



FEMA

**Grant Programs Directorate Information Bulletin
No. 293**

TO: All FY 2007, FY 2007 Supplemental, and FY 2008 Port Security Grant Program Grant Recipients

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SUBJECTS: Repair and Replacement Costs within Port Security Grant Program

Per the FY 2007, FY 2007 Supplemental, and FY 2008 Port Security Grant Program (PSGP) Guidance and Application Kits, and in the special conditions of individual awards, applicants are advised of unallowable costs including:

- Repair (replace) of existing equipment including, but not limited to: fencing, lighting, CCTV, or access controls

The purpose of this Information Bulletin (IB) is to rescind replacement costs as unallowable costs within the FY 2007, FY 2007 Supplemental, and FY 2008 PSGP. This IB is for the sole purpose of notifying PSGP grantees and is not intended to imply changes or consent within any other DHS/FEMA sponsored grants.

Repair and Replacement:

Grantees are advised that repair and replacement costs of existing equipment are now eligible expenses under the FY 2007, FY 2007 Supplemental, and FY 2008 PSGP awards. Allowable costs include repair and/or replacement of parts or equipment that will be used to support PSGP priorities identified in the Program Guidance. Projects including repair and replacement of parts or equipment must comply with all applicable PSGP requirements, including environmental regulations and budgetary reviews. All associated repair and replacement costs must be approved individually by the assigned Grant Programs Directorate PSGP Program Analyst. Any approval for this activity must be requested in writing by the grantee and written approval obtained from the program analyst prior to the work commencing or the purchase of the parts or equipment.

Maintenance:

Maintenance agreements and warranties for parts and equipment purchased with PSGP awards will continue to be an allowable expense for the life of the award. Allowable costs associated with maintenance agreements and warranties shall not precede the award date, nor extend beyond the period of performance for the grant award. Any prorated costs of maintenance agreements and warranties that extend beyond the life of the award will continue to be the responsibility of the grantee. On-going

maintenance costs (i.e. routine oil changes, monthly inspections, cleaning equipment, etc.) other than warranties and maintenance agreements established during initial purchase of parts and equipment are the responsibility of the grantee and will not be funded by PSGP awards.

For programmatic questions regarding the PSGP, please e-mail portsecuritygrants@dhs.gov or contact your Program Analyst at (800) 368-6498.