.*). Grant recipients must ensure that their contractors or subcontractors for construction projects pay workers employed directly at the work-site no less than the prevailing wages and fringe benefits paid on

projects of a similar character. Additional information, including Department of Labor wage determinations, is available from the following website:
<http://www.dol.gov/compliance/laws/comp-dbra.htm>.

In order for grantees to drawdown funds for limited EOC construction and renovation projects under EMPG:

- Grantee must provide to FEMA:
 - Description of the EOC facility, location, and the scope of the construction or renovation project
 - Certification that an assessment has been conducted to identify EOC needs regarding such issues as the facility, communications capability, computer systems and network capabilities, survivability, and sustainability
 - How the construction or renovation project will address the needs identified from the assessment
 - Consequences of not implementing the construction or renovation project
- Written approval must be provided by FEMA prior to the use of any EMPG funds for construction or renovation

All proposed construction and renovation activities must undergo an Environmental Planning and Historic Preservation (EHP) review, including approval of the review from FEMA, prior to undertaking any action related to the project. Any applicant that is proposing a construction project under the FY 2010 EMPG should pay special attention to the EHP requirements contained in Part VI (B, 5.7) of the Guidance. Failure of a grant recipient to meet these requirements may jeopardize Federal funding.

Maintenance and Sustainment

The use of FEMA preparedness grant funds for maintenance contracts, warranties, repair or replacement costs, upgrades, and user fees are allowable under all active and future grant awards, unless otherwise noted. Grantees are reminded to be sensitive to supplanting issues. Maintenance contracts, warranties, repair or replacement costs, upgrades, and user fees previously purchased with State and/or local funds cannot be replaced with Federal grant funding. Routine upkeep (i.e., gasoline, tire replacement, routine oil changes, monthly inspections, grounds and facility maintenance etc.) is the responsibility of the grantee and may not be funded with preparedness grant funding.

- **Maintenance Contracts and Warranties.** To increase the useful life of the equipment, maintenance contracts and warranties may be purchased using grant funding from one fiscal year to cover equipment purchased with funding from a different fiscal year. The use of grant funding for the purchase of maintenance contracts and warranties must meet the following conditions:

- Maintenance contracts and warranties may only be purchased for equipment that has been purchased using FEMA preparedness grant funding
 - To avoid supplementing Congressional appropriations for specific programs, maintenance contracts and warranties must be purchased using funds from the same grant program used to purchase the original equipment
 - The term of the maintenance contract or warranty shall not exceed the period of performance of the grant to which the contract is being charged
- **Repair and Replacement Costs.** The cost of repair and replacement parts for equipment purchased using FEMA preparedness grant funding is an allowable expense
 - Repair and replacement parts may only be purchased for equipment that has been purchased using FEMA preparedness grant funding
 - To avoid supplementing Congressional appropriations for specific programs, repair and replacement parts must be purchased using the same grant program used to purchase the original equipment
- **Upgrades.** FEMA preparedness grant funding may be used to upgrade previously purchased allowable equipment. For example, if the grantee purchased risk management software with HSGP funds in FY 2005 and would like to use FY 2010 grant funding to upgrade the software, this is allowable
 - Upgrades may only be purchased for equipment that has been purchased using FEMA preparedness grant funding
 - To avoid supplementing Congressional appropriations for specific programs, upgrades must be purchased using the same grant program used to purchase the original equipment
- **User fees.** User fees are viewed as costs for specific services required to maintain and provide continued operation of equipment or systems. An example would be the recurring service fees associated with handheld radios or mobile data computers
 - User fees may only be paid for equipment that has been purchased using FEMA preparedness grant funding
 - To avoid supplementing Congressional appropriations for specific programs, user fees must be paid for using the same grant program used to purchase the original equipment. The service time purchased shall not exceed the period of performance of the grant to which the user fee is being charged
- **Implementation.** Planned or actual expenditures for maintenance contracts and warranties, repair and replacement costs, upgrades and user fees must

be reflected in the Initial Strategy Implementation Plan (ISIP) or Biannual Strategy Implementation Report (BSIR)

Grantees must comply with all the requirements in 44 CFR Part 13 and 2 CFR Part 215.

3. Unallowable Costs

- Expenditures for weapons systems and ammunition
- Personnel costs (except for costs as detailed above). Costs to support the hiring of sworn public safety officers for the purposes of fulfilling traditional public safety duties or to supplant traditional public safety positions and responsibilities
- Activities unrelated to the completion and implementation of the EMPG
- Other items not in accordance with the portions of the AEL and allowable costs listed in Part IV.E

F. Other Submission Requirements

Federal employees are prohibited from serving in any capacity (paid or unpaid) on any proposal submitted under this program. Federal employees may not receive funds under this award.

PART V.

APPLICATION REVIEW INFORMATION

A. Review Criteria

Immediately following the submission and receipt of State and territory FY 2010 EMPG grant applications, FEMA headquarters components and regional offices will begin a thorough review of the grant application components. This includes review of the EMPG Work Plan and all other applicable documents for completeness and adherence to program requirements.

B. Review and Selection Process

All Work Plans will require final approval by the corresponding FEMA Regional Program Analyst. Grantees will be notified by their FEMA regional office should any component of the EMPG application require corrective action. The full award will be released upon the regional office's approval of the State's final Work Plan.

C. Anticipated Announcement and Award Dates

FEMA will evaluate and act on applications within 30 days following close of the application period, consistent with the *Department of Homeland Security Appropriations Act, 2010* (Public Law 111-83). Awards will be made on or before September 30, 2010.

PART VI.

AWARD ADMINISTRATION INFORMATION

A. Notice of Award

Upon approval of an application, the grant will be awarded to the SAA or State EMA. The date that this is done is the “award date.” Notification of award approval is made through the Grants Management System (GMS). Once an award has been approved, a notice is sent to the authorized SAA grantee official. Follow the directions in the notification to accept your award documents. The authorized SAA grantee official should carefully read the award and special condition documents. If you do not receive a notification, please contact your FEMA Regional Program Analyst for your award number. Once you have the award number, contact the GMS Help Desk at (888) 549-9901, option 3, to obtain the username and password associated with the new award.

Each State shall obligate 100 percent of its total EMPG allocation amount to the designated State-level EMA. If the SAA is also the EMA, this requirement is automatically met. If the SAA is separate, or has separate budget processes, then these funds must be obligated to the EMA within 15 days of the grant award date.

Due to the unique nature of the territorial governments in Guam, American Samoa, the U.S. Virgin Islands, and the Commonwealth of the Northern Mariana Islands, no pass-through requirements will be applied to these territories. However, FEMA encourages each territorial government to take into account the needs of local communities and determine the appropriate allocations of funding to support an all-hazards approach to emergency management.

The State’s obligation period must be met within 15 days of the award date. An obligation is defined as a definite commitment which creates a legal liability for the payment of funds for goods and services ordered or received. Four requirements must be met to obligate grant funds:

- There must be some action to establish a firm commitment on the part of the awarding entity
- The condition must be unconditional (i.e., no contingencies for availability of SAA funds) on the part of the awarding entity
- There must be documentary evidence of the commitment
- The award terms must be communicated to the official grantee

Within 15 days of the grant award, the SAA will submit a certification to FEMA that funds have been passed through to the designated State-level EMA.

The period of performance is 24 months and begins on the Project Period/Budget Period start date listed in the award package. Any unobligated funds will be de-obligated at the end of the close-out period. Extensions to the period of performance will be considered only through formal requests to FEMA with specific and compelling justifications why an extension is required. All extension requests must be submitted to FEMA at least 60 days prior to the expiration of the grant period of performance. The justification must address:

- Reason for delay;
- Current status of the activity/activities;
- Approved period of performance termination date and new project completion date;
- Remaining available funds, both Federal and non-Federal;
- Budget outlining how remaining Federal and non-Federal funds will be expended;
- Plan for completion including milestones and timeframe for achieving each milestone and the position/person responsible for implementing the plan for completion; and
- Certification that the activity/activities will be completed within the extended period of performance without any modification to the original Statement of Work approved by FEMA

B. Administrative and National Policy Requirements

The recipient and any sub-recipient(s) must, in addition to the assurances made as part of the application, comply and require each of its subcontractors employed in the completion of the project to comply with all applicable statutes, regulations, executive orders, OMB circulars, terms and conditions of the award, and the approved application.

1. Standard Financial Requirements. The grantee and any subgrantee(s) shall comply with all applicable laws and regulations. A non-exclusive list of regulations commonly applicable to DHS grants are listed below:

1.1 – Administrative Requirements.

- 44 CFR Part 13, *Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*
- 2 CFR Part 215, *Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations* (formerly OMB Circular A-110)

1.2 – Cost Principles.

- 2 CFR Part 225, *Cost Principles for State, Local, and Indian tribal Governments* (formerly OMB Circular A-87)
- 2 CFR Part 220, *Cost Principles for Educational Institutions* (formerly OMB Circular A-21)
- 2 CFR Part 230, *Cost Principles for Non-Profit Organizations* (formerly OMB Circular A-122)

- Federal Acquisition Regulations (FAR), Part 31.2 *Contract Cost Principles and Procedures, Contracts with Commercial Organizations*

1.3 – Audit Requirements.

- OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*

1.4 – Duplication of Benefits. There may not be a duplication of any Federal assistance, per 2 CFR Part 225, Basic Guidelines Section C.3 (c), which states: Any cost allocable to a particular Federal award or cost objective under the principles provided for in this Authority may not be charged to other Federal awards to overcome fund deficiencies, to avoid restrictions imposed by law or terms of the Federal awards, or for other reasons. However, this prohibition would not preclude governmental units from shifting costs that are allowable under two or more awards in accordance with existing program agreements. Non-governmental entities are also subject to this prohibition per 2 CFR Parts 220 and 230 and FAR Part 31.2.

- 2. Payment.** DHS/FEMA uses the Direct Deposit/Electronic Funds Transfer (DD/EFT) method of payment to Recipients. To enroll in the DD/EFT, the Recipient must complete a Standard Form 1199A, Direct Deposit Form.

FEMA uses the FEMA Payment and Reporting System (PARS) for payments made under this program, <https://isource.fema.gov/sf269/> (Note: link connects to Federal Financial Report [SF-425])

2.1 – Advance Payment. In accordance with Treasury regulations at 31 CFR Part 205, the Recipient shall maintain procedures to minimize the time elapsing between the transfer of funds and the disbursement of said funds (see 44 CFR Part 13.21(c)) regarding payment of interest earned on advances. In order to request an advance, the Recipient must maintain or demonstrate the willingness and ability to maintain procedures to minimize the time elapsing between the transfer of funds from DHS and expenditure and disbursement by the Recipient. When these requirements are not met, the Recipient will be required to be on a reimbursement for costs incurred method.

2.2 – Forms. In order to download the Standard Form 1199A, the Recipient may use the following Internet site: <http://www.fms.treas.gov/eft/1199a.pdf>.

NOTE: FUNDS WILL NOT BE AUTOMATICALLY TRANSFERRED UPON ISSUANCE OF THE GRANT. GRANTEES MUST SUBMIT A REQUEST FOR ADVANCE/REIMBURSEMENT IN ORDER FOR THE FUNDS TO BE TRANSFERRED TO THE GRANTEE’S ACCOUNT.

- 3. Non-supplanting Requirement.** Grant funds will be used to supplement existing funds, and will not replace (supplant) funds that have been appropriated for the

same purpose. Applicants or grantees may be required to supply documentation certifying that a reduction in non-Federal resources occurred for reasons other than the receipt or expected receipt of Federal funds.

4. Technology Requirements.

4.1 – National Information Exchange Model (NIEM). FEMA requires all grantees to use the latest NIEM specifications and guidelines regarding the use of Extensible Markup Language (XML) for all grant awards. Further information about the required use of NIEM specifications and guidelines is available at <http://www.niem.gov>.

4.2 – Geospatial Guidance. Geospatial technologies capture, store, analyze, transmit, and/or display location-based information (i.e., information that can be linked to a latitude and longitude). FEMA encourages grantees to align any geospatial activities with the guidance available on the FEMA website at <http://www.fema.gov/grants>.

4.3 – 28 CFR Part 23 guidance. FEMA requires that any information technology system funded or supported by these funds comply with 28 CFR Part 23, *Criminal Intelligence Systems Operating Policies*, if this regulation is determined to be applicable.

5. Administrative Requirements.

5.1 – Freedom of Information Act (FOIA). FEMA recognizes that much of the information submitted in the course of applying for funding under this program or provided in the course of its grant management activities may be considered law enforcement sensitive or otherwise important to national security interests. While this information under Federal control is subject to requests made pursuant to the *Freedom of Information Act* (FOIA), 5 U.S.C. §552, all determinations concerning the release of information of this nature are made on a case-by-case basis by the FEMA FOIA Office, and may likely fall within one or more of the available exemptions under the Act. The applicant is encouraged to consult its own State and local laws and regulations regarding the release of information, which should be considered when reporting sensitive matters in the grant application, needs assessment, and strategic planning process. The grantee should be familiar with the regulations governing Sensitive Security Information (49 CFR Part 1520), as it may provide additional protection to certain classes of homeland security information.

5.2 – Protected Critical Infrastructure Information (PCII). The PCII Program, established pursuant to the *Critical Infrastructure Act of 2002* (Public Law 107-296) (CII Act), created a framework which enables members of the private sector, States, local jurisdictions, and tribal nations to voluntarily submit sensitive information regarding critical infrastructure to DHS. The Act provides statutory

protection from public disclosure and civil litigation for CII that is validated as PCII. When validated as PCII, the information can only be shared with government employees who complete the training requirement, who have homeland security duties, and a need to know.

PCII accreditation is a formal recognition that the covered government entity has the capacity and capability to receive and store PCII appropriately. DHS encourages all States, local jurisdictions, and tribal nations to pursue PCII accreditation to cover their government agencies. Accreditation activities include signing a memorandum of agreement (MOA) with DHS, appointing a PCII Officer and developing a standard operating procedure for handling PCII. For additional information about PCII or the accreditation process, please contact the DHS PCII Program Office at pcii-info@dhs.gov.

5.3 – Compliance with Federal civil rights laws and regulations. The grantee is required to comply with Federal civil rights laws and regulations. Specifically, the grantee is required to provide assurances as a condition for receipt of Federal funds that its programs and activities comply with the following:

- *Title VI of the Civil Rights Act of 1964*, as amended, 42 U.S.C. §2000 et. seq. – Provides that no person on the grounds of race, color, or national origin be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination in any program or activity receiving Federal financial assistance. Title VI also extends protection to persons with Limited English Proficiency. (LEP) (42 U.S.C. §2000d et seq.)
- *Title IX of the Education Amendments of 1972*, as amended, 20 U.S.C. §1681 et. seq. – Provides that no person, on the basis of sex, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any education program or activity receiving Federal financial assistance.
- *Section 504 of the Rehabilitation Act of 1973*, as amended, 29 U.S.C. §794 – Provides that no otherwise qualified individual with a disability in the United States, shall, solely by reason of his or her disability, be excluded from the participation in, be denied the benefits of, or subject to discrimination in any program or activity receiving Federal financial assistance.
- *The Age Discrimination Act of 1975*, as amended, 20 U.S.C. §6101 et. seq. – Provides that no person in the United States shall, on the basis of age, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity receiving Federal financial assistance.

Grantees must comply with all regulations, guidelines, and standards adopted under the above statutes. The grantee is also required to submit information, as required, to the DHS Office for Civil Rights and Civil Liberties concerning its compliance with these laws and their implementing regulations.

5.4 – Services to Limited English Proficient (LEP) persons. Recipients of FEMA financial assistance are required to comply with several Federal civil rights laws, including Title VI of the *Civil Rights Act of 1964*, as amended. These laws prohibit discrimination on the basis of race, color, religion, natural origin, and sex in the delivery of services. National origin discrimination includes discrimination on the basis of limited English proficiency. To ensure compliance with Title VI, recipients are required to take reasonable steps to ensure that LEP persons have meaningful access to their programs. Meaningful access may entail providing language assistance services, including oral and written translation, where necessary. The grantee is encouraged to consider the need for language services for LEP persons served or encountered both in developing their proposals and budgets and in conducting their programs and activities. Reasonable costs associated with providing meaningful access for LEP individuals are considered allowable program costs. For additional information, see <http://www.lep.gov>.

5.5 – Certifications and Assurances. Certifications and assurances regarding the following apply:

- *Lobbying.* 31 U.S.C. §1352, *Limitation on use of appropriated funds to influence certain Federal contracting and financial transactions* – Prohibits the use of Federal funds in lobbying members and employees of Congress, as well as employees of Federal agencies, with respect to the award or amendment of any Federal grant, cooperative agreement, contract, or loan. FEMA and DHS have codified restrictions upon lobbying at 44 CFR Part 18 and 6 CFR Part 9. (Refer to form included in application package)
- *Drug-free Workplace Act*, as amended, 41 U.S.C. §701 et seq. – Requires the recipient to publish a statement about its drug-free workplace program and give a copy of the statement to each employee (including consultants and temporary personnel) who will be involved in award-supported activities at any site where these activities will be carried out. Also, place(s) where work is being performed under the award (i.e., street address, city, state and zip code) must be maintained on file. The recipient must notify the Grants Officer of any employee convicted of a violation of a criminal drug statute that occurs in the workplace. For additional information, see 44 CFR Part 17.
- *Debarment and Suspension* – Executive Orders 12549 and 12689 provide protection from fraud, waste, and abuse by debarring or suspending those

persons that deal in an irresponsible manner with the Federal government. The recipient must certify that they are not debarred or suspended from receiving Federal assistance. For additional information, see 44 CFR Part 17.

- *Federal Debt Status* – The recipient may not be delinquent in the repayment of any Federal debt. Examples of relevant debt include delinquent payroll or other taxes, audit disallowances, and benefit overpayments (OMB Circular A-129). (Refer to SF 424, item number 17)
- *Hotel and Motel Fire Safety Act of 1990* – In accordance with section 6 of the *Hotel and Motel Fire Safety Act of 1990*, 15 U.S.C. §2225a, the recipient agrees to ensure that all conference, meeting, convention, or training space funded in whole or in part with Federal funds, complies with the fire prevention and control guidelines of the *Federal Fire Prevention and Control Act of 1974*, 15 U.S.C. §2225.

Grantees must comply with all regulations, guidelines, and standards adopted under the above statutes.

5.6 – Integrating Individuals with Disabilities into Emergency Planning.

Section 504 of the *Rehabilitation Act of 1973*, as amended, prohibits discrimination against people with disabilities in all aspects of emergency mitigation, planning, response, and recovery by entities receiving financial funding from FEMA. In addition, Executive Order 13347, *Individuals with Disabilities in Emergency Preparedness* signed in July 2004, requires the Federal Government to support safety and security for individuals with disabilities in situations involving disasters, including earthquakes, tornadoes, fires, floods, hurricanes, and acts of terrorism. Executive Order 13347 requires the Federal government to encourage consideration of the needs of individuals with disabilities served by State, local, and tribal governments in emergency preparedness planning.

FEMA has several resources available to assist emergency managers in planning and response efforts related to people with disabilities and to ensure compliance with Federal civil rights laws:

- **Comprehensive Preparedness Guide 301 (CPG-301): Interim Emergency Management Planning Guide for Special Needs Populations.** CPG-301 is designed to aid tribal, State, territorial, and local governments in planning for individuals with special needs. CPG-301 outlines special needs considerations for: Developing Informed Plans; Assessments and Registries; Emergency Public Information/Communication; Sheltering and Mass Care; Evacuation; Transportation; Human Services/Medical Management; Congregate

Settings; Recovery; and Training and Exercises. CPG-301 is available at <http://www.fema.gov/pdf/media/2008/301.pdf>.

- **Guidelines for Accommodating Individuals with Disabilities in Disaster.** The Guidelines synthesize the array of existing accessibility requirements into a user friendly tool for use by response and recovery personnel in the field. The Guidelines are available at <http://www.fema.gov/oer/reference/>.
- **Disability and Emergency Preparedness Resource Center.** A web-based “Resource Center” that includes dozens of technical assistance materials to assist emergency managers in planning and response efforts related to people with disabilities. The “Resource Center” is available at <http://www.disabilitypreparedness.gov>.
- **Lessons Learned Information Sharing (LLIS) resource page on Emergency Planning for Persons with Disabilities and Special Needs.** A true one-stop resource shop for planners at all levels of government, non-governmental organizations, and private sector entities, the resource page provides more than 250 documents, including lessons learned, plans, procedures, policies, and guidance, on how to include citizens with disabilities and other special needs in all phases of the emergency management cycle.

LLIS.gov is available to emergency response providers and homeland security officials from the Federal, State, and local levels. To access the resource page, log onto <http://www.llis.gov> and click on *Emergency Planning for Persons with Disabilities and Special Needs* under *Featured Topics*. If you meet the eligibility requirements for accessing Lessons Learned Information Sharing, you can request membership by registering online.

5.7 – Environmental Planning and Historic Preservation (EHP) Compliance.

FEMA is required to consider the potential impacts to the human and natural environment of projects proposed for FEMA grant funding. FEMA, through its EHP Program, engages in a review process to ensure that FEMA-funded activities comply with various Federal laws including: *National Environmental Policy Act*, *National Historic Preservation Act*, *Endangered Species Act*, the *Clean Water Act*, and Executive Orders on Floodplains (11988), Wetlands (11990), and Environmental Justice (12898). The goal of these compliance requirements is to protect our Nation’s water, air, coastal, wildlife, agricultural, historical, and cultural resources, as well as to minimize potential adverse effects to low-income and minority populations.

The grantee shall provide all relevant information to FEMA’s Grant Programs Directorate (GPD) to ensure compliance with applicable Federal EHP requirements. Any project with the potential to impact natural or biological

resources or historic properties cannot be initiated until FEMA has completed the required EHP review. In addition to a detailed project description that describes what is to be done with the grant funds, how it will be done, and where it will be done, grantees shall provide detailed information about the project (where applicable), including, but not limited to, the following:

- Project location (i.e., exact street address or map coordinates)
- Total extent of ground disturbance and vegetation clearing
- Extent of modification of existing structures
- Construction equipment to be used, staging areas, etc.
- Year that any affected buildings or structures were built
- Natural, biological, and/or cultural resources present within the project area and vicinity, including wetlands, floodplains, geologic resources, threatened or endangered species, or National Register of Historic Places listed or eligible properties, etc.
- Visual documentation such as good quality, color and labeled site and facility photographs, project plans, aerial photos, maps, etc.
- Alternative ways considered to implement the project (not applicable to procurement of mobile and portable equipment)

For projects that have the potential to impact sensitive resources, FEMA must consult with other Federal, State, and tribal agencies such as the U.S. Fish and Wildlife Service, State Historic Preservation Offices, and the U.S. Army Corps of Engineers, as well as other agencies and organizations responsible for the protection and/or management of natural and cultural resources, including Federally-recognized Indian tribes, Tribal Historic Preservation Offices, and the Department of the Interior, Bureau of Indian Affairs. For projects with the potential to have adverse effects on the environment and/or historic properties, FEMA's EHP review process and consultation may result in a substantive agreement between the involved parties outlining how the grantee will avoid the effects, minimize the effects, or, if necessary, compensate for the effects. Grantees who are proposing communication tower projects are encouraged to complete their Federal Communications Commission (FCC) EHP process prior to preparing their EHP review materials for GPD, and to include their FCC EHP materials with their submission to GPD. Completing the FCC process first and submitting all relevant EHP documentation to GPD will help expedite FEMA's review.

Because of the potential for adverse effects to EHP resources or public controversy, some projects may require an additional assessment or report, such as an Environmental Assessment, Biological Assessment, archaeological survey, cultural resources report, wetlands delineation, or other document, as well as a public comment period. Grantees are responsible for the preparation of such documents, as well as for the implementation of any treatment or mitigation measures identified during the EHP review that are necessary to address potential adverse impacts. Grantees may use grant funds toward the costs of

preparing such documents. The use of grant funds for mitigation or treatment measures that are not typically allowable expenses will be considered on a case-by-case basis. Failure of the grantee to meet Federal, State, local, and territorial EHP requirements, obtain required permits, and comply with any conditions that may be placed on the project as the result of FEMA's EHP review may jeopardize Federal funding.

Recipients shall not undertake any project without the prior approval of GPD, and must comply with all conditions placed on the project as the result of the EHP review. Any change to the approved project description will require re-evaluation for compliance with these EHP requirements. If ground disturbing activities occur during project implementation, the recipient must ensure monitoring of ground disturbance, and if any potential archeological resources are discovered, the recipient will immediately cease construction in that area and notify their GPD Program Analyst, and the appropriate State Historic Preservation Office. Any projects that have been initiated prior to approval will result in a non-compliance finding and will not be eligible for funding.

For more information on FEMA's EHP requirements, SAAs should refer to FEMA's Information Bulletin #329, *Environmental Planning and Historic Preservation Requirements for Grants*, available at <http://www.fema.gov/pdf/government/grant/bulletins/info329.pdf>. Additional information and resources can also be found at <http://www.fema.gov/plan/ehp/ehp-applicant-help.shtm>.

5.8 – Robert T. Stafford Disaster Relief and Emergency Assistance Act, Public Law 93-288, as amended, 42 U.S.C. 5121-5206, and Related Authorities. Awards of funding under this program are subject to the *Robert T. Stafford Disaster Relief and Emergency Assistance Act* (Public Law 93-288), as amended. Specifically, 42 U.S.C. 5196, Subtitle A, Powers and Duties, Section 611, Detailed Functions of Administration, Subsection (j)(9), Financial Contributions, requires recipients of funds under Title VI of the Stafford Act for construction projects to comply with the Davis-Bacon Act. Additionally, 42 U.S.C. 5206 requires all recipients of funds under the Stafford Act to comply with the Buy American Act (41 U.S.C. 10a et seq.).

5.9 – Royalty-free License. Applicants are advised that FEMA reserves a royalty-free, non-exclusive, and irrevocable license to reproduce, publish, or otherwise use, and authorize others to use, for Federal government purposes: (a) the copyright in any work developed under an award or sub-award; and (b) any rights of copyright to which an award recipient or sub-recipient purchases ownership with Federal support. Award recipients must agree to consult with FEMA regarding the allocation of any patent rights that arise from, or are purchased with, this funding.

5.10 – FEMA GPD Publications Statement. Applicants are advised that all publications created with funding under any grant award shall prominently

contain the following statement: "This document was prepared under a grant from the Federal Emergency Management Agency's Grant Programs Directorate (FEMA/GPD) within the U.S. Department of Homeland Security. Points of view or opinions expressed in this document are those of the authors and do not necessarily represent the official position or policies of FEMA/GPD or the U.S. Department of Homeland Security."

5.11 – Equipment Marking. Awardees may consider marking equipment in the following manner, "Purchased with funds provided by the U.S. Department of Homeland Security," in order to facilitate their own audit processes, as well as Federal audits and monitoring visits, which may result from receiving Federal funding. Equipment maintenance requirements are outlined in 44 CFR Part 13.32.

5.12 – Disadvantaged Business Requirement. Applicants are advised that, to the extent that recipients of a grant use contractors or subcontractors, such recipients shall use small, minority, women-owned or disadvantaged business concerns and contractors or subcontractors to the extent practicable.

5.13 – National Preparedness Reporting Compliance. *The Government Performance and Results Act of 1993* (Public Law 103-62) (GPRA) requires that the Department collect and report performance information on all programs. For grant programs, the prioritized Investment Justifications and their associated milestones provide an important tool for assessing grant performance and complying with these national preparedness reporting requirements. FEMA will work with grantees to develop tools and processes to support this requirement. FEMA anticipates using this information to inform future-year grant program funding decisions. Award recipients must agree to cooperate with any assessments, national evaluation efforts, or information or data collection requests, including, but not limited to, the provision of any information required for the assessment or evaluation of any activities within their grant agreement. This includes any assessments, audits, or investigations conducted by DHS, the Office of the Inspector General, or the U.S. Government Accountability Office (GAO).

C. Reporting Requirements

Reporting requirements must be met throughout the life of the grant (refer to the program guidance and the special conditions found in the award package for a full explanation of these requirements). Any reports or documents prepared as a result of this grant shall be in compliance with Federal "plain English" policies, directives, etc. Please note that PARS contains edits that will prevent access to funds if reporting requirements are not met on a timely basis.

- 1. Federal Financial Report (FFR) – required quarterly.** Obligations and expenditures must be reported on a quarterly basis through the FFR (SF-425), which

is due within 30 days of the end of each calendar quarter (e.g., for the quarter ending March 31, the FFR is due no later than April 30). A report must be submitted for every quarter of the period of performance, including partial calendar quarters, as well as for periods where no grant activity occurs. Future awards and fund draw downs may be withheld if these reports are delinquent. The final FFR is due 90 days after the end date of the performance period.

OMB has directed that the FFR SF-425 replace the use of the SF-269, SF-269A, SF-272, and SF-272A, which are no longer available as of October 1, 2009. The SF-425 is intended to provide Federal agencies and grant recipients with a standard format and consistent reporting requirements throughout the government.

FFRs **must be filed online** through PARS.

Reporting periods and due dates:

- October 1 – December 31; *Due January 30*
- January 1 – March 31; *Due April 30*
- April 1 – June 30; *Due July 30*
- July 1 – September 30; *Due October 30*

- 2. Semi-Annual Assistance Progress Report (SAPR).** Following an award, the awardees will be responsible for providing updated obligation and expenditure information on a semi-annual basis. The applicant is responsible for completing and submitting the SAPR reports. The awardee should include a statement in the narrative field of the SAPR that reads: See BSIR.

The SAPR is due within 30 days after the end of the reporting period (July 30 for the reporting period of January 1 through June 30; and January 30 for the reporting period of July 1 through December 31). Future awards and fund drawdowns may be withheld if these reports are delinquent.

SAPRs must be filed online at <https://grants.ojp.usdoj.gov>. Guidance and instructions can be found at <https://grants.ojp.usdoj.gov/gmsHelp/index.html>.

Required submission: SAPR (due semi-annually).

- 3. Quarterly Progress Reports.** EMPG Quarterly Progress Reports must be submitted to the EMPG Regional Program Manager located at the FEMA regional office on a quarterly basis. The Quarterly Progress Reports should be based on the EMPG Work Plan. The Quarterly Progress Report should be completed using the SF-Performance Progress Report, available at http://www.whitehouse.gov/omb/grants/grants_forms.html. Copies of the Quarterly Progress Reports will be kept on file with the EMPG Regional Program Manager, as well as at FEMA's Grant Programs Directorate.

Required submission: Project Report (quarterly).

4. **Biannual Strategy Implementation Reports (BSIR).** Following an award, the awardees will be responsible for providing updated obligation and expenditure information on a semi-annual basis. The applicable SAAs are responsible for completing and submitting the BSIR reports which is a component of the SAPR. The BSIR submission will satisfy the narrative requirement of the SAPR. SAAs are still required to submit the SAPR with a statement in the narrative field that reads: *See BSIR.*

The BSIR is due within 30 days after the end of the reporting period (July 30 for the reporting period of January 1 through June 30; and January 30 for the reporting period of July 1 through December 31). Updated obligations and expenditure information must be provided with the BSIR to show progress made toward meeting strategic goals and objectives. Future awards and fund drawdowns may be withheld if these reports are delinquent.

5. **Exercise Evaluation and Improvement.** Exercises, implemented with grant funds, should be capabilities and performance-based and should evaluate performance of the targeted capabilities required to respond to the exercise scenario. Guidance related to exercise evaluation and the implementation of improvements is defined in the Homeland Security Exercise and Evaluation Program located at <https://hseep.dhs.gov>. Grant recipients must report on scheduled exercises and ensure that an After Action Report (AAR) and Improvement Plan (IP) are prepared for each exercise conducted with FEMA support (grant funds or direct support) and submitted to the FEMA Grants and Preparedness Community of Interest (COI) on the Homeland Security Information Network (HSIN) within 90 days following completion of the exercise.

The AAR documents the demonstrated performance of targeted capabilities and identifies recommendations for improvements. The IP outlines an exercising jurisdiction(s) plan to address the recommendations contained in the AAR. At a minimum, the IP must identify initial action items and be included in the final AAR. Guidance for the development of AARs and IPs is provided in the HSEEP manual.

Required submissions: AARs and IPs (as applicable).

6. **Financial and Compliance Audit Report.** Recipients that expend \$500,000 or more of Federal funds during their fiscal year are required to submit an organization-wide financial and compliance audit report. The audit must be performed in accordance with GAO's *Government Auditing Standards*, located at <http://www.gao.gov/govaud/ybk01.htm>, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, located at <http://www.whitehouse.gov/omb/circulars/a133/a133.html>. Audit reports are currently due to the Federal Audit Clearinghouse no later than nine months after the end of the recipient's fiscal year. In addition, the Secretary of Homeland Security and the Comptroller General of the United States shall have access to any books,

documents, and records of recipients of FY 2010 EMPG assistance for audit and examination purposes, provided that, in the opinion of the Secretary or the Comptroller, these documents are related to the receipt or use of such assistance. The grantee will also give the sponsoring agency or the Comptroller, through any authorized representative, access to, and the right to examine all records, books, papers or documents related to the grant.

The State shall require that sub-grantees comply with the audit requirements set forth in *OMB Circular A-133*. Recipients are responsible for ensuring that sub-recipient audit reports are received and for resolving any audit findings.

- 7. Monitoring.** Grant recipients will be monitored periodically by FEMA staff, both programmatically and financially, to ensure that the project goals, objectives, performance requirements, timelines, milestone completion, budgets, and other related program criteria are being met. Programmatic monitoring may also include the Regional Federal Preparedness Coordinators, when appropriate, to ensure consistency of project investments with regional and national goals and policies, as well as to help synchronize similar investments ongoing at the Federal, State, and local levels.

Monitoring will be accomplished through a combination of desk-based reviews and on-site monitoring visits. Monitoring will involve the review and analysis of the financial, programmatic, performance, and administrative issues relative to each program and will identify areas where technical assistance and other support may be needed.

The recipient is responsible for monitoring award activities, to include sub-awards, to provide reasonable assurance that the Federal award is administered in compliance with requirements. Responsibilities include the accounting of receipts and expenditures, cash management, maintaining of adequate financial records, and refunding expenditures disallowed by audits.

- 8. Grant Close-Out Process.** Within 90 days after the end of the period of performance, grantees must submit a final FFR and final SAPR detailing all accomplishments throughout the project. After these reports have been reviewed and approved by FEMA, a close-out notice will be completed to close out the grant. The notice will indicate the project as closed, list any remaining funds that will be deobligated, and address the requirement of maintaining the grant records for three years from the date of the final FFR. The grantee is responsible for returning any funds that have been drawn down but remain as unliquidated on grantee financial records.

Required submissions: (1) final SF-425, due 90 days from end of grant period; and (2) final SAPR, due 90 days from the end of the grant period.

PART VII.

FEMA CONTACTS

This section describes several resources that may help applicants in completing a FEMA grant application.

- 1. Centralized Scheduling and Information Desk (CSID).** CSID is a non-emergency comprehensive management and information resource developed by DHS for grants stakeholders. CSID provides general information on all FEMA grant programs and maintains a comprehensive database containing key personnel contact information at the Federal, State, and local levels. CSID can be reached by phone at (800) 368-6498 or by e-mail at ASKCSID@dhs.gov, Monday through Friday, 8:00 a.m. – 6:00 p.m. EST.
- 2. FEMA Regions.** FEMA Regions have programmatic and business grant management authority over the Emergency Management Performance Grant (EMPG) Program, Emergency Operations Center (EOC) Grant Program and the Driver's License Security Grant Program (DLSGP). FEMA Regions provide programmatic and business grant functions including generation of award packages, programmatic and financial monitoring and day to day customer service to grantees. For a list of contacts, please go to <http://www.fema.gov/about/contact/regions.shtml>. Grantees may also contact the CSID noted above for assistance.
- 3. National Exercise Division (NED).** The NED within the FEMA National Preparedness Directorate maintains program management for the Homeland Security Exercise and Evaluation Program (HSEEP). All questions pertaining to HSEEP may be addressed to hseep@fema.gov or contact the NED at (202) 786-9873.
- 4. Homeland Security Preparedness Technical Assistance Program (HSPTAP) and Planning Support.** The Homeland Security Preparedness Technical Assistance Program (HSPTAP) provides direct support assistance on a first-come, first-served basis (and subject to the availability of funding) to eligible organizations to enhance their capacity and preparedness to prevent, protect against, respond to, and recover from terrorist and all hazard threats. In addition to the risk assessment assistance already being provided, FEMA also offers a variety of other direct support assistance programs including resources to aid in the design and management of EOCs as part of the FEMA Comprehensive Preparedness Guide series.

The HSPTAP also provides access to planning support. The planning support aids jurisdictions by increasing their understanding of the complex issues faced in planning for various hazards and threats. This support includes leveraging subject-

matter experts from around the country as well as enabling knowledge transfer from jurisdiction to jurisdiction.

More information can be found at http://www.fema.gov/about/divisions/pppa_ta.shtm or by e-mailing FEMA-TARequest@fema.gov or NPD-planning@dhs.gov.

- 5. Lessons Learned Information Sharing (LLIS) System.** LLIS is a national, online, secure website that houses a collection of peer-validated lessons learned, best practices, and other relevant homeland security documents. LLIS facilitates improved preparedness nationwide by providing response professionals with access to a wealth of validated front-line expertise on effective planning, training, equipping, and operational practices for homeland security.

The LLIS website also includes a national directory of homeland security officials, as well as an updated list of homeland security exercises, events, and conferences. Additionally, LLIS includes online collaboration tools, including secure email and message boards, where users can exchange information. LLIS uses strong encryption and active site monitoring to protect all information housed on the system. The LLIS website can be found at: <http://www.LLIS.gov>.

- 6. Information Bulletins.** Information Bulletins (IBs) provide important updates, clarifications, and policy statements related to FEMA preparedness grant programs. Grantees should familiarize themselves with the relevant publications. Information Bulletins can be found at:

<http://www.fema.gov/government/grant/bulletins/index.shtm>.

- 7. Information Sharing Systems.** FEMA encourages all State, regional, local, and tribal entities using FY 2010 funding in support of information sharing and intelligence fusion and analysis centers to leverage available Federal information sharing systems, including Law Enforcement Online (LEO) and the Homeland Security Information Network (HSIN). For additional information on LEO, contact the LEO Program Office at leoprogramoffice@leo.gov or (202) 324-8833. For additional information on HSIN and available technical assistance, contact the HSIN Help Desk at (703) 674-3003.

- 8. U.S. General Services Administration's (GSA's) State and Local Purchasing Programs.** The GSA offers two efficient and effective procurement programs for State and local governments to purchase products and services to fulfill homeland security and other technology needs. The GSA Schedules (also referred to as the Multiple Award Schedules and the Federal Supply Schedules) are long-term, indefinite delivery, indefinite quantity, government-wide contracts with commercial firms of all sizes.

- Cooperative Purchasing Program
Cooperative Purchasing, authorized by statute, allows State and local governments to purchase a variety of supplies (products) and services under

specific GSA Schedule contracts to save time, money, and meet their everyday needs and missions.

The Cooperative Purchasing program allows State and local governments to purchase alarm and signal systems, facility management systems, firefighting and rescue equipment, law enforcement and security equipment, marine craft and related equipment, special purpose clothing, and related services off of Schedule 84 and Information Technology products and professional services off of Schedule 70 and the Consolidated Schedule (containing IT Special Item Numbers) **only**. Cooperative Purchasing for these categories is authorized under Federal law by the *Local Preparedness Acquisition Act* (Public Law 110-248) and Section 211 of the *E-Government Act of 2002* (Public Law 107-347).

Under this program, State and local governments have access to GSA Schedule contractors who have voluntarily modified their contracts to participate in the Cooperative Purchasing program. The GSA provides a definition of State and local governments as well as other vital information under the frequently asked questions section on its website at: <http://www.gsa.gov/cooperativepurchasing>.

- Disaster Recovery Purchasing Program
GSA plays a critical role in providing disaster recovery products and services to Federal agencies. Now State and local governments can also benefit from the speed and savings of the GSA Federal Supply Schedules. Section 833 of the *John Warner National Defense Authorization Act for Fiscal Year 2007* (Public Law 109-364) amends 40 U.S.C. §502 to authorize GSA to provide State and local governments the use of ALL GSA Federal Supply Schedules for purchase of products and services to be used to facilitate recovery from a major disaster declared by the President under the *Robert T. Stafford Disaster Relief and Emergency Assistance Act* or to facilitate **recovery** from terrorism or nuclear, biological, chemical, or radiological attack.

Products and services being purchased to facilitate recovery from one of the above listed events, may be purchased both in advance of and in the aftermath of a major disaster, as long as the products and services being purchased, will be used to facilitate recovery.

GSA provides additional information on the Disaster Recovery Purchasing Program website at <http://www.gsa.gov/disasterrecovery>.

State and local governments can find a list of contractors on GSA's website, <http://www.gsa/library.gsa.gov>, denoted with a  or symbol.

Assistance is available from GSA on the Cooperative Purchasing and Disaster Purchasing Program at the local and national levels. For assistance at the local level,

visit <http://www.gsa.gov/csd> to find a local customer service director in your area. For assistance at the national level, contact Tricia Reed at tricia.reed@gsa.gov or (571) 259-9921. More information is available on all GSA State and local programs at: www.gsa.gov/stateandlocal.

PART VIII.

OTHER INFORMATION

FY 2010 Match Guidance

Introduction

Determining match for the purposes of submitting grant applications to any Federal Agency should be a coordinated process at the State and local level. It is highly recommended that programmatic staff at the State and local level consult with their financial staff prior to submitting any grant applications, especially those that identify cash or in-kind match.

Types of Match

- 1. Cash Match.** Cash (hard) match includes non-Federal cash spent for project-related costs, according to the program guidance. Allowable cash match must only include those costs which are in compliance with 2 CFR Part 225, *Cost Principles for State, Local, and Indian Tribal Governments* (OMB Circular A-87) and 44 CFR Part 13, *Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*.
- 2. In-kind Match.** In-kind (soft) match includes, but is not limited to, the valuation of in-kind services. "In-kind" is the value of something received or provided that does not have a cost associated with it. For example, if in-kind match (other than cash payments) is permitted, then the value of donated services could be used to comply with the match requirement. Also, third party in-kind contributions may count toward satisfying match requirements provided the grantee receiving the contributions expends them as allowable costs in compliance with 2 CFR Part 225, *Cost Principles for State, Local, and Indian Tribal Governments* (OMB Circular A-87) and 44 CFR Part 13, *Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*.

Definitions

- **Matching or Cost Sharing.** This means the value of the third party in-kind contributions and the portion of the costs of a federally-assisted project or program not borne by the Federal Government. All cost-sharing or matching funds claimed against a FEMA grant by State, local or Tribal governments must meet the requirements of the program guidance and/or program regulations, 44 CFR § 13, and 2 CFR § 225.
- **Cash Match (hard).** This includes cash spent for project-related costs under a grant agreement. Allowable cash match must include only those costs which are allowable with Federal funds in compliance with the program guidance and/or program regulations, 44 CFR § 13, and 2 CFR § 225.

- **In-kind Match (soft).** This means contributions of the reasonable value of property or services in lieu of cash which benefit a federally-assisted project or program. This type of match may only be used if not restricted or prohibited by program statute, regulation or guidance and must be supported with source documentation. Only property or services that are in compliance with program guidance and/or program regulations, 44 CFR § 13, and 2 CFR § 225, are allowable.

Basic Guidelines

- For costs to be eligible to meet matching requirements, the costs must first be allowable under the grant program.
- The costs must also be in compliance with all Federal requirements and regulations (e.g., 44 CFR Part 13 and 2 CFR Part 225); the costs must be reasonable, allowable, allocable, and necessary.
- Records for all expenditures relating to cost sharing or matching must be kept in the same manner as those for the grant funds.
 - The following documentation is required for third-party cash and in-kind contributions: Record of donor; Dates of donation; Rates for staffing, equipment or usage, supplies, etc.; Amounts of donation; and Deposit slips for cash contributions. According to 44 CFR § 13.24, this documentation is to be held at the Applicant and/or subapplicant level.
- Except as provided by Federal statute, a cost sharing or matching requirement may not be met by costs borne by another Federal grant.
- The source of the match funds must be identified in the grant application.
- Every item must be verifiable, i.e., tracked and documented.
- Any claimed cost share expense can only be counted once.

Examples *(For additional examples of match, please contact your State finance office)*

- The Emergency Management Director has 50% of his/her salary paid from State funds and 50% paid from Federal grant funds, but he/she provides 60% effort in the Federal grant program that only pays 50% salary. The additional 10% of effort/time toward the Federal grant program can be claimed as soft match. All record keeping requirements to prove the 60% time allocation apply.
- Non-Federally funded equipment or facilities used during exercises can be claimed as soft match, but only at the time of donation. For example, only the fair market price for the use of the facility for the period of the exercise can be claimed as match.
- Third party in-kind contributions of salary, travel, equipment, supplies and other budget areas that are from third party sources must be in compliance with 44 CFR § 13.24, *Matching or Cost Sharing*. These types of contributions include voluntary contributions such as emergency personnel, lawyers, etc., who donate their time to a Federal grant program. The normal per hour rate for these professionals (acting in their professional capacity) can be used to meet the

matching requirement. The value of the services provided is taken into consideration when determining the value of the contribution - not who is providing the service. For example, if a lawyer is volunteering his services to assist flood victims in filing legal paper work, the lawyer's normal hourly rate is allowable. If the lawyer is volunteering his services and is working in a soup kitchen, the lawyer's hourly rate would not be applicable; it would be the hourly rate for a soup kitchen worker.

Governing Provisions

- 44 CFR Part 13, *Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*
 - Reference 44 CFR § 13.24, *Matching or Cost Sharing*
- 2 CFR Part 225, *Cost Principles for State, Local, and Indian Tribal Governments* (OMB Circular A-87)
- Program Guidance and/or Program Regulations

44 CFR Part 13, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments

44 CFR § 13.24, Matching or Cost Sharing.

(a) Basic rule: Costs and contributions acceptable. With the qualifications and exceptions listed in paragraph (b) of this section, a matching or cost sharing requirement may be satisfied by either or both of the following:

- (1) Allowable costs incurred by the grantee, subgrantee or a cost-type contractor under the assistance agreement. This includes allowable costs borne by non-Federal grants or by others cash donations from non-Federal third parties.
- (2) The value of third party in-kind contributions applicable to the period to which the cost sharing or matching requirements applies.

(b) Qualifications and exceptions:

- (1) Costs borne by other Federal grant agreements. Except as provided by Federal statute, a cost sharing or matching requirement may not be met by costs borne by another Federal grant. This prohibition does not apply to income earned by a grantee or subgrantee from a contract awarded under another Federal grant.
- (2) General revenue sharing. For the purpose of this section, general revenue sharing funds distributed under 31 U.S.C. 6702 are not considered Federal grant funds.
- (3) Cost or contributions counted towards other Federal costs-sharing requirements. Neither costs nor the values of third party in-kind contributions may count towards satisfying a cost sharing or matching requirement of a grant agreement if they have been or will be counted towards satisfying a cost sharing or matching requirement of another Federal grant agreement, a Federal procurement contract, or any other award of Federal funds.

- (4) Costs financed by program income. Costs financed by program income, as defined in § 13.25, shall not count towards satisfying a cost sharing or matching requirement unless they are expressly permitted in the terms of the assistance agreement (This use of general program income is described in § 13.25 (g)).
- (5) Services or property financed by income earned by contractors. Contractors under a grant may earn income from the activities carried out under the contract in addition to the amounts earned from the party awarding the contract. No costs of services or property supported by this income may count toward satisfying a cost sharing or matching requirement unless other provisions of the grant agreement expressly permit this kind of income to be used to meet the requirement.
- (6) Records. Costs and third party in kind contributions counting towards satisfying a cost sharing or matching requirement must be verifiable from the records of grantees and subgrantees or cost-type contractors. These records must show how the value placed on third party in-kind contributions was derived. To the extent feasible, volunteer services will be supported by the same methods that the organization uses to support the allocability of regular personnel costs.
- (7) Special standards for third party in kind contributions.
 - (i) Third party in kind contributions count towards satisfying a cost sharing or matching requirement only where, if the party receiving the contributions were to pay for them, the payments would be allowable costs.
 - (ii) Some third party in-kind contributions are goods and services that if the grantee, subgrantee, or contractor receiving the contribution had to pay for them, the payments would have been an indirect costs. Costs sharing or matching credit for such contributions shall be given only if the grantee, subgrantee, or contractor has established, along with its regular indirect cost rate, a special rate for allocating to individual projects or programs the value of the contributions.
 - (iii) A third party in-kind contribution to a fixed-price contract may count towards satisfying a cost sharing or matching requirement only if it results in:
 - (A) An increase in the services or property provided under the contract (without additional cost to the grantee or subgrantee); or
 - (B) A cost savings to the grantee or subgrantee.
 - (iv) The values placed on third party in kind contributions for cost sharing or matching purposes will conform to the rules in the succeeding sections of this part. If a third party in-kind contribution is a type not treated in those sections, the value placed upon it shall be fair and reasonable.

(c) Valuation of donated services:

- (1) Volunteer services. Unpaid services provided to a grantee or subgrantee by individuals will be valued at rates consistent with those ordinarily paid for similar work in the grantee's or subgrantee's organization. If the grantee or

subgrantee does not have employees performing similar work, the rates will be consistent with those ordinarily paid by other employers for similar work in the same labor market. In either case, a reasonable amount for fringe benefits may be included in the valuation.

- (2) Employees of other organizations. When an employer other than a grantee, subgrantee, or cost-type contractor furnishes free of charge the services of an employee in the employee's normal line of work, the services will be valued at the employee's regular rate of pay exclusive of the employee's fringe benefits and overhead costs. If the services are in a different line of work, paragraph(c)(1) of this section applies.

(d) Valuation of third party donated supplies and loaned equipment or space:

- (1) If a third party donates supplies, the contribution will be valued at the market value of the supplies at the time of donation.
- (2) If a third party donates the use of equipment or space in a building but retains title, the contribution will be valued at the fair rental rate of the equipment or space.

(e) Valuation of third party donated equipment, buildings, and land. If a third party donates equipment, buildings, or land, and title passes to a grantee or subgrantee, the treatment of the donated property will depend upon the purpose of the grant or subgrant, as follows:

- (1) Awards for capital expenditures. If the purpose of the grant or subgrant is to assist the grantee or subgrantee in the acquisition of property, the market value of that property at the time of donation may be counted as cost sharing or matching,
- (2) Other awards. If assisting in the acquisition of property is not the purpose of the grant or subgrant, paragraphs (e)(2) (i) and (ii) of this section apply:
 - (i) If approval is obtained from the awarding agency, the market value at the time of donation of the donated equipment or buildings and the fair rental rate of the donated land may be counted as cost sharing or matching. In the case of a subgrant, the terms of the grant agreement may require that the approval be obtained from the Federal agency as well as the grantee. In all cases, the approval may be given only if a purchase of the equipment or rental of the land would be approved as an allowable direct cost. If any part of the donated property was acquired with Federal funds, only the non- Federal share of the property may be counted as cost sharing or matching.
 - (ii) If approval is not obtained under paragraph (e)(2)(i) of this section, no amount may be counted for donated land, and only depreciation or use allowances may be counted for donated equipment and buildings. The depreciation or use allowances for this property are not treated as third party in-kind contributions. Instead, they are treated as costs incurred by the grantee or subgrantee. They are computed and allocated (usually as indirect costs) in accordance with the cost principles specified in § 13.22, in the same way as depreciation or use allowances for purchased equipment and buildings. The amount of depreciation or use allowances

for donated equipment and buildings is based on the property's market value at the time it was donated.

(f) Valuation of grantee or subgrantee donated real property for construction/acquisition. If a grantee or subgrantee donates real property for a construction or facilities acquisition project, the current market value of that property may be counted as cost sharing or matching. If any part of the donated property was acquired with Federal funds, only the non-Federal share of the property may be counted as cost sharing or matching.

(g) Appraisal of real property. In some cases under paragraphs (d), (e), and (f) of this section, it will be necessary to establish the market value of land or a building or the fair rental rate of land or of space in a building. In these cases, the Federal agency may require the market value or fair rental value be set by an independent appraiser, and that the value or rate be certified by the grantee. This requirement will also be imposed by the grantee on subgrantees.

2 CFR Part 225, Cost Principles for State, Local, and Indian Tribal Governments (OMB Circular A-87)

Basic Guidelines

- 1. Factors affecting allowability of costs.** To be allowable under Federal awards, costs must meet the following general criteria:
 - a. Be necessary and reasonable for proper and efficient performance and administration of Federal awards.
 - b. Be allocable to Federal awards under the provisions of 2 CFR Part 225.
 - c. Be authorized or not prohibited under State or local laws or regulations.
 - d. Conform to any limitations or exclusions set forth in these principles, Federal laws, terms and conditions of the Federal award, or other governing regulations as to types or amounts of cost items.
 - e. Be consistent with policies, regulations, and procedures that apply uniformly to both Federal awards and other activities of the governmental unit.
 - f. Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.
 - g. Except as otherwise provided for in 2 CFR Part 225, be determined in accordance with generally accepted accounting principles.
 - h. Not be included as a cost or used to meet cost sharing or matching requirements of any other Federal award in either the current or a prior period, except as specifically provided by Federal law or regulation.
 - i. Be the net of all applicable credits.
 - j. Be adequately documented.
- 2. Reasonable costs.** A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. The question of

reasonableness is particularly important when governmental units or components are predominately federally-funded. In determining reasonableness of a given cost, consideration shall be given to:

- a. Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the governmental unit or the performance of the Federal award.
- b. The restraints or requirements imposed by such factors as: Sound business practices; arm's-length bargaining; Federal, State and other laws and regulations; and, terms and conditions of the Federal award.
- c. Market prices for comparable goods or services.
- d. Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the governmental unit, its employees, the public at large, and the Federal Government.
- e. Significant deviations from the established practices of the governmental unit which may unjustifiably increase the Federal award's cost.

3. Allocable costs.

- a. A cost is allocable to a particular cost objective if the goods or services involved are chargeable or assignable to such cost objective in accordance with relative benefits received.
- b. All activities which benefit from the governmental unit's indirect cost, including unallowable activities and services donated to the governmental unit by third parties, will receive an appropriate allocation of indirect costs.
- c. Any cost allocable to a particular Federal award or cost objective under the principles provided for in 2 CFR Part 225 may not be charged to other Federal awards to overcome fund deficiencies, to avoid restrictions imposed by law or terms of the Federal awards, or for other reasons.
- d. Where an accumulation of indirect costs will ultimately result in charges to a Federal award, a cost allocation plan will be required as described in Appendices C, D, and E to this part.

4. Applicable credits.

- a. Applicable credits refer to those receipts or reduction of expenditure-type transactions that offset or reduce expense items allocable to Federal awards as direct or indirect costs. Examples of such transactions are: Purchase discounts, rebates or allowances, recoveries or indemnities on losses, insurance refunds or rebates, and adjustments of overpayments or erroneous charges. To the extent that such credits accruing to or received by the governmental unit relate to allowable costs, they shall be credited to the Federal award either as a cost reduction or cash refund, as appropriate.
- b. In some instances, the amounts received from the Federal Government to finance activities or service operations of the governmental unit should be treated as applicable credits. Specifically, the concept of netting such credit items (including any amounts used to meet cost sharing or matching requirements) should be recognized in determining the rates or amounts to be charged to Federal awards.