Grants-101

Programmatic and Financial Management

Transit Security Grant Program
Intercity Passenger Rail (Amtrak) Program
Intercity Bus Security Grant Program

September 29, 2016

Federal Emergency Management Agency
Grant Programs Directorate (GPD)

FEMA

FEMA Grant Process Overview

Program Development and Eligibility	Application Submission and Review	Award Determinations and Obligation	Program Implementation and Management	Evaluation and Closeout
■ Appropriation is enacted ■ Notice of Funding Opportunity/ Program Guidance ■ Development ■ Risk Allocation Determination ■ Grant Solicitation Posted	■ Grant Rollout ■ Application Submission ■ Application Review	■ Final Award Determinations ■ Develop Award Package ■ Congressional Notification ■ Recipient Notification of Award ■ Federal Funding Obligated in the Financial System	■ Funding Available to Recipient through Payment Requests ■ Recipient Implements Approved Programs ■ Programmatic and Financial Reporting ■ Grant Amendments Requested/ Approved ■ Strategic and Financial Monitoring	■ Evaluation and Feedback ■ Final Progress and Financial Status Reports ■ Grant Closeout

Program Management

Transit Security Grant Program

Program Overview	FY 2015	FY 2016	DELTA
Purpose: The Transit Security Grant Program provides funds to owners and operators of transit systems to protect critical surface transportation infrastructure and the traveling public from acts of terrorism, major disasters, and other emergencies **Eligibility:** Eligible transit agencies were determined based on daily unlinked passenger trips (ridership) and transit systems that serve historically eligible Urban Area jurisdictions	$87,000,000	$87,000,000	0%
FY 2016 Allocation Highlights			

- There are no changes to FY 2016 Transit Security Grant Program
- 53 applications (193 projects) were reviewed, requesting $380,246,307 in funding
- Of this, 21 applications (74 projects) are recommended for funding totaling $87,000,000

	FY 2015	FY 2016
Applications:	45	53
Projects:	158	193
Amount Requested:	$338,236,737	$380,246,307
Opack Amount Funded:	$40,435,791	$23,448,314
Operational Amount Funded:	$71,740,629	$39,694,101
Operational % of Total:	82.5%	45.6%

Intercity Bus Security Grant Program

Program Overview	FY 2015	FY 2016	DELTA
Purpose: The Intercity Bus Security Grant Program creates a sustainable program for the protection of intercity bus systems and the traveling public from acts of terrorism.	$3,000,000	$3,000,000	0%
Eligibility: Private operators providing transportation using over the road buses that have completed a vulnerability assessment and developed a security plan as required under *Section 1531 of the 9/11 Act (6 U.S.C. § 1181).* Operators must either provide transportation services to one of the 29 Urban Area Security Initiative jurisdictions or operate a charter bus service using over the road buses and provide a minimum of 50 trips annually to one or more defined Urban Area Security Initiative jurisdictions.			

FY 2016 Allocation Highlights

- There are no changes to the FY 2016 Intercity Bus Security Grant Program

- 103 applications (132 projects) were reviewed, requesting $22,189,513 in funding

- Of this, 90 applications (114 projects) are recommended for funding totaling $3,000,000

	FY 2015	FY 2016
Applications:	88	103
Projects:	148	132
Amount Requested:	$16,000,000	$22,189,513

Intercity Passenger Rail (IPR) - Amtrak

Program Overview	FY 2015	FY 2016	DELTA
• **Purpose:** The IPR Program supports a sustainable, risk-based effort to protect critical surface transportation infrastructure and the traveling public from acts of terrorism, major disasters, and other emergencies within the Amtrak rail system • **Eligibility:** The National Passenger Railroad Corporation (Amtrak) was the only entity eligible to apply for funding under FY 2016 IPR Program	$10,000,000	$10,000,000	$0

FY 2016 Allocation Highlights

▪ There were no significant changes to the FY 2016 IPR Program

▪ Seven project areas were funded for FY 2016:

• FY2016 IPR Operational Packages and Equipment	$ 4,636,000
• RAILSAFE training program	$ 214,000
• Infrastructure Protection	$ 2,750,000
• Training and Exercise Program	$ 1,200,000
• Security Awareness	$ 300,000
• COOP & FEB Program	$ 300,000
• Risk Assessment: Phase 2	$ 485,000
	$10,000,000

FEMA

Grant Acceptance

- 90 days to accept your award from the time of ND Grants system notification

- Read the terms and conditions of the award letter

- Best practice; it is recommended for all the recipients' employees, that have a direct or indirect contact with the grant, to have read and understand the NOFO (i.e. program guidance) & award Terms and Conditions

- Start an official grant folder

- Have a kick off meeting with all the stakeholders (i.e. procurement officials, building inspectors, political representatives, finance office, etc)

- Set realistic project management goals, milestones, and timelines.

- Recognize your budget and project goals vs. limitations you face (e.g. 2 CFR Part 200, PoP, EHP reviews, match requirements, etc)

Updating the POC in NDGrants

- You will need to set up contacts for each organization to ensure that DHS has point of contacts to communicate important information with the organization. You can add or update contacts for any organization to which you belong. For each organization you belong to, there must be a primary and secondary contact specified.

  UPDATING A CONTACT IN NDGRANTS;

  - 1 Under the Organization tab, click the Contacts left hand menu link
    - ►The Manage Contacts screen will be displayed
  - 2 Click the Update link for the contact you want to update
    - ► The Add/Update Contacts screen will be displayed, listing the current contact details
  - 3 Modify the contact details and the selected organizations, then click the Save and Continue button
    - ► The Add/Update Contact Results (Confirmation) screen will be displayed
  - 4 Click the Return to Contacts button
    - ►The Manage Contacts screen will be re-displayed

*NOTE: Only the Organization Administrator can add or update the contacts of an organization.

ND Grants Service Desk;
Email: NDGrants@fema.gov
Phone: 1-800-865-4076

Period of Performance

- 36 Month period of performance (not retroactive to past awards)
- POP on the grant starts from September 1, 2016 regardless of when the award was accepted by the recipient
- The recipient will not automatically receive additional time on its period of performance if it accepts the award after September 1, 2016

Extension Review Process

- The extension review process was initiated to evaluate the recipient's request to extend awards beyond the initial Period of Performance (PoP), in support of Information Bulletin (IB) #379 and 2CFR Part 200. Only those awards that are determined to have met the criteria set forth in IB 379 will be approved for an extension
- Subject to certain exceptions, recipients are required to take steps to expend, draw down, and close out Federal Emergency Management Agency (FEMA) grant funding per IB #379, "Guidance to State Administrative Agencies to Expedite the Expenditure of Certain DHS/FEMA Grant Funding," which was released in February 2012
- Due to the complexity of the extension review process, it typically takes 70 days (estimated time) for the package to be reviewed and the recipient to be notified of the final extension; GPD recommends submitting PoP extension requests 90-120 days prior to expiration.

*Note; please see Information Bulletin No. 379 – February 17, 2012
(https://www.fema.gov/grant-programs-directorate-information-bulletins)

Environmental Planning and Historic Preservation (EHP) Compliance

- All projects funded with Federal grant dollars (including cost share) must comply with EHP laws, regulations, and Executive Orders

- An EHP review is an analysis of pertinent project information to determine whether a project may have the potential to impact environmental or historical/cultural resources

- Complex projects will typically require more information/time to reach a determination

- FEMA may be required to consult with the relevant State Historic Preservation Office (SHPO), the U.S. Fish and Wildlife Service (FWS), the U.S. Army Corps of Engineers (USACE), and others to determine impacts to sensitive resources

- The EHP review must be completed by FEMA before initiating any work on any FEMA funded project, even if a previous award/year/program/project has an approved EHP review.

- EHP review is required (post award) for the entire project (including cost share items) prior to starting the project

EHP Compliance (*continued*)

- Purpose of EHP review is to ensure compliance – not to deny projects. Sometimes projects may be modified to minimized impacts.

- Costs of environmental review (e.g., archeological surveys, reports, etc.) are paid by the grant recipient, and can be part of grant expenditures.

- Grant award recipients are responsible for completing the EHP Screening Form and providing all relevant EHP materials to GPD via the GPD-EHP Mailbox at GPDEHPinfo@fema.dhs.gov

- Many EHP reviews are conducted and completed by FEMA/GPD HQ staff. Some are sent to FEMA Regional Offices for additional review.

- Many reviews are completed within a couple weeks (or less) of receipt. Some may take several or more months, depending on the type of project and review required.

- Projects that involve more in-depth reviews: new construction, communication towers, projects on/in historical buildings/districts, projects with extensive ground disturbance, in-water projects.

EHP Compliance (*continued*)

- Project review begins with completion and submission of an EHP Screening form. A completed screening form includes:
- Clear description of the project, including project location
- Labeled, ground-level photos of the project area
- Aerial photo(s)
- Includes the year built for any buildings/structures involved in the project
- Describes extent (length, width, depth) of any ground disturbance
- Includes any other pertinent EHP info (e.g., environmental studies/surveys, FCC info, permits in-hand, etc.)
- Submitted to GPDEHPinfo@fema.dhs.gov

EHP Compliance (*continued*)

- Questions about the process: ask your FEMA Program Analyst or send questions to GPDEHPinfo@fema.dhs.gov
- Link to EHP Screening Form and instructions: http://www.fema.gov/media-library/assets/documents/90195
- Link to FEMA Policy on GPD EHP Reviews – includes info on review times for different types of projects and other useful information: http://www.fema.gov/media-library/assets/documents/85376

Remember – EHP review must be completed before a project can be started!

Information Bulletins (IB)

- IBs provide additional programmatic and/or administrative instructions and guidelines to stakeholders critical to supporting the effectiveness and efficient delivery of FEMA Grant Programs

https://www.fema.gov/grant-programs-directorate-information-bulletins

Financial Management

Federal Regulations: 2 CFR Part 200

- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

- Rules apply to all awards

- Audit Requirements

Applies to all FEMA awards made on or after December 26, 2014. Applies to grants for disasters declared on or after December 26, 2014.

Getting Started…

1. Review & Accept Award

2. Register in PARS

    a)   Payment and Reporting

3. Establish Award File

    a)   Award Package

    b)   Approved IJs & Approved Budget

    c)   NOFO

    d)   2 CFR Part 200

FEMA

Know Your Points of Contact

Program Analyst – Conducts all programmatic pre-award, award and post-award activity. Reviews programmatic reports and project activity.

HQ Grants Management Specialist - Conducts all financial pre-award and award—and some post-award grant administration functions not delegated to the Regions

Regional Grants Management Specialist – conducts quarterly cash analysis and monitoring activity for HQ Preparedness awards

FEMA

Financial Management Systems

- Getting started
  - Getting organized for receipt of Federal funds
  - Program vs. financial—not mutually exclusive
  - Understanding Federal requirements
  - Establishing policies and procedures; these are required and will be monitored by funding agency
- *"Minimum"* requirements for financial system
  - Provide financial/performance data
  - Associate grant expenditures to specific funding source
  - Provide clear audit trail
  - Manage cash effectively

Fiscal Matters: Procurement

- 2 CFR Part 200 identifies many substantive changes dealing with procurement. Please reference 200.317 - 200.326

- Identify conditions requiring prior approval

- Pass-through entity (e.g., SAA, Recipient)
  - Develop forms for prior approval
  - 2 CFR Part 200.331 identifies requirements for pass-through entities

- Understand difference between types:
  - Competitive
  - Federal (GSA) or State contract
  - Non-competitive – available only in limited circumstances, including:
    - Item available only from single source
    - Public exigency or emergency
    - After solicitation of a number of sources, competition is determined inadequate
    - Authorized by FEMA or pass-through in response to written request

Monitoring

Types of FEMA Monitoring

Desk Reviews:

- Financial and Programmatic

- Office-based

- Conference Call or Web-based

Site Visits:

- Financial and Programmatic

- On-site, Direct Contact with Stakeholders

- Visual review of operations and performance sites

Quarterly Cash Analysis and Programmatic First Line Reviews are additional forms of informal monitoring.

What is Financial Monitoring?

- Evaluating business and financial administration
  - Evidence and validation of expenditures
  - Review of policies and procedures
  - Compliance with Federal financial rules and program requirements
  - Measuring accuracy of financial reporting
  - Detailed review of recipient files
- Monitoring should be a partnership between program and financial staff

What is Programmatic Monitoring?

- Strategic and Objectives-based
  - Comparing accomplishments to goals
- Technical
  - Measuring implementation of requirements and standards in the Notice of Funding Opportunity (NOFO)/Program Guidance
- Performance
  - Adherence to project scope and investments
  - Completion on time

Monitoring: Examples of Required Documentation

1. Application
2. Award Package
3. Amendments
4. Performance and Financial Reports
5. Expenditure Source Documentation
6. Subrecipient Award Files
7. Policies and Procedures
8. Indirect Cost Rate Agreements
9. Audit Reports

Programmatic, Financial...

Expenditure Documentation

Source Documentation Requirements

- Accounting records must be supported by:
  - Cancelled checks / External source (e.g. financial institution)
  - Time and attendance records
  - Payroll registers
  - Sub-grant award documents
  - Receipts
  - Invoices and purchase orders
  - Executed contracts
  - Travel authorization forms/travel vouchers
  - Federally approved indirect cost rate agreement
  - Fringe benefit rate
  - Inventory Records

Monitoring: What to Expect Post Visit

- Post monitoring letter
  - Agreed upon modifications
  - Remaining compliance issues
    - Follow-up until resolution
  - Recommendations for improvements
  - Recognition of progress and successes
  - Deadline for response, if applicable
  - Copied to Authorized Official

Examples of Program Monitoring Issues

- Inadequate written policies and procedures
- Inadequate subrecipient monitoring plan
- Late, incomplete, or incorrect reporting
- Inadequate EHP documentation
- Lack of documentation of project progress
- Inadequate project progress due to:
  - Procurement issues
  - EHP issues
  - Delays due to disasters, unforeseen major events, etc.

Examples of Financial Monitoring Issues

- Similar issues to program monitoring findings:
  - *Inadequate written policies and procedures; Lack of subrecipient monitoring plan; Late, incomplete, or incorrect reporting; lack of documentation*

- Inadequate accounting procedures

- Period of Performance expiration

- Drawing down funds too quickly or too slowly

- Failure to manage audit results

- Inventory management deficiencies

- Commingling and Supplanting

It's All about Relationships

- Get to know your:
  - Program Analyst
  - Grants Management Specialist
  - Region and HQ Staff
- Ask questions
- Schedule appointments for more in-depth assistance, if needed
- Success is enhanced by positive working relationships

Subrecipient Program and Financial Monitoring

Subrecipient Monitoring Purposes

- Periodic Monitoring <u>required</u>
  - Recipient must monitor subrecipient activities to ensure compliance with applicable Federal requirements and performance goals
- Information sharing and gathering
- Status of national and state goals
- Reinforce priorities and policies

Financial and Programmatic Reporting

Financial Reporting: Accurate Data

- Federal standards
- Recipient: Required to expend and account for grant funds
  - State laws/procedures
  - Internal accounting system
- Federal Financial Report (FFR) SF 425 used for all Recipients
- Reporting requirements found in Grant Terms and Conditions and/or the Notice of Funding Opportunity (NOFO) / Program Guidance
- Specific instructions for each line item of the report can be found at the following website:
  - http://www.whitehouse.gov/omb/assets/omb/grants/standard_forms/ffr_instructions.pdf

Financial Reporting Schedule for FEMA Grants

Quarter	Calendar Quarter	Report Due Date	E-mail Reminder Sent
First Quarter	Oct 1 – Dec 31	Jan 30	Jan 31
Second Quarter	Jan 1 – Mar 31	Apr 30	May 1
Third Quarter	Apr 1 – Jun 30	Jul 30	Jul 31
Fourth Quarter	Jul 1 – Sep 30	Oct 30	Oct 31

Financial Reporting: FFATA

- Information Bulletin 350 re: Federal Funding Accountability and Transparency Act of 2006 (FFATA)
  - OMB maintains single, searchable database of Federal spending with full disclosure to the public at www.usaspending.gov
- Reporting Timeline for Prime Recipients
  - Starting October 1, 2010, all new Federal awards of $25,000 or more are subject to FFATA (including recipients)
  - Includes reporting on sub-awards of $25,000 or more

Programmatic Reporting: FEMA Grants

- Performance Progress Report (SF-PPR)
  - Due 30 days after the end of the reporting period
  - Different programs submit reports in various systems and methods

Amendments

Amendments = Change

- An amendment is a formal written change to the award that typically requires prior written approval from FEMA in accordance with 2 CFR Part 200, the Notice of Funding Opportunity (NOFO)/Program Guidance, applicable program regulations, and Terms and Conditions of the award

- Amendments are covered in 2 CFR 200.308

Examples of Amendments

- Period of performance extension
  - Recipient must formal request an extension to their period of performance end date
- Scope of Work Change
- Budget Change
  - Cumulative Transfers that exceed 10% of the latest approved budget when FEMA's share exceeds $150,000.
    - For grants award prior to December 26, 2014, approved is required when FEMA's share exceed $100,000.
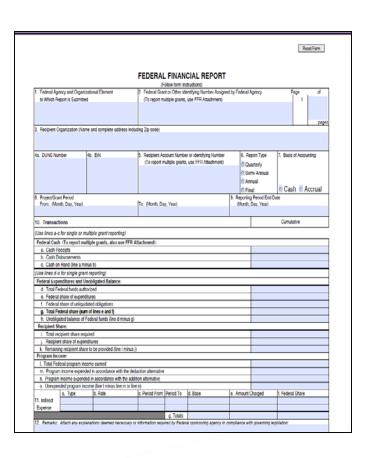- Changes in cost-share or match

Closeouts

Recipient Closeout

- Final reports due to FEMA
  - Due within 90 days after end of award or any approved extension
  - Final progress report
    - Performance Progress Report (PPR)
  - Final FFR (SF-425)

Federal Financial Report

- Due within 90 days after end of award or any approved extension
  - No unliquidated obligations
  - No remaining Recipient share (match) to be provided
  - Indicate exact balance of unobligated funds
  - Final federal amount charged for indirect costs
  - Indicate total program income earned and expended
  - Signature of authorized official for Recipient
  - Remit check to FEMA for excess funds

Subrecipient Closeout

- Recipients (e.g. SAA, Port, Transit) are responsible for providing their subrecipients with their specific closeout requirements

- Final Reports due to Recipients

- Due date determined by Recipient

- Indirect Costs

- Program Income

- Inventory Control

Retention of Records

- Retention of records 2 CFR 200.333-337
  - **General rule**: Three (3) years from the date of submission of final expenditure report as reported to FEMA (or pass-through entity, for subrecipients)
  - **Exceptions to the general rule** include: records for real property and equipment must be three (3) years after final disposition; records must be retained until resolution of any action such as litigation claim, negotiation, or audit
- Non-Federal recipients should also follow their own records retention policies
- Obligation to protect records
- Authorized access to records

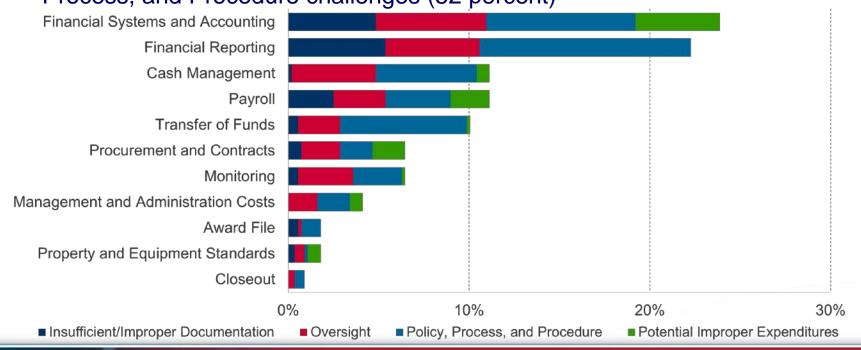# Audit Trends and Findings

Audit Trends and Findings

- GPD examined audit reports and 941 associated recommendations issued from 2008 to 2016

- Includes data from OIG and state, local, and independent third-party A-133 audits of:
  - Homeland Security Grant Program
  - Tribal Homeland Security Grant Program
  - Emergency Management Performance Grant
  - Port Security Grant Program
  - Transit Security Grant Program
  - Intercity Passenger Rail grant program
  - Assistance to Firefighters Grant
  - Staffing for Adequate Fire and Emergency Response grant
  - Fire Prevention and Safety grant
  - Regional Catastrophic Preparedness Grant Program

Financial Issues - Causes

- Financial Systems and Accounting (24 percent) and Financial Reporting (22 percent) accounted for the largest amount (46 percent) of all financial recommendations
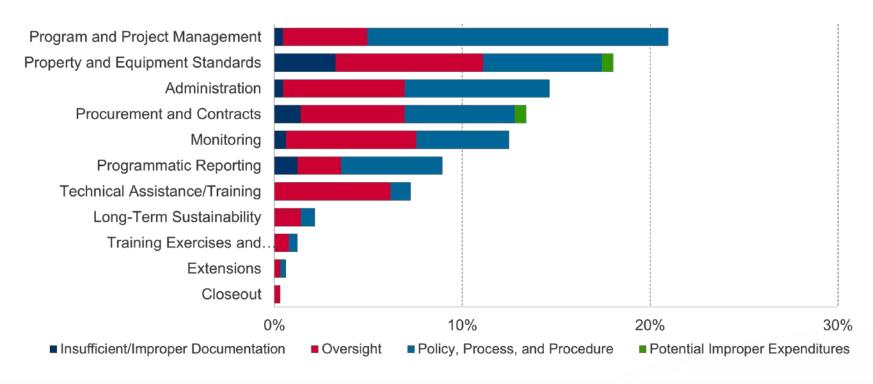
- Financial Reporting recommendations were linked primarily to Policy, Process, and Procedure challenges (52 percent)

Programmatic Issues - Causes

- Program and Project Management (21 percent) and Property and Equipment Standards (18 percent) accounted for 39 percent of all programmatic recommendations

Training and Technical Assistance Opportunities
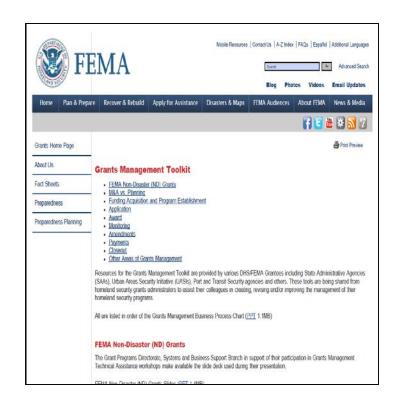
GMTA Program

"Promote sound business practices for grants administration"

- Level I Technical Assistance
  - Information Sharing
  - Collecting/Sharing Promising Practices
  - Networking with Subject Matter Experts
- Level II Technical Assistance
  - Creation of New Resources (i.e. PPT)
- Level III Technical Assistance
  - Direct TA Deliveries and Direct TA Deliveries and Workshops

Promising Practices: Grants Management Toolkit

- Grants management resource clearing house from DHS FEMA recipient and subrecipient stakeholders

- Toolkit assists recipients in creating, revising, and/or improving the management of the grant programs

- http://www.fema.gov/grants-management-toolkit

Technical Assistance Resources

- GPD Technical Assistance Webpage
  http://www.fema.gov/government/grant/technical_assistance.shtm

- Technical Assistance Catalog
  http://www.fema.gov/pdf/about/divisions/npd/npd_technical_assistance_catalog.pdf

- Non-Disaster Grants System Online Grant Recipient Tutorials
  (https://www.fema.gov/media-library/assets/documents/92630)

Questions

- Grant Operations Division
  - Operations Control Desk
    - 866.927.5646
    - ASK-GMD@dhs.gov
- Centralized Scheduling and Information Desk (CSID)
  - 800.368.6498
  - askcsid@dhs.gov