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U.S. DEPARTMENT OF HOMELAND SECURITY

**Fiscal Year 2008
REAL ID DEMONSTRATION GRANT
PROGRAM**

PROGRAM GUIDANCE AND APPLICATION KIT

December 2007



FEDERAL EMERGENCY MANAGEMENT AGENCY-NATIONAL PREPAREDNESS DIRECTORATE

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I. INTRODUCTION

On September 11, 2001, 18 of the 19 terrorists involved in the attacks on the United States had been issued U. S. identification documents, including drivers' licenses. The REAL ID Demonstration Grant Program addresses a key recommendation of the 9/11 Commission Report to enhance the security and protections that are needed to issue "one person one REAL ID." The REAL ID program will help states improve state driver's license and ID card issuance capabilities and position states to work collectively to develop more secure systems to verify a person's identity.

The Fiscal Year (FY) 2008 REAL ID Demonstration Grant Program is one of three REAL ID grant initiatives offered by the Department of Homeland Security (DHS). In total, the Department will fund \$38.3 million dollars to enhance State driver's license and ID card issuance capabilities. These funding initiatives include: 1. this demonstration program, the Fiscal Year 2008 REAL ID Demonstration Grant Program, 2. a REAL ID Pilot Project already underway with the Commonwealth of Kentucky to test a birth records verification software tool, and 3. the Fiscal Year (FY) 2008 Vital Events Verifications State Project Grant, that will provide all States with web access to the software Kentucky is testing.

The REAL ID Demonstration Grant Program Guidance is designed to encourage all States and territories to apply for REAL ID Demonstration Grant Program funding. States competing for REAL ID funding are invited to submit proposals that will benefit many or all States seeking to comply with the provisions of the REAL ID Act. In particular, DHS anticipates making grant awards to States that propose to modify or enhance a consolidated systems and communications architecture that all States can use to verify the identity, date of birth, social security number, lawful status, and licensing status of applicants for driver's licenses or identification cards issued in compliance with the REAL ID Act. DHS is looking for solutions that will:

- Have the greatest impact upon reducing the issuance and use of fraudulent driver's licenses and identification cards.
- Expedite deployment of a federated querying system or "hub" that will provide a common platform for fulfilling the data and document verification requirements of the REAL ID Act.
- Expedite states' ability to connect with and use this common hub.
- Reduce the costs of REAL ID implementation for individuals, States, and the Federal Government.
- Expedite state progress toward compliance with REAL ID implementation.

The Department anticipates making grant awards with States that embrace a State-centric approach and/or proposal to deploy a consolidated data and document verification capability that can be used by all States. This approach encourages States to share resources and expertise to design and develop a verification system architecture using a common, networked hub. Once in place, the hub will allow States to seamlessly verify the identity, date of birth, lawful status, social security number, and State-issued licenses of individuals applying for a REAL ID driver's license or ID card. The Act requires that States use the Systematic Alien Verification for Entitlements

(SAVE) system to verify the lawful status of individuals other than U.S. citizens and confirm with the Social Security Administration the social security number presented by applicants. In addition, States need to be able to determine if an applicant has a license or identification card in any other State. If the applicant has another valid license, the State must verify that the license is being or will be terminated before issuing a new license. Standardizing the way in which States access this information utilizing a seamless verification systems process and built-in security enhancements to protect personal identity data against fraud and illegal access are key objectives of this grant program.

A. REAL ID Act of 2005

Title II of the REAL ID Act of 2005¹ (the Act) establishes certain minimum standards for State-issued drivers licenses and ID cards, and the Act prohibits Federal agencies from accepting State-issued driver's licenses or ID cards for official purposes. To meet the requirements of the Act, States must, among other things, require evidence of lawful immigration status before issuing a driver's license or ID card to a person, and verify that the applicant is lawfully present in the United States. The Act also requires that participating States must issue temporary driver's licenses or ID cards to persons temporarily present in the United States that are valid only for their period of authorized stay, or for one year where the period of stay is undefined.

Driver's licenses and identification cards for non-drivers (ID cards) are issued by the States, not by the Federal government. Subject to appropriate Federal law, States have traditionally determined what data elements appear on these licenses and what documents must be provided in order to obtain them. State Departments of Motor Vehicles (DMV) maintain their own databases of licensed drivers and ID card holders.

B. REAL ID Act Requirements

After May 11, 2008, "a Federal agency may not accept, for any official purpose, a driver's license or identification card issued by a State to any person unless the State is meeting the requirements" specified in the REAL ID Act. The Act permits States to issue non-compliant licenses that are not acceptable for official purposes so long as these non-compliant licenses have a unique design or color and contain a clear statement that they cannot be accepted for official purposes. The REAL ID Act requirements include, but are not limited to, the following:

Information Required Before Issuing a REAL ID Driver's License or ID Card

In order to issue licenses which comply with the REAL ID Act, States must require, at a minimum, presentation of the following applicant information before issuing a driver's license or ID card:

- A photo identity document, or a non-photo ID if such document includes both full legal name and birth date
- Documentation showing the applicant's name and date of birth

¹ Included in the Emergency Supplemental Appropriations Act, Pub. L. 109-13 (May 11, 2005).

- Social Security Number
- Lawful status
- Principal residence

The only foreign document that may be accepted as evidence for the above items is an official passport. Finally, a State must refuse to issue a REAL ID driver's license or ID card to a person holding a driver's license issued by another State without confirmation that the person is terminating or has terminated the driver license.

Further, pursuant to section 202(c)(3)(A), a State must verify, with the issuing agency, the issuance, validity, and completeness of each of the documents presented above.

Data Required on the Driver's License or ID Card

In order to issue licenses in compliance with the REAL ID Act, a State must include, at a minimum, the following information and features on each driver's license and ID card:

- The person's full legal name
- The person's date of birth
- The person's gender
- The person's driver's license or ID card number
- A digital photograph of the person
- The person's address of principal residence
- The person's signature
- Physical security features designed to prevent tampering, counterfeiting, or duplication of the document for fraudulent purposes
- A common machine-readable technology, with defined minimum data elements.

Electronic Access to Motor Vehicle Databases

The Act also requires States to maintain a motor vehicle database and provide access to all other States to information contained in that database. This database must include, at a minimum, all the data printed on the State drivers' licenses and ID cards, plus drivers' histories (including motor vehicle violations, suspensions, and points on licenses).

C. Program Guidance Overview

As authorized under the FY 2006 Department of Homeland Security Appropriations Bill (Public Law 109-90) and the REAL ID Act of 2005 (Public Law 109-13), States² are invited to apply for funds under this solicitation, which will provide the remaining balance of REAL ID funding, or not less than \$31,300,000 million dollars for grants to states. To avoid confusion, wherever the term "State" appears, the provisions in the section of the guidance describing a "State" applies equally to all States. DHS will competitively award grants to State motor vehicle licensing authorities to develop innovative solutions with broad applicability for REAL ID implementation. These solutions should incorporate

² For purposes of the REAL ID Act, "State" is defined at sec. 201(5) as "a State of the United States, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States.

verification systems and business processes shared by all States to significantly reduce the impact of REAL ID implementation on individuals who apply for REAL ID drivers' licenses or identification cards, and State issuing authorities: e.g., motor vehicle agencies that are responsible for REAL ID. REAL ID award recipients will be able to use grant dollars to fulfill the statutory minimum issuance standards of the REAL ID Act in one of three ways, to: 1. Develop REAL ID implementation policies, procedures, and verification protocols, with a uniform set of standards that States can follow to verify applicant data under the provisions of the REAL ID Act; 2. Design and develop a "pointer system" or index to expedite State-to-State data checks for multiple licenses; and 3. Design and develop a federated querying system or hub that all States can access and use. (Please see **Part II: Available Funding and Eligible Applicants** identifying the controlling State authority that can apply for FY 2008 REAL ID Demonstration Grant Program funding.) Grant proposals will be reviewed and assessed for possible grant funding based upon the strength of the proposal submitted and the applicant's potential for impacting the successful implementation of the REAL ID Act by all States. The Department encourages grant applications from States with a multi-State approach to REAL ID verification systems implementation design and development. States submitting applications for FY 2008 REAL ID Demonstration Grant Program funding should demonstrate resiliency in performance and security with the proposed verification system enhancements described in the grant application, and uniformity in the development of verification system policies, procedures and protocols that benefit all States. A peer review panel will score, rate, and rank each application and submit its recommendations for grant funding to the Federal Emergency Management Agency's National Preparedness Directorate (FEMA/NPD). A final selection for REAL ID grant awards will be made by FEMA/NPD in consultation with the Department of Homeland Security's REAL ID Program Office. Prospective applicants should submit their grant application according to the instructions in this solicitation. FEMA/NPD will provide States with official notification of the grant award after the peer panel review process and final selections for grant funding are complete. Upon approval of the program narrative and associated budget worksheets, a REAL ID Grant Award will be issued by the FEMA/NPD.

D. Program Coordination Guidance

As part of the program guidance, each applicant must provide a copy of its proposal to both the State Administrative Agency (SAA) and State Homeland Security Advisor (HSA) in their States. REAL ID activities should be closely coordinated with the HSA and SAA to maximize the DHS Homeland Security Grant Program (HSGP) strategic planning efforts and integration with State and territory homeland security strategies. To obtain SAA or HSA contact information in your State please contact the FEMA/Grant Programs Directorate (GPD) Centralized Scheduling and Information Desk (CSID) at askcsid@dhs.gov, or by calling 1-800 368 6498.

II. Eligible Applicants and Available Funding

This section summarizes the total amount of funding available under the FY08 REAL ID Demonstration Grant Program, the basic distribution method used to administer the REAL ID grants and the State agencies that are eligible for FY08 funding.

A. Eligible Applicants

State Motor Vehicle/Drivers License Issuing Authorities, also known as the State Motor Vehicle Administration (MVA) or the State Department of Motor Vehicles (DMV) are the only State agencies that can apply for REAL ID Demonstration Grant Program funding. A consortium of States may work together to submit one grant application. The grant applicant will need to identify an individual in the MVA or DMV with overall programmatic and fiscal oversight of FY 2008 REAL ID Grant Program funding awarded to the State.

B. Available DHS Funding

The Federal Emergency Management Agency's Grant Programs Directorate (FEMA/GPD), a component of DHS is generally responsible for managing DHS State and local grant programs. As a result, FEMA/GPD is offering not less than \$31,300,000 million dollars for competitive awards to States under the FY 2008 Demonstration Grant Program. States may decide to join other States by pooling grant funds or forming partnerships with groups of States to submit a single multi-state application. By partnering with other States, multi-state applicants will be able to maximize verification systems technology enhancements and acquisitions needed for REAL ID, or work together to integrate commonly used personal identification verification systems such as the Systematic Alien Verification for Entitlements (SAVE) verification system owned by the DHS Citizenship and Immigration Services (CIS), or the Social Security Online Verification (SSOLV) tool, a Social Security Administration web-based verification system.

The number of States included in a multi-state compact or partnership is dependent upon groupings of participating states, their organizational structure with defined roles and responsibilities, and the details and completeness of the information presented in the proposal's work plan. Final determinations of award amounts for multi-state grants may vary depending on the number of multi-state applications that qualify for funding. States are encouraged to submit grant proposals with broad spectrum verification systems infrastructure solutions.

C. Other Federal Funding Sources

In addition to the REAL ID funding provided by FEMA/NPD, the Department of Transportation (DOT) awards grant funding to State Motor Vehicle Agencies (MVA) to enhance the Commercial Drivers' License Information System (CDLIS), a verification tool State MVAs use to verify the licensing status of individuals holding a commercial drivers' license. States gain access to CDLIS through a network jointly designed and developed in coordination with the American Association of Motor Vehicle Administrators

(AAMVA). The AAMVA network (called AAMVAnet) was originally designed and funded by States using DOT grant dollars. DHS recognizes the States' roles and involvement with AAMVA and DOT in developing the CDLIS tool and in designing the AAMVAnet network. DHS is very interested in developing a pointer system or index to support State-to-State data checks similar to the CDLIS system.

In order to maximize FEMA/NPD HSGP funding with REAL ID grant dollars, State Administrative Agencies (SAA) should consult with State MVA's to be aware of these funding streams and the potential impact MVA funding might have on HSGP REAL ID planning requirements in the States. Enhancing and improving existing verification systems to comply with REAL ID drivers' licensing issuance procedures is one of many complex, integrated and multi-faceted State homeland security initiatives underway across the country at every unit of State and local government. As a result, some States may decide to utilize HSGP grant monies for REAL ID implementation.

D. Selection of Eligible Applicants

Grant awards for the FY 2008 REAL ID Demonstration Grant Program will be competitively awarded based upon stringent review criteria. Grant proposals will be reviewed utilizing a standardized scoring process and other evaluative criteria to rank and rate applications.

III. Application Evaluation Process

Multi-state applications for the FY 2008 REAL ID Demonstration Grant Program will be reviewed by a peer review panel. The panel will utilize a standardized scoring process and other evaluative criteria to rank and rate State grant applications for REAL ID grant funding. Successful applicants must receive at least 70 points in order to be considered for grant funding. Grant applications representing a consortium of States working in partnership to design and implement a REAL ID verification system hub will be favorably reviewed. DHS reserves the right to award grant funding to States that advance a State-centric approach to design and implement a REAL ID verification system functionality that benefits all States.

A. Application Review Panel

Each application will be evaluated and assigned a numeric score ranking it against all other grant applications. During this process, a DHS panel will conduct an objective review and assessment of each application to determine if the program narrative/plan accurately portrays the feasibility of the grant proposal and the likelihood that the proposal will have broad impact on successful REAL ID implementation by many or all States. The review panel will provide input during the scoring process attesting to the completeness, accuracy, feasibility, technical sufficiency, and the potential for REAL ID compliance. Panel recommendations to fund REAL ID grants will be made collectively based upon panel member discussions and findings, scores awarded to individual grant proposals, panel member assessments of the program narratives/plans, and professional intuition and insight of individual panel members concerning the strengths and merits of the grant proposal.

B. Scoring Criteria

Applications for the FY 2008 REAL ID Demonstration Grant Program will be rated and ranked according to the criteria listed below. The criteria will help to equalize the process against which all applications will be judged and will be used to identify the strongest candidates for multi-state funding. The intent of this demonstration program is to utilize limited grant dollars so as to achieve maximum benefit for all States. States that submit complete grant application packages will be considered for funding over other states that fail to do so. In particular, multi-state applicants with significant REAL ID capabilities that have developed a scalable REAL ID model other states can use or replicate will be strong candidates for grant funding. Applications must receive a minimum score of 70 out of a total of 100 possible points. The grant applications will be rated and ranked using the following scoring criteria:

Scoring Category

Points Awarded

I. Did the State provide a description for a REAL ID implementation structure?

- Will the State participate in a multi-state REAL ID compact or partnership? If so, did the State identify the States that comprise the compact or partnership?

(250 words or less)

5 pts

II. What is the State’s current driver’s license issuance process and how will it change through this program?

- What applicant verification systems – for example, SAVE, SSOLV, or EVVE – does the State currently use?
- How would these processes change or improve with a multi-state approach?
- Has the State described the cost savings envisioned by the State for REAL ID implementation if the State’s proposal receives grant funding that other States may benefit from?
- How will the State’s proposed procedures for inter-state governance of REAL ID verification systems design, development, deployment, and operation impact cost savings to individuals, the States, and the Federal government?

(500 words or less)

15 pts

III. What is the likelihood of success for REAL ID implementation and compliance in the state?

- Depending upon the organizational structure the State chooses to use to implement REAL ID, and whether it will work jointly with other States in a multi-state compact or partnership, has the State described how the proposal will expedite the design, deployment, operation, and governance of a consolidated verification system hub?
- Will the REAL ID governance model the State proposes support broad participation by the States and facilitate consensus-base decision-making on system definition, design, deployment, and operation? Describe the model.

(500 words or less)

10 pts

IV. Does the State comply with the DHS National Information Exchange Model (NIEM) requirement?

- Does the State’s proposal comply with NIEM for REAL ID data verification purposes?
- If so, does the State explain how it plans to incorporate NIEM guidance with REAL ID. If not, has the State explained the basis for its decision (see Section II. K.).

Note* NIEM compliance is a mandatory requirement for FEMA/NPD grant recipients and mandated by the Department of Homeland Security. Failure to comply with the NIEM may adversely effect recommendations for awards.

(500 words or less)

10 pts

V. Has the State described how it will use proven information technology (IT) solutions for REAL ID inter-state IT communications and computing needs?

- How will the State leverage proven interstate and intra-state communications and application systems to expedite design, development, deployment, and operation of a consolidated hub for verifying applicant information as required under the REAL ID Act?

- Does the State's proposal provide for sufficient capacity, functionality, and flexibility to handle projected workloads for processing consolidated data queries and responses within specified service level parameters?

(500 words or less)

10 pts

VI. Has the State provided a detailed program narrative/plan?

- Has the State addressed their program management capabilities and work plan for REAL ID implementation?
- Does the program narrative address security features to protect personal identification information against document fraud and theft? Will currently in use or planned for personal identification verification system changes conform to and support REAL ID implementation and compliance?
- Has the State provided information as to how their existing drivers' license issuing process will be connected with, and integrated into, a consolidated hub for verification of applicant information? Does the plan include a detailed budget and budget narrative?
- States entering into a multi-state compact or partnership must describe the organizational structure it will use, with stated roles, relationships, and responsibilities for States submitting multi-state applications.

(1500 words or less)

35 pts

VII. Did the State provide details for new and innovative approaches that other States can utilize or replicate?

- What are the approaches or innovations described by the State and how will these enhance REAL ID implementation?
- How can these benefit other states?

(500 words or less)

10 pts

VIII. What security and privacy enhancements will the State implement?

- Will these changes enhance security with IT systems and at issuance facilities in the State?
- What are the security enhancements? How will they change the physical security of facilities and improve the safety and security of the personal identification verification systems process?
- Has the State described the security and privacy procedures that will be employed to protect personally identifiable information?
- Will the State's proposal reduce access to or use of fraudulent source documents in the issuance of REAL ID?

(500 words or less)

5 pts

Total Possible Points

100

Five bonus points will be awarded for multi-state grant applications.

IV. Program Requirements

This section provides detailed information about specific program application requirements and the process for submission of applications.

A. General Program Requirements

Successful FY08 REAL ID applicants must comply with the following general requirements:

Management and Administration limits. A maximum of 5 percent of funds awarded may be used for management and administrative purposes associated with the REAL ID award.

B. Program Narrative and Budget Requirements

1. Program Narrative. Successful applicants for REAL ID will be allowed to use grant funding to establish a REAL ID Governance Body and enhance REAL ID personal identification verification systems capabilities. To help DHS assess these capabilities, the FY 2008 REAL ID Demonstration Grant Program requires that all grant applicants submit a program narrative and budget as a part of the REAL ID grant application. The program narrative section of the grant application should include a description of the grantee's program management capabilities (Part I) and a program management work plan (Part II). Paragraphs 2 through 5 provide more detail for a complete program narrative.

2. Key factors in writing a thorough REAL ID program narrative.

- Describe the State's current drivers' licensing verification system capabilities
- Explain the proposed REAL ID capabilities solution
- Explain the challenges and benefits to multi-state REAL ID compacts or partnerships
- Describe roles and responsibilities of each State participating in multi-state REAL ID compacts or partnerships
- Identify the policies and procedures that are envisioned for REAL ID implementation, these may include business rules and processes for REAL ID verification systems design, development and operation.
- Describe the measures States take to protect the security and privacy of personal identification information

3. Program Management Capabilities (Part I). Please provide a description of current resource management capabilities needed to develop, implement, and manage the programmatic requirements associated with implementing REAL ID capabilities. When describing current management capabilities, consider including discussions and information such as the following:

- Major organizations, committees, and other structures accountable for implementing the initiatives

- Staffing/resource levels within these core organizations responsible for program administration and oversight
- Initiatives to reduce fraud and improve the security of drivers' licensing issuance authorities and motor vehicle operations involved with issuing ID cards or drivers' licenses.
- How States participating in multi-state REAL ID compacts or partnerships jointly oversee and manage their efforts for fraud reduction, cyber and facilities security.
- Establishment of a suite of State standards for data, systems, and personnel and facilities security and protection of the privacy of personal identification information.

4. Program Management Work Plan (Part II). Please provide a detailed work plan to address the project identified in Appendix B. This work plan will be submitted to your FEMA/NPD Preparedness Officer. Refer to paragraph F. below, for additional guidance on developing the work plan. The following basic goals and objectives for REAL ID should be considered in your State's work plan:

- Reduce the costs of REAL ID implementation for individuals, States, and the Federal government
- Reduce the potential for fraudulent issuance and use of driver's licenses and ID cards
- Involve the joint efforts of multi-state compacts, partnerships and operations
- Involve proven technology solutions
- Can be used or adopted by other States
- Include privacy and security impact assessments and/or provisions
- Include detailed cost estimates and project schedules
- Will be completed by December 31, 2010.

5. Program Narrative Work Plan Template

Following is the overall concept for the state's program narrative work plan. In developing the work plan section of the program narrative, please develop a proposal that will accomplish the following:

Introduction

[State Agency Name] will deploy a multi-state enhanced personal identification verification system and business process to meet the requirements of the REAL ID Act. Multi-state REAL ID compacts or partnerships will combine the capabilities, resources, and expertise of multiple States. The FY 2008 REAL ID Demonstration Program funding achieves maximum benefit with limited investment dollars. States awarded DHS funding for multi-state REAL ID initiatives will demonstrate broad spectrum, innovative, verification systems enhancements to meet REAL ID requirements.

Part I (Management Capabilities). Describe the agency's management capabilities to design, manage and implement the programmatic requirements for the REAL ID Act of 2005. (See paragraph 3, above)

Part II (Work Plan). Provide a detailed description of the work plan that addresses the goals and objectives for your State's REAL ID Demonstration Project.

To frame the program narrative, use the following information as well as the guidance provided in paragraph B. 1 through 4, above:

Describe how your project(s) support REAL ID implementation with initiatives to reduce fraud and improve the security of drivers' licensing issuance authorities and motor vehicle operations involved with issuing ID cards or drivers' licenses. These should be explained as follows:

1. How States participating in multi-state REAL ID compacts or partnerships jointly oversee and manage their efforts for fraud reduction, and cyber and facility security
2. How multi-state compacts or partnerships plan to apportion grant funds between member States
3. Identify the States, and their roles, relationships and responsibilities in a REAL ID multi-state compact or partnership with assignments of responsibilities and tasks
4. Establishment of a suite of State standards for data, system, personnel and facilities security and protection of the privacy of personal identification information
5. Describe the measurable achievement outcomes of your project(s) and how they could be replicated, used or transferred to other States
8. Describe how the State will comply with the NIEM requirement.

6. Budget and Budget Narrative Requirements.

All FY 2008 REAL ID Demonstration Grant Program award recipients are required to submit a budget narrative and budget detail worksheets addressing REAL ID related costs and expenses, as a part of the REAL ID application. This budget narrative should be detailed and should serve to: (1) explain how the costs were estimated, and (2) justify the need for the costs incurred to the measurable achievement outcomes as stated in the work plan. For clarification purposes, the narrative should include tables describing cost and expense elements (e.g. equipment list with unit costs/quantity). The narrative and accompanying budget worksheets should be provided to your FEMA/NPD Preparedness Officer. *Please see Appendix 5 for sample budget worksheets.*

- **Single Point of Contact (SPOC) Review.** Executive Order 12372, locate at http://www.archives.gov/federal_register/codification/executive_order/12372.html, 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 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. The date that the application was sent to the SPOC or the reason such submission is not required should be provided.

- **Homeland Security Advisor.** Applicants must provide a copy of their application to the HSA prior to submission for concurrence with existing initiatives.
- **State Administrative Agency.** Applicants must provide a copy of their application to the SAA prior to submission for coordination with existing initiatives.

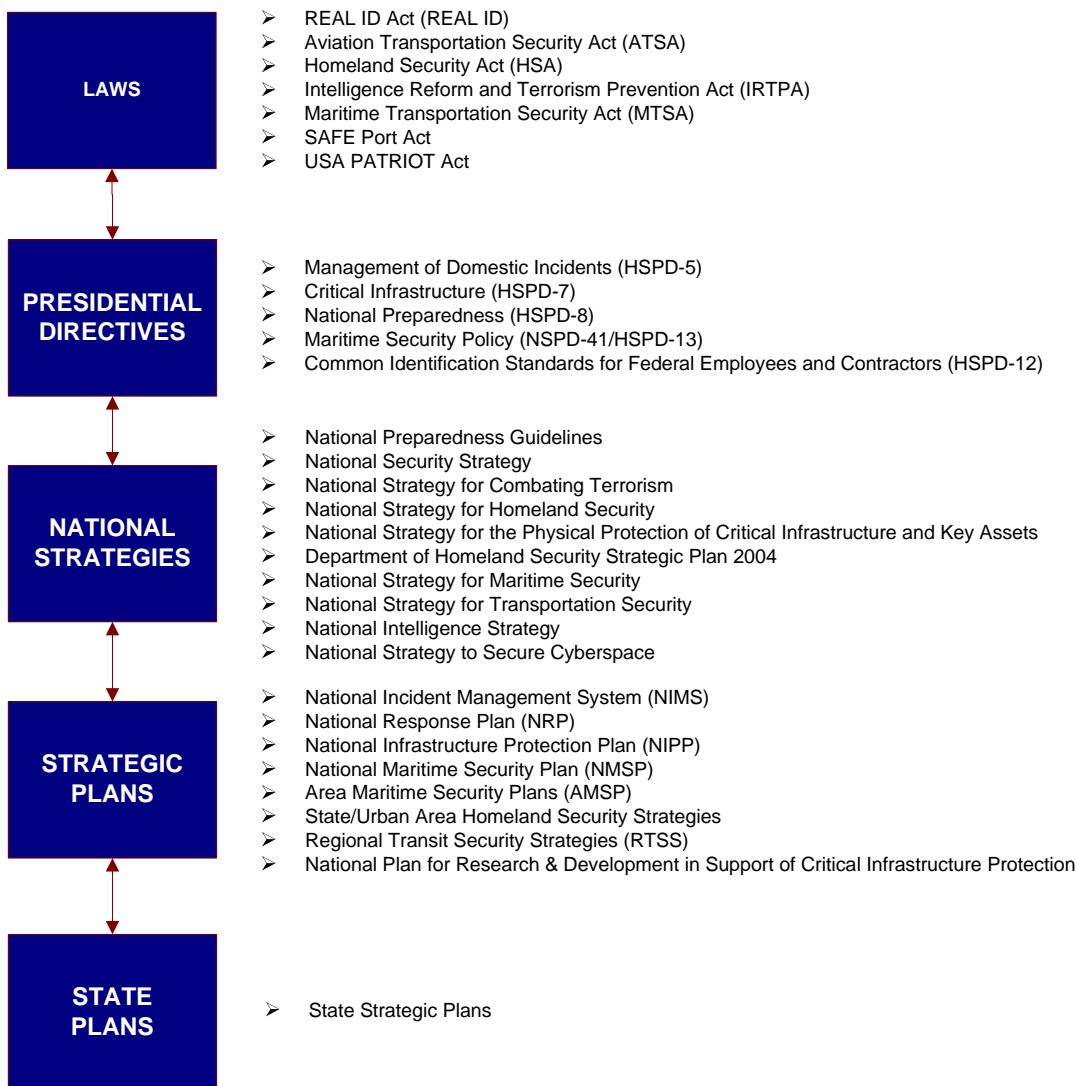
Applicants must familiarize themselves with the requirements and restrictions of the Program Guidance for FY 2008 REAL ID Demonstration Grant Program, available in Sections I through III of this document. The Program Guidelines contain critical information regarding this grant program. All grant recipients are assumed to have read and understood this Program Guidance.

Appendix A

Alignment of REAL ID with the National Preparedness Architecture

Figure 1, below, graphically summarizes key elements of the national preparedness architecture. The REAL ID Program seeks maximum alignment with this architecture.

Figure 1.
Laws, Strategy Documents, Directives and Plans That Impact the Implementation of the REAL ID Act of 2005



Appendix B

REAL ID Allowable Expenses

A. Overview.

Specific investments made in support of the funding priorities discussed above generally fall into one of four categories. FY08 REAL ID allowable costs are therefore divided into the following four categories:

1. Personal identification verification systems enhancements
2. Communications and information technologies (IT) computing hardware and software
3. Personnel and management costs
4. Enhancing facilities and IT security to protect personal identification information

B. Allowable Cost Guidance.

Allowable costs are divided into planning, equipment, and systems development categories. In addition, management and administration (M&A) costs are allowable, up to 5% of the total amount. The following provides general allowable costs guidance:

1. Planning Costs Guidance

REAL ID Demonstration Grant Program funds may be used for a variety of planning activities, to include:

- Costs associated with establishing and participating in a REAL ID Governance Body
- Costs for a ID holder pointer verification system
- Costs associated with personal identification verification system enhancements
- Costs associated with the development of the project's final report
- Developing or enhancing plans and protocols
- Costs associated with hiring personnel and consultants to oversee planning and management activities as well as complying with reporting/data collection requirements, and requests for data by DHS/OPD or FEMA/NPD
- Personnel to assist with the design, requirements, implementation and evaluation of FY 2008 REAL ID Demonstration Grant Program.

2. Equipment Costs Guidance

REAL ID demonstration funding may be used for a variety of limited equipment purchases, to include:

- Software associated with systems integration
- Hardware associated with systems integration
- Equipment related to information exchange.

3. Management and Administrative Costs Guidance

M&A costs include the following categories of activities:

- Hiring of full-time or part-time staff or contractors/consultants to assist with the management of FY 2008 REAL ID Demonstration funds
- Hiring of full-time or part-time staff or contractors/consultants and expenses related to FY 2008 REAL ID Demonstration Grant Program proposal submission management activities
- DHS travel-related expenses

- DHS meeting-related expenses
- Acquisition of authorized office equipment, including personal computers, laptop computers, printers, LCD projectors, and other equipment or software which may be required to implement REAL ID
- REAL ID recommendations and findings generated by the REAL ID Governance Body
- The following are allowable only within the period of performance of the grant program:
 - Recurring fees/charges associated with certain equipment, such as cell phones, faxes, etc.
 - Leasing and/or renting of space for newly hired personnel to administer programs within the FY 2008 REAL ID Demonstration Grant Program.

The grantee may use up to **5% of the total amount** for M&A purposes.

4. Personnel Costs Guidance

States will submit a budget and budget narrative with personnel cost estimates. Sample budget worksheets are provided in Appendix C.

5. Unallowable Costs Guidance

Several costs such as using grant funds for the construction of new facilities, or hiring of law enforcement personnel for REAL ID activities are not allowed under the FY 2008 REAL ID Demonstration Grant Program. Applicants should contact their FEMA/NPD Preparedness Officer at (800) 368-6498 for guidance and clarification regarding these unallowable costs.

5.1 -- Construction and renovation

Construction and renovation is prohibited under this grant application.

5.2 -- Hiring of Public Safety Personnel

The REAL ID Demonstration Grant Program is not intended as a hiring program and funds may not be used 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.

Appendix C

Grants.Gov Quick-Start Instructions

All REAL ID applicants must file their applications using the Administration's common electronic "storefront" -- [grants.gov](http://www.grants.gov). Eligible REAL ID grant recipients must apply for funding through this portal, accessible on the Internet at <http://www.grants.gov>.

Application attachments submitted via [grants.gov](http://www.grants.gov) must be in one of the following formats: Microsoft Word (*.doc), PDF (*.pdf), or text (*.txt). Use the Catalog of Federal Domestic Assistance (CFDA) number listed in the relevant program guidance section of this document in Grants.gov.

This Appendix is intended to provide guidance on the various steps and activities associated with filing an application using [grants.gov](http://www.grants.gov).

Step 1: Registering.

Registering with [grants.gov](http://www.grants.gov) is a one-time process; however, if you are a first time registrant **it could take 3-5 business days to have your registration validated, confirmed, and receive your user name and password.** It is highly recommended you start the registration process as early as possible to prevent delays in submitting your application package to our agency by the deadline specified. While your registration is pending, you may continue with steps 2, 3, and 4 of these instructions. Registration must be complete for you to be able to submit (step 5) and track (step 6) an application.

1. Establishing an e-business point of contact. [Grants.gov](http://www.grants.gov) requires an organization to first be registered in the Central Contract Registry (CCR) before beginning the [grants.gov](http://www.grants.gov) registration process. If you plan to authorize representatives of your organization to submit grant applications through [grants.gov](http://www.grants.gov), proceed with the following steps. If you plan to submit a grant application yourself and sign grant applications and provide the required certifications and/or assurances necessary to fulfill the requirements of the application process, proceed to DUNS Number and then skip to the Authorized Organization Representative and Individuals section.

Go to www.grants.gov, and click on the "Get Started" tab at the top of the screen.

- Click the "e-Business Point of Contact" option and click the "GO" button on the bottom right of the screen. If you have already registered with Grants.gov, you may log in and update your profile from this screen.
- To begin the registration process, click the "Register your Organization [Required]" or "Complete Registration Process [Required]" links. You may print a registration checklist by accessing www.grants.gov/assets/OrganizationRegCheck.pdf.

2. DUNS number. You must first request a Data Universal Numbering System (DUNS) number. Click "Step 1. Request a DUNS Number." If you are applying as an individual, please skip to "Authorized Organization Representative and Individuals." If you are applying on behalf of an organization that already has a DUNS number, please proceed to "Step 2. Register with Central Contractor Registry (CCR)." You may obtain a DUNS

number at no cost by calling the dedicated toll-free DUNS number request line at 1–866–705–5711.

3. Central Contractor Registry (CCR). Registering with the CCR, updating or changing your profile could take up to three to five business days to be confirmed and validated. This delay could prevent your application from being submitted by the deadline specified, so you should register or make changes to your profile as early in the process as possible.

Once you have a DUNS number, click on “Step 2. Register with Central Contractor Registry (CCR).” Here you are required to designate an individual as a point of contact. This point of contact is the sole authority for the organization and has the capability of issuing or revoking another individual’s authority to submit grant applications through Grants.gov.

A registration worksheet is provided to assist in the CCR registration process at <http://www.ccr.gov>. It is recommended you review the “Tips for registering with the CCR” at the bottom of this template.

- Go to <http://www.ccr.gov> or click on the CCR icon in the middle of the screen to begin the registration process. To see if your organization is already registered, click “Search CCR” at the top left side of the screen. Search entries must be exact to accurately search the database. If your organization is already registered, you can scroll down and see who the e-Business point of contact is for your agency. If your organization is not already registered, return to the CCR home page and click “Start New Registration” at the top left of the screen.
- If you have problems or questions about the CCR registration process, please contact the CCR Assistance Center at 1–888–227–2423.
- Once your registration is complete, you will receive an e-mail with a Trading Partner Identification Number (TPIN) and Marketing Partner Identification Number (MPIN) number. You will need the MPIN number to register with [grants.gov](http://www.grants.gov). If your organization is already registered with the CCR, you will need to obtain the MPIN number from your e-Business POC.

4. Authorize your Organization Representative. Click “Step 3. Authorize your Organization Representative.” Follow steps 1-4. You will need your DUNS + 4 digit number and the MPIN number CCR e-mailed to you.

5. Log in as e-Business Point of Contact. You may now go to “Step 4. Log in as e-Business Point of Contact.” Here you may authorize or revoke the authority of the Authorized Organization Representative. Once you are logged in, go to Step 2. *Downloading the Application Viewer*, below.

6. Authorized Organization Representative and Individuals. If you plan to submit a grant application as an individual or an Authorized Organization Representative, with authority to sign grant applications and the required certifications and/or assurances necessary to fulfill the requirements of the application process, proceed with the following steps:

- Go to www.grants.gov and click on the “Get Started” tab at the top of the screen.
- Click the “Authorized Organization Representative (AOR)” option and click the “GO” button to the bottom right of the screen. If you are applying as an individual, click the “Individuals” option and click the “GO” button to the bottom right of the screen.
- If you have previously registered as an AOR, you may start searching for this grant opportunity from this page. Otherwise, you must complete the first-time registration by clicking “Complete First-Time Registration [Required].” You also may click on “Review Registration Checklist” and print a checklist for the following steps (see www.grants.gov/assets/AORReqCheck.pdf).
- Individuals may click the “registration checklist” for help in walking through the registration process.

7. Credential Provider. Once you have entered the registration process, you must register with the credential provider, to safeguard the security of your electronic information. You must have your agency’s or individual DUNS + 4 digit number to complete this process. Now, click on “Step 1. Register with a Credential Provider.” Enter your DUNS number and click “Register.” Once you have entered the required information, click the “Submit” button.

If you should need help with this process, please contact the Credential Provider Customer Service at 1–800–386–6820. It can take up to 24 hours for your credential provider information to synchronize with Grants.gov. Attempting to register with [grants.gov](http://www.grants.gov) before the synchronization is complete may be unsuccessful.

8. Grants.gov. After completing the credential provider steps above, click “Step 2. Register with Grants.gov.” Enter the same user name and password used when registering with the credential provider. You will then be asked to provide identifying information and your organization’s DUNS number. After you have completed the registration process, Grants.gov will notify the e-Business POC for assignment of user privileges.

Complete the “Authorized Organization Representative User Profile” screen and click “Submit.” *Note:* Individuals do not need to continue to the “Organizational Approval” step below.

9. Organizational Approval. Prior to submitting a grant application package, you must receive approval to submit on behalf of your organization. This requirement prevents individuals from submitting grant application packages without permission. A notice is automatically sent to your organization’s e-Business POC. Then, your e-Business POC approves your request to become an AOR. You may go to <http://www.ccr.gov> to search for your organization and retrieve your e-Business POC contact information.

Once organization approval is complete, you will be able to submit an application and track its status.

Step 2: Downloading the Application Viewer.

You may download the PureEdge Viewer while your registration is in process. You also may download and start completing the application forms in steps 3 and 4 below. This application viewer opens the application package needed to fill out the required forms. The download process can be lengthy if you are accessing the Internet using a dial-up connection.

- From the [grants.gov](http://www.grants.gov) home page, select the “Apply for Grants” tab at the top of the screen.
- Under “Apply Step 1: Download a Grant Application Package and Applications Instructions,” click the link for the PureEdge Viewer (<http://www.grants.gov/DownloadViewer>). This window includes information about computer system requirements and instructions for downloading and installation.

If you are a Macintosh user, please read the PureEdge Support for Macintosh white paper available at

www.grants.gov/GrantsGov_UST_Grantee!/SSL!/WebHelp/MacSupportforPureEdge.pdf.

- Scroll down and click on the link to download the PureEdge Viewer (www.grants.gov/PEViewer/ICSViewer602_grants.exe).
- You will be prompted to save the application. Click the “Save” button and the “Save As” window opens. Select the location where you would like to save PureEdge Viewer and click the “Save” button.
- A window appears to show the progress of the download. When the downloading is complete, click to close the dialog box.
- To install the PureEdge Viewer, locate the file on your computer and click to open it. When you are prompted to run the file, click “RUN.” Click “Yes” to the prompt to continue with the installation. The ICS InstallShield Wizard extracts the necessary files and takes you to the “Welcome” page.
- Click “Next” to continue.
- Read the license agreement and click “Yes” to accept the agreement and continue the installation process. This takes you to the “Customer Information” screen.
- Enter a User Name and a Company Name in the designated fields and click “Next.”
- The “Choose Destination Location” window prompts you to select the folder in which PureEdge Viewer will be installed. To save the program in the default folder, click “Next.” To select a different folder, click “Browse.” Select the folder in which you would like to save the program, click on “OK,” then click “Next.”

- The next window prompts you to select a program folder. To save program icons in the default folder, click “Next.” To select a different program folder, type a new folder name or select one from the list of existing folders, then click “Next.” Installation will begin.
- When installation is complete, the “InstallShield Wizard Complete” screen will appear. Click “Finish.” This will launch the “ICS Viewer Help Information” window. Review the information and close the window.

Step 3: Downloading an Application Package.

Once you have downloaded the PureEdge Viewer, you may download and view this application package and solicitation instructions.

- From the grants.gov home page, select the “Apply for Grants” tab at the top of the screen.
- Click “Apply Step 1: Download a Grant Application Package and Application Instructions.”
- Enter the CFDA number for this announcement, 97.089, then click “Download Package.” This will take you to the “Selected Grants Application for Download” results page.
- To download an application package and its instructions, click the corresponding download link below the “Instructions and Application” column.
- Once you select a grant application, you will be taken to a “Download Opportunity Instructions and Application” screen to confirm that you are downloading the correct application. If you would like to be notified of any changes to this funding opportunity, enter your e-mail address in the corresponding field, then click the “Submit” button.
- After verifying that you have downloaded the correct opportunity information, click the “Download Application Instructions” button. This will open a PDF of this grant solicitation. You may print the solicitation or save it to your computer by clicking either the print icon at the top tool bar or the “File” button on the top tool bar. If you choose to save the file, click on “Save As” and save to the location of your choice.
- Click the “Back” Navigation button to return to the “Download Opportunity Instructions and Application” page. Click the “Download Application Package” button. The application package will open in the PureEdge Viewer.
- Click the “Save” button to save the package on your computer. Because the form is not yet complete, you will see a prompt that one or more fields may be invalid. You will complete these fields in step 4, but for now, select “Yes” to continue. After you click “Yes,” the “Save Form” window will open.

- Save the application package to your desktop until after submission. Select a name and enter it in the “Application Filing Name” field. Once you have submitted the application through grants.gov, you may then move your completed application package to the file location of your choice.
- Click the “Save” button. If you choose, you may now close your Internet browser and complete your application package offline by double clicking the icon on your desktop. You do not have to be connected to the Internet to complete the application package in step 4 below.

Step 4: Completing the Application Package.

This application can be completed entirely offline; however, you will need to log in to Grants.gov to submit the application in step 5.

- Locate the application package you saved on your computer. When you open the package, it will be in PureEdge Viewer. You may save your application at any time by clicking on the “Save” button at the top of the screen.
- Enter a name for your application package in the “Application Filing Name” field. This can be a name of your choice.
- Open and complete all the mandatory and optional forms or documents. To complete a form, click to select the form, and then click the “Open” button. When you open a required form, the mandatory fields will be highlighted in yellow. If you enter incomplete information in a mandatory field, you will receive an error message or the field will turn red, indicating a change needs to be made.
- Mandatory forms include the: (1) Application for Federal Assistance (SF-424); (2) Assurances for Non-Construction Programs (SF-424B); and (3) Disclosure of Lobbying Activities (SF-LLL). These forms can also be viewed at <http://apply.grants.gov/agency/FormLinks?family=7>. Other mandatory forms are identified in Section IV.
- When you have completed a form or document, click the “Close Form” button at the top of the page. Your information will automatically be saved.
- Next, click to select the document in the left box entitled “Mandatory Documents.” Click the “=>” button to move the form or document to the “Mandatory Completed Documents for Submission” box to the right.
- Some mandatory documents will require you to upload files from your computer. To attach a document, select the corresponding form and click “Open.” Click the “Add Mandatory Attachment” button to the left. The “Attach File” box will open. Browse your computer to find where your file is located and click “Open.” The name of that file will appear in the yellow field. Once this is complete, if you

would like to attach additional files, click on the “Add Optional Attachment” button below the “Add Mandatory Attachment” button.

- An “Attachments” window will open. Click the “Attach” button. Locate the file on your computer that you would like to attach and click the “Open” button. You will return to the “Attach” window. Continue this process until you have attached all the necessary documents. You may attach as many documents as necessary.
- Once you have finished, click the “Done” button. The box next to the “Attach at Least One Optional Other Attachment” will now appear as checked.
- *Note:* the name of these buttons will vary depending on the name of the form you have opened at that time; i.e., Budget Narrative, Other Attachment, and Project Narrative File.
- To exit a form, click the “Close” button. Your information will automatically be saved.

Step 5: Submitting the Application.

Once you have completed all the yellow fields on all the forms and saved the application on your desktop, check the application package for errors. This can be done any time throughout step 4 above and as often as you like.

- When you are ready to submit your final application package, the “Submit” button at the top of your screen will be enabled. This button will not be activated unless all mandatory data fields have been completed. When you are ready to submit your application, click on “Submit.” This will take you to a “Summary” screen.
- If your “Submit” button is not activated, then click the “Check Package for Errors” button at the top of the “Grant Application Package” screen. PureEdge Viewer will start with the first form and scan all the yellow fields to make sure they are complete. The program will prompt you to fix one error at a time as it goes through the scan. Once there are no more errors, the system will allow you to submit your application to grants.gov.
- Review the application summary. If you wish to make changes at this time, click “Exit Application” to return to the application package, where you can make changes to the forms. To submit the application, click the “Sign and Submit Application” button.
- This will take you to a “Login” screen where you will need to enter the user name and password that you used to register with grants.gov in “Step 1: Registering.” Enter your user name and password in the corresponding fields and click “Login.”
- Once authentication is complete, your application will be submitted. Print this confirmation screen for your records. You will receive an e-mail message to

confirm that the application has been successfully uploaded into grants.gov. The confirmation e-mail will give you a grants.gov tracking number, which you will need to track the status of your application. The confirmation e-mail will go to the e-Business POC; therefore, if you are submitting on behalf of someone else, be sure the e-Business POC is aware of the submission and that a confirmation e-mail will be sent.

- When finished, click the “Close” button.

Step 6: Tracking the Application.

After your application is submitted, you may track its status through grants.gov. To do this, go to the grants.gov home page at <http://www.grants.gov>. At the very top of the screen, click on the “Applicants” link. Scroll down the “For Applicants” page and click the “Login Here” button. Proceed to login with your user name and password that was used to submit your application package. Click the “Check Application Status” link to the top left of the screen. A list of all the applications you have submitted through grants.gov is produced. There four status messages your application can receive in the system:

- **Validated.** This means your application has been scanned for errors. If no errors were found, it validates that your application has successfully been submitted to Grants.gov and is ready for the agency to download your application.
- **Received by Agency.** This means our agency DHS downloaded your application into our electronic Grants Management System (GMS) and your application is going through our validation process to be successfully received on our end.
- **Agency Tracking Number Assigned.** This means our GMS did not find any errors with your package and successfully downloaded your application into our system.
- **Rejected With Errors.** This means your application was either rejected by Grants.gov or GMS due to errors. You will receive an e-mail from grants.gov customer support, providing details of the results and the next steps required. Most applications are rejected because: (1) a virus was detected; (2) you are using a user name and password that has not yet been authorized by the organization’s e-Business POC; or (3) the DUNS number you entered on the SF-424 form does not match the DUNS number that was registered in the CCR for this organization.

If you experience difficulties at any point during this process, please call the grants.gov customer support hotline at 1–800–518–472

Appendix D

REAL ID Demonstration Grant Program Application Requirements

A. Application Requirements.

The following steps must be completed using the on-line [grants.gov](http://www.grants.gov) system to ensure a successful application submission:

- 1. Application via [grants.gov](http://www.grants.gov).** DHS participates in the Administration's e-government initiative. As part of that initiative, all REAL ID applicants must file their applications using the Administration's common electronic "storefront" -- [grants.gov](http://www.grants.gov). Eligible applicants must apply for funding through this portal, accessible on the Internet at <http://www.grants.gov>.
- 2. Application deadline.** Completed Applications must be submitted to Grants.gov no later than **11:59 PM EST, January 28, 2008**.
- 3. Valid Central Contractor Registry (CCR) Registration.** The application process also involves an updated and current registration by the applicant and the applicant's Business Point of Contact through the Central Contractor Registry (CCR). Eligible applicants must confirm CCR registration at <http://www.ccr.gov>, as well as apply for FY08 REAL ID funding through [grants.gov](http://www.grants.gov) at <http://www.grants.gov>.

While registration with Grants.gov and the CCR is a one-time process, new applicants are strongly encouraged to complete their registrations at least ten days prior to the application deadline, January 28, 2008, or 45 days from the date the program is officially announced by the Department.

- 4. On-line application.** The on-line application must be completed and submitted using Grants.gov after CCR registration is confirmed. The on-line application includes the following required forms and submissions:
 - Standard Form 424, Application for Federal Assistance
 - Standard Form 424B Assurances
 - Standard Form LLL, Disclosure of Lobbying Activities
 - Standard Form 424A, Budget Information
 - Certification Regarding Debarment, Suspension, and Other Responsibility Matters
 - Any additional Required Attachments

The program title listed in the Catalog of Federal Domestic Assistance (CFDA) is "REAL ID Grant Program." The CFDA number is 90.089. When completing the on-line application, applicants should identify their submissions as new, non-construction applications.

- 5. Project period.** The project period will be for a period not to exceed 36 months.
- 6. DUNS number.** The applicant must provide a Dun and Bradstreet Data Universal Numbering System (DUNS) number with their application. This number is a required field within [grants.gov](http://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 1-800-333-0505.

7. Detailed budget. The applicant must also provide a detailed budget for the funds requested. The budget must be complete, reasonable and cost-effective in relation to the proposed project. The budget should provide the basis of computation of all project-related costs and any appropriate narrative. Additional details and templates for the Detailed Budget may be found in Appendix E.

8. Standard financial requirements.

8.1 -- Non-supplanting certification. This certification affirms that grant funds will be used to supplement existing funds, and will not replace (supplant) funds that have been appropriated for the same purpose. Potential supplanting will be addressed in the application review, as well as in the pre-award review, post-award monitoring and any potential audits. 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.

8.2 – Assurances. Assurances forms (SF-424B and SF-424D) can be accessed at <http://apply.grants.gov/agency/FormLinks?family=7>. It is the responsibility of the recipient of the Federal funds to fully understand and comply with these requirements. Failure to comply may result in the withholding of funds, termination of the award, or other sanctions. The applicant will be agreeing to these assurances upon the submission of the application.

8.3 -- Certifications regarding lobbying; debarment, suspension, and other responsibility matters; and drug-free workplace requirement. This certification, which is a required component of the on-line application, commits the applicant to compliance with the certification requirements under 28 CFR part 67, *Government-wide Debarment and Suspension (Non-procurement)*; 28 CFR part 69, *New Restrictions on Lobbying*; and 28 CFR part 83 *Government-wide Requirements for Drug-Free Workplace (Grants)*. All of these can be referenced at: http://www.access.gpo.gov/nara/cfr/waisidx_04/28cfrv2_04.html.

9. Technology requirements.

9.1 -- National Information Exchange Model. To support homeland security, public safety, and justice information sharing, FEMA/NPD requires all grantees to use the latest National Information Exchange Model (NIEM) specifications and guidelines regarding the use of XML for all REAL ID awards. Further information about the required use of NIEM specifications and guidelines is available at <http://www.niem.gov>.

9.2 -- 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). State, local, and industry partners are increasingly incorporating geospatial technologies and data in an effort to prevent, protect against, respond to, and recover from terrorist activity and incidents of national significance. DHS encourages grantees to align geospatial activities with the guidance available on the FEMA/NPD website at http://www.ojp.usdoj.gov/odp/grants_hsgp.htm.

10. Administrative requirements.

10.1 -- Freedom of Information Act (FOIA). DHS 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. This may include threat, risk, and needs assessment information, and discussions of demographics, transportation, public works, and industrial and public health infrastructures. 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 DHS 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 applicant may also consult FEMA/NPD regarding concerns or questions about the release of information under state and local laws. The grantee should be familiar with the regulations governing Protected Critical Infrastructure Information (6 CFR Part 29) and Sensitive Security Information (49 CFR Part 1520), as these designations may provide additional protection to certain classes of homeland security information.

10.2 -- Protected critical infrastructure information (PCII). The PCII Program, established pursuant to the Critical Infrastructure Information Act of 2002 (CII Act), created a new framework, which enables State and local jurisdictions and members of the private sector voluntarily to submit sensitive information regarding critical infrastructure to DHS. The Act also provides statutory protection for voluntarily shared CII from public disclosure and civil litigation. If validated as Protected Critical Infrastructure Information, these documents can only be shared with authorized users who agree to safeguard the information.

PCII accreditation is formal recognition that the covered government entity has the capacity and capability to receive and store PCII. DHS encourages all REAL ID grantees and SAAs to pursue PCII accreditation to cover their state government and attending local government agencies for all REAL ID related matters. Accreditation activities include signing an MOA with DHS, appointing a PCII Officer, and implementing a self-inspection program. For additional information about PCII or the accreditation process, please contact the DHS PCII Program Office at pcii-info@dhs.gov.

10.3 -- 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 from DHS 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.* – no person on the grounds of race, color or national origin will 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. More information can be found at: <http://usinfo.state.gov/usa/infousa/laws/majorlaw/civilr19.htm>.
- *Section 504 of the Rehabilitation Act of 1973, as amended, 29 U.S.C. 794* – no qualified individual with a disability in the United States, shall, by reason of his or her disability, be excluded from the participation in, be denied the benefits of, or otherwise be subjected to discrimination in any program or activity receiving Federal financial assistance. More information can be found at: <http://www.section508.gov/index.cfm?FuseAction=Content&ID=15>.
- *Title IX of the Education Amendments of 1972, as amended, 20 U.S.C. 1681 et. seq.* – discrimination on the basis of sex is eliminated in any education program or activity receiving Federal financial assistance. More information can be found at: <http://www.usdoj.gov/crt/cor/coord/titleix.htm>.
- *The Age Discrimination Act of 1975, as amended, 20 U.S.C. 6101 et. seq.* – no person in the United States shall be, on the basis of age, excluded from participation

in, denied the benefits of or subjected to discrimination under any program or activity receiving Federal financial assistance. More information can be found at: <http://www.lawresearchservices.com/firms/admin/act-age.htm>.

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.

10.4 -- Services to limited English proficient (LEP) persons. Recipients of DHS 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, national 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, please see <http://www.lep.gov>.

10.5 -- Integrating individuals with disabilities into emergency planning. Executive Order #13347, entitled "Individuals with Disabilities in Emergency Preparedness" and 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. Consequently, Federal agencies are required to: (1) encourage consideration of the needs of persons with disabilities in emergency preparedness planning; and (2) facilitate cooperation among Federal, state, local, and tribal governments, private organizations, non-governmental organizations and the general public in the implementation of emergency preparedness plans as they relate to individuals with disabilities.

Further information can be found at the Disability and Emergency Preparedness Resource Center at <http://www.dhs.gov/disabilitypreparedness>.

10.6 -- Compliance with the National Energy Conservation Policy and Energy Policy Acts. In accordance with the FY07 DHS Appropriations Act, all FY07 grant funds must comply with the following two requirements:

- None of the funds made available through the REAL ID shall be used in contravention of the Federal buildings performance and reporting requirements of Executive Order No. 13123, part 3 of title V of the National Energy Conservation Policy Act (42 USC 8251 et seq), or subtitle A of title I of the Energy Policy Act of 2005 (including the amendments made thereby).
- None of the funds made available through the REAL ID shall be used in contravention of section 303 of the Energy Policy Act of 1992 (42 USC13212).

10.7 -- National Environmental Policy Act (NEPA). NEPA requires DHS to analyze the possible environmental impacts of each construction project funded by a DHS grant. The purpose of a NEPA review is to weigh the impact of major Federal actions or actions undertaken using Federal funds on adjacent communities, water supplies, historical buildings, endangered species, or culturally sensitive areas prior to construction. Grantees may be

required to provide additional detailed information on the activities to be conducted, locations, sites, possible construction activities, alternatives, and any environmental concerns. Results of the NEPA Compliance Review could result in a project not being approved for funding, the need to perform an Environmental Assessment or draft an Environmental Impact Statement. .

B. REAL ID Application Checklist.

All REAL ID applicants must complete the following:

- 1. SF-424 Grant Application with Certifications (through [grants.gov](https://www.grants.gov))**
 - Non-Supplanting Certification; assurances; certifications regarding lobbying; debarment, suspension, and other responsibility matters; and drug-free workplace requirement.
- 2. DUNS Number (through [grants.gov](https://www.grants.gov))**
- 3. Detailed Budget (through [grants.gov](https://www.grants.gov) file attachment).** See Appendix 5.
- 4. Accounting System and Financial Capabilities Questionnaire, if applicable (through [grants.gov](https://www.grants.gov) file attachment).**

Appendix E Sample Budget Detail Worksheet

OMB Approval No. 1121-0188

Purpose. The Budget Detail Worksheet may be used as a guide to assist applicants in the preparation of the budget and budget narrative. You may submit the budget and budget narrative using this form or in the format of your choice (plain sheets, your own form, or a variation of this form). However, all required information (including the budget narrative) must be provided. Any category of expense not applicable to your budget may be deleted.

A. Personnel. List each position by title and name of employee, if available. Show the annual salary rate and the percentage of time to be devoted to the project. Compensation paid for employees engaged in grant activities must be consistent with that paid for similar work within the applicant organization.

| <u>Name/Position</u> | <u>Computation</u> | <u>Cost</u> |
|----------------------|--------------------|-------------|
|----------------------|--------------------|-------------|

Note: Personnel costs are only allowable for direct management and administration of the grant award, i.e., preparation of mandatory post-award reports.

TOTAL _____

B. Fringe Benefits. Fringe benefits should be based on actual known costs or an established formula. Fringe benefits are for the personnel listed in budget category (A) and only for the percentage of time devoted to the project. Fringe benefits on overtime hours are limited to FICA, Workman’s Compensation and Unemployment Compensation.

| <u>Name/Position</u> | <u>Computation</u> | <u>Cost</u> |
|----------------------|--------------------|-------------|
|----------------------|--------------------|-------------|

TOTAL _____

Total Personnel & Fringe Benefits _____

C. Travel. Itemize travel expenses of project personnel by purpose (e.g., staff to training, field interviews, advisory group meeting, etc.). Show the basis of computation (e.g., six people to 3-day training at \$X airfare, \$X lodging, \$X subsistence). In training projects, travel and meals for trainees should be listed separately. Show the number of trainees and unit costs involved. Identify the location of travel, if known. Indicate source of Travel Policies applied, Applicant or Federal Travel Regulations.

| <u>Purpose of Travel</u> | <u>Location</u> | <u>Item</u> | <u>Computation Cost</u> |
|--------------------------|-----------------|-------------|-------------------------|
|--------------------------|-----------------|-------------|-------------------------|

TOTAL _____

D. Equipment. List non-expendable items that are to be purchased. Non-expendable equipment is tangible property having a useful life of more than two years. (Note: Organization’s own capitalization policy and threshold amount for classification of equipment may be used). Expendable items should be included either in the “Supplies” category or in the “Other” category. Applicants should analyze the cost benefits of purchasing versus leasing equipment, especially high cost items and those subject to rapid technical advances. Rented or leased equipment costs should be listed in the “Contractual” category. Explain how the equipment is necessary for the success of the project. Attach a narrative describing the procurement method to be used.

| | | |
|-------------|--------------------|-------------|
| <u>Item</u> | <u>Computation</u> | <u>Cost</u> |
|-------------|--------------------|-------------|

Budget Narrative: Provide a narrative budget justification for each of the budget items identified.

TOTAL _____

E. Supplies. List items by type (office supplies, postage, training materials, copying paper, and other expendable items such as books, hand held tape recorders) and show the basis for computation. (Note: Organization’s own capitalization policy and threshold amount for classification of supplies may be used). Generally, supplies include any materials that are expendable or consumed during the course of the project.

| | | |
|---------------------|--------------------|-------------|
| <u>Supply Items</u> | <u>Computation</u> | <u>Cost</u> |
|---------------------|--------------------|-------------|

TOTAL _____

F. Consultants/Contracts. Indicate whether applicant’s formal, written Procurement Policy or the Federal Acquisition Regulations are followed.

Consultant Fees: For each consultant enter the name, if known, service to be provided, hourly or daily fee (8-hour day), and estimated time on the project.

| | | | |
|---------------------------|-------------------------|--------------------|-------------|
| <u>Name of Consultant</u> | <u>Service Provided</u> | <u>Computation</u> | <u>Cost</u> |
|---------------------------|-------------------------|--------------------|-------------|

Budget Narrative: Provide a narrative budget justification for each of the budget items identified.

Subtotal _____

Consultant Expenses: List all expenses to be paid from the grant to the individual consultant in addition to their fees (i.e., travel, meals, lodging, etc.)

| | | | |
|-------------|-----------------|--------------------|-------------|
| <u>Item</u> | <u>Location</u> | <u>Computation</u> | <u>Cost</u> |
|-------------|-----------------|--------------------|-------------|

Budget Narrative: Provide a narrative budget justification for each of the budget items identified.

Subtotal _____

Contracts: Provide a description of the product or services to be procured by contract and an estimate of the cost. Applicants are encouraged to promote free and open competition in awarding contracts. A separate justification must be provided for sole source contracts in excess of \$100,000.

Item **Cost**

Budget Narrative: Provide a narrative budget justification for each of the budget items identified.

Subtotal _____

TOTAL _____

G. Other Costs. List items (e.g., rent, reproduction, telephone, janitorial or security services, and investigative or confidential funds) by major type and the basis of the computation. For example, provide the square footage and the cost per square foot for rent, and provide a monthly rental cost and how many months to rent.

Description **Computation** **Cost**

Budget Narrative: Provide a narrative budget justification for each of the budget items identified.

Important Note: If applicable to the project, construction costs should be included in this section of the Budget Detail Worksheet.

TOTAL _____

H. Indirect Costs. Indirect costs are allowed only if the applicant has a Federally approved indirect cost rate. A copy of the rate approval, (a fully executed, negotiated agreement), must be attached. If the applicant does not have an approved rate, one can be requested by contacting the applicant's cognizant Federal agency, which will review all documentation and approve a rate for the applicant organization, or if the applicant's accounting system permits, costs may be allocated in the direct costs categories.

Description **Computation** **Cost**

TOTAL _____

Budget Summary - When you have completed the budget worksheet, transfer the totals for each category to the spaces below. Compute the total direct costs and the total project costs. Indicate the amount of Federal funds requested and the amount of non-Federal funds that will support the project.

| <u>Budget Category</u> | <u>Federal Amount</u> | <u>Non-Federal Amount</u> |
|------------------------------|-----------------------|---------------------------|
| A. Personnel | _____ | _____ |
| B. Fringe Benefits | _____ | _____ |
| C. Travel | _____ | _____ |
| D. Equipment | _____ | _____ |
| E. Supplies | _____ | _____ |
| F. Consultants/Contracts | _____ | _____ |
| G. Other | _____ | _____ |
| Total Direct Costs | _____ | _____ |
| H. Indirect Costs | _____ | _____ |
| * TOTAL PROJECT COSTS | _____ | _____ |
| | | |
| Federal Request | _____ | |
| Non-Federal Amount | | _____ |

Detailed Budget Submission and File Naming Convention.

The Detailed Budget must be submitted with the grant application as a file attachment within grants.gov. Applicants must use the following file naming convention when submitting required documents as part of the FY08 REAL ID Demonstration Grant Program:

Appendix F

Award and Reporting Requirements

A. Grant Award

Upon approval of the application, the grant will be awarded to the State Motor Vehicle/Drivers' License Issuing Authority. This date will be known as the "award date." The signed award document with special conditions must be returned to Department of Homeland Security, Federal Emergency Management Agency, Office of Grant Operations (OGO), 245 Murray Lane Bldg. 410, Washington, DC 20528-7000

A sample award package is included below.

B. Review Award and Special Conditions Document.

Notification of award approval is made by e-mail through the FEMA Grants Management System (GMS). Once an award has been approved, a notice is sent to the e-mail address of the individual who filed the application, as well as to the authorized grantee official.

Carefully read the award and any special conditions or other attachments.

If you agree with the terms and conditions, the authorized official should sign and date both the original and the copy of the award document page in Block 19. You should maintain a copy and return the original signed documents to:

Department of Homeland Security
Federal Emergency Management Agency
Office of Grant Operations
Attention: Control Desk
245 Murray Lane Bldg. 410
Washington, DC 20528-7000

If you do not agree with the terms and conditions, contact the awarding DHS Program Manager as noted in the award package.

B.1 Read Guidelines.

Read and become familiar with the *OGO Financial Management Guide*, which is available at 1-866-9ASKOGO or online at <http://www.dhs.gov/xopnbiz/grants/>.

B.2 Reporting Requirements.

Reporting requirements must be met during the life of the grant (refer to the *OGO Financial Management Guide* and the specific program guidance for a full explanation of these requirements, special conditions, and any applicable exceptions). Please note that the *Payment and Reporting System* contains edits that will prevent access to funds if reporting requirements are not met on a timely basis.

B.3 Questions about your award?

Questions regarding your grant the **FEMA help line** at 1-866-927-5646 or e-mail at ask-ogo@dhs.gov.

Important Note: If you have any questions about GMS, need to establish a GMS account, or require technical assistance with accessing your award, please contact the GMS Hotline at 1-888-549-9901.

C. Drawdown and Expenditure of Funds

Following acceptance of the grant award and release of any special conditions withholding funds, the grantee can draw down and expend grant funds through the Payment and Reporting System.

Questions regarding award payments and how to access this system should be addressed to the dedicated FEMA call center at 1-866-927-5646 or email at ask-ogo@dhs.gov.

Grantees should request funds based upon immediate disbursement requirements. Funds will not be paid in a lump sum, but rather disbursed over time as project costs are incurred or anticipated. Recipients should time their drawdown requests to ensure that Federal cash on hand is the minimum needed for disbursements to be made immediately or within a few days.

D. Reporting Requirements

D.1 Financial Status Report (FSR)

Obligations and expenditures must be reported to DHS on a quarterly basis through the FSR, which is due within 30 days of the end of each calendar quarter (e.g., for the quarter ending March 31, FSR is due on April 30). A report must be submitted for every quarter the award is active, including partial calendar quarters, as well as for periods where no grant activity occurs. Future awards and fund draw downs **could be** withheld if these reports are delinquent.

FSRs **must be filed online** through Payment and Reporting System.

Grantees are reminded to review the following documents and ensure that grant activities are conducted in accordance with the applicable guidance:

- [OMB Circular A-102](http://www.whitehouse.gov/omb/circulars/index.html), *Grants and Cooperative Agreements with State and Local Governments*, at <http://www.whitehouse.gov/omb/circulars/index.html>
- [OMB Circular A-87](http://www.whitehouse.gov/omb/circulars/index.html), *Cost Principles for State, Local, and Indian Tribal Governments*, at <http://www.whitehouse.gov/omb/circulars/index.html>
- [OMB Circular A-110](http://www.whitehouse.gov/omb/circulars/index.html), *Uniform Administrative Requirements for Grants and Other Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations*, at <http://www.whitehouse.gov/omb/circulars/index.html>

- [OMB Circular A-21](http://www.whitehouse.gov/omb/circulars/index.html), *Cost Principles for Educational Institutions*, at <http://www.whitehouse.gov/omb/circulars/index.html>
- [OMB Circular A-122](http://www.whitehouse.gov/omb/circulars/index.html), *Cost Principles for Non-Profit Organizations*, at <http://www.whitehouse.gov/omb/circulars/index.html>

For FY 2008 awards, grant and subgrant recipients should refer to the OGO Financial Guide. All previous awards are still governed by the OJP Financial Guide, available at <http://www.ojp.usdoj.gov/FinGuide>. OGO can be contacted at 1-866-9ASKOGO or by e-mail at ask-OGO@dhs.gov.

Required Submission: Financial Status Report (FSR) SF-269a (due quarterly)

D.2 Categorical Assistance Progress Report (CAPR)

Following award of a grant, the State and its subgrantees will be responsible for providing updated obligation and expenditure information on a regular basis. The grantee is responsible for completing and submitting the CAPR reports.

The CAPR is due within 30 days after the end of the reporting period (July 30 with a reporting period of January 1 through June 30, and on January 30 with a reporting period of July 1 through December 31). Grantees will provide initial overall obligation and expenditure information with the CAPR submission due January 30, 2008. Future awards and fund drawdowns may be withheld if these reports are delinquent.

CAPRs **must be filed online** through the Internet at <https://grants.ojp.usdoj.gov>. Forms and instructions can be found at <http://www.ojp.usdoj.gov/forms.htm>.

Required Submission: CAPR (biannually).

D.3 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 the U.S. Government Accountability Office, *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 2008 REAL ID Demonstration Grant Program assistance for audit and examination purposes, provided that, in the opinion of the Secretary of Homeland Security or the Comptroller General, these documents are related to the receipt or use of such assistance. The grantee will also give the sponsoring agency or the Comptroller General, 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 subgrantees 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.

D.4. Federal Funding Accountability and Transparency Act

While there are no requirements in FY 2007, the Federal Funding Accountability and Transparency Act of 2006 may affect reporting requirements in later years. The Act requires the Federal government to create a publicly-searchable online database of Federal grant recipients by January 1, 2008 with an expansion to include subgrantee information by January 1, 2009.

E. Monitoring

Grant recipients will be monitored periodically by DHS program staff and OGO 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. Monitoring will be accomplished through a combination of office-based 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 subawards, 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 adequate financial records, and refunding expenditures disallowed by audits.

F. Grant Close-Out Process

Within 90 days after the end of the award period, grantees must submit a Final FSR, Final CAPR, and Final Report detailing all accomplishments throughout the project. The Final Report must detail the outcomes of the target hardening activities accomplished with grant funds. After these reports have been reviewed and approved by DHS, a Grant Adjustment Notice (GAN) will be completed to close out the grant. The GAN will indicate the project as being 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 FSR.