



U. S. Department of Homeland Security

Office for Domestic Preparedness

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TO: All State Administrative Agency Heads  
All State Administrative Agency Points of Contact

FROM: Andrew T. Mitchell  
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SUBJECT: Additional Guidance on Management and Administration Funds  
vs. Planning Funds

The Office for Domestic Preparedness has recently received requests from several SAAs seeking clarification on allowable management and administrative costs versus planning costs under the Fiscal Year 2003 State Homeland Security Grant Program (SHSGP) Part II. The following definitions will apply:

Management and Administrative Costs: States may use no more than 3% of the overall grant award to pay for management and administrative activities associated with the implementation of the state assessment, including: 1) hiring of full or part-time staff or contractors/consultants to assist with the collection of the assessment data; 2) travel expenses; 3) meeting-related expenses; 4) conducting local program implementation meetings; 5) hiring of full or part-time staff or contractors/consultants to assist with the implementation and administration of the strategy; 6) the acquisition of authorized office equipment; and 7) implementing and managing sustainable programs for equipment acquisition, training, and exercises. (Note: Authorized office equipment includes personal computers, laptop computers, printers, LCD projectors and other equipment or software which may be required to support implementation of the assessment. For a complete list of allowable meeting-related expenses, please review the OJP Office of the Comptroller (OC) Financial Guide at: <http://www.ojp.usdoj.gov/FinGuide>).

Planning Costs: Planning funds are separate from management and administrative expenses and are not included in the 3% noted above. Funds to be used for planning may be used to pay for activities associated with the completion of the state assessment, development of the state strategy, and other planning activities, including: 1) conducting training sessions to ensure accurate completion of the assessment; 2) enhancement or establishment of mutual aid agreements; 3) enhancement or development of emergency operations plans and operating

procedures; 4) development or enhancement of recovery plans; 5) development of communications and interoperability protocols and solutions; 6) coordination of citizen and family preparedness plans and programs, including donations programs and volunteer initiatives; 7) enhancement or development of continuity of operations and continuity of government plans; and 8) hiring of full or part-time staff or contractors/consultants to assist with any of the above activities.

As a reminder, management and administration funds are capped at 3% of the total award. This 3% can be retained at the state level or passed through to local jurisdictions.

Should you have any additional questions, please contact the ODP Helpline at: 1-800-368-6498.