



U.S. DEPARTMENT OF HOMELAND SECURITY

FISCAL YEAR 2011

**GPD PREPAREDNESS GRANT PROGRAMS
GUIDANCE AND APPLICATION KIT
SECTION II – AWARD ADMINISTRATION
INFORMATION**

MAY 2011



U.S. DEPARTMENT OF HOMELAND SECURITY

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PART I.

AWARD ADMINISTRATION INFORMATION

Due to continued stakeholder feedback and recommendations, the Grant Programs Directorate (GPD) within the Federal Emergency Management Agency (FEMA) has reformatted its “Preparedness Grant Programs” guidance and application kits. The kits are now structured into two separate documents, referred to as *Section I* and *Section II*. While both are important documents for grantees to study and thoroughly familiarize themselves with, *Section I* is intended to help grantees during the application phase of a particular preparedness grant program. In FY 2011, GPD is producing 12 separate preparedness grant programs, all of which have their own individual *Section I* guidance and application kits. For FY 2011, the 12 separate preparedness grant programs include the following:

- Homeland Security Grant Program (HSGP)
 - State Homeland Security Program (SHSP)
 - Urban Areas Security Initiative (UASI)
 - Operation Stonegarden (OPSG)
 - Metropolitan Medical Response System (MMRS)
 - Citizen Corps Program (CCP)
- Tribal Homeland Security Grant Program (THSGP)
- Regional Catastrophic Preparedness Grant Program (RCPGP)
- Emergency Operations Center (EOC) Grant Program
- Emergency Management Performance Grants (EMPG) Program
- Driver’s License Security Grant Program (DLSGP)
- Transit Security Grant Program (TSGP)
- Intercity Passenger Rail (IPR) Program (Amtrak)
- Freight Rail Security Grant Program (FRSGP)
- Intercity Bus Security Grant Program (IBSGP)
- Port Security Grant Program (PSGP)
- Nonprofit Security Grant Program (NSGP)

Section II – Award Administration Information - is intended to help grantees in understanding the rules and regulations associated with administering federally-funded grant awards. In previous years with preparedness grant guidance kits, the standard financial, administrative, and legal information now found in *Section II* had been historically embedded as part of each individual preparedness kit. GPD has pulled out this standard financial, administrative, and legal information from each individual preparedness kit and has created *Section II* as a stand-alone supplement which complements and is inherently related to each of the individual 12 preparedness grant programs.

A. Notice of Award

Upon approval of an application, the award will be made in the form of a grant. The date the approval of award is entered in the system is the “award date.” Notification of award approval is made through the ND Grants system through an automatic email to the grantee point of contact listed in the initial application. Once an award has been approved and recorded in the system, a notice is sent to the authorized grant official.

Follow the directions in the notification to accept your award documents. The authorized grant official should carefully read the award package for instructions on administering the grant and to learn more about the terms and conditions associated with responsibilities under Federal awards.

FEMA will track the congressionally-mandated obligation of funds to local units of government through each State’s Initial Strategy Implementation Plan (ISIP).

Extensions to the initial period of performance identified in the award will be considered only through formal, written requests to the appropriate FEMA contact (listed in Part II of this guidance) which contain specific and compelling justifications as to why an extension is required. All extension requests must be submitted to FEMA **at least 60 days prior to the end of the period of performance** and must address:

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

FEMA strongly encourages the timely expenditure of grant funds from State through local units of government and other subgrantees consistent with the goals and objectives outlined in FEMA programs.

B. Administrative and National Policy Requirements

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

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

1.1 – Administrative Requirements. The administrative requirements that apply to most Department of Homeland Security (DHS) award recipients through a grant or cooperative agreement arise from two sources:

- Office of Management and Budget (OMB) Circular A-102, *Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments* (also known as the “A-102 Common Rule”), found under DHS regulations at Title 44, Code of Federal Regulations (CFR) Part §13, “Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.”
- OMB Circular A-110, *Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations*, relocated to 2 CFR Part §215.

1.2 – Cost Principles. The requirements for allowable costs/cost principles are contained in the A-102 Common Rule, OMB Circular A-110 (2 CFR §215.27), DHS program legislation, Federal awarding agency regulations, and the terms and conditions of the award. The four costs principles circulars are as follows:

- OMB Circular A-21, *Cost Principles for Educational Institutions*, relocated to 2 CFR Part §220.
- OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, relocated to 2 CFR Part §225.
- OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, relocated to 2 CFR Part §230.
- OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*.
- 48 CFR Part §31.2, Federal Acquisitions Regulations (FAR), *Contracts with Commercial Organizations*.

1.3 – Audit Requirements and other Assessments

- ***Improper Payments Information Act (IPIA) of 2002, (Public Law 107-300).*** Enacted to ensure the correct use of Federal funds and to avoid improper or erroneous payments.

1.4 – Duplication of Benefits. There may not be a duplication of any Federal assistance by governmental entities, per 2 CFR Part §225, Basic Guidelines Section C.3 (c), which states: Any cost allocable to a particular Federal award or cost objective under the principles provided for in this Authority may not be charged to other Federal awards to overcome fund deficiencies, to avoid restrictions imposed by law or terms of the Federal awards, or for other reasons. However, this prohibition would not preclude governmental units from shifting costs that are allowable under two or more awards in accordance with existing program agreements. Non-governmental entities are also subject to this prohibition per 2 CFR Parts §220 and §230 and 48 CFR Part §31.2.

To allow follow-up on A-133 audit findings or to test operational procedures safeguarding Federal funds, the grantee or sub-grantee must give FEMA or any authorized Federal representative access to all books, records, and related documents supporting the management and use of these grant funds.

2. **Payment.** FEMA utilizes the FEMA Payment and Reporting System (PARS) for payments made. Additional information can be obtained at <https://isource.fema.gov/sf269/execute/LogIn?sawContentMessage=true>.

2.1 – Payment. In accordance with Treasury regulations at 31 CFR Part §205, the Recipient shall maintain procedures to minimize the time elapsing between the transfer of funds and the disbursement of said funds (See also 44 CFR Part §13.21(i)) regarding payment of interest earned on advances.

3. **Non-supplanting Requirement.** Grant funds will not replace (supplant) funds that have been budgeted for the same purpose through non-Federal sources. Applicants or grantees may be required to demonstrate and document that a reduction in non-Federal resources occurred for reasons other than the receipt or expected receipt of Federal funds.

4. Technology Requirements

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

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

4.3 – 28 CFR Part §23 Guidance. FEMA requires that any information technology system funded or supported by these funds comply with 28 CFR Part §23, *Criminal Intelligence Systems Operating Policies*.

4.4 – Best Practices for Government Use of CCTV. DHS recommends that grantees seeking funds to purchase and install closed circuit television (CCTV) systems, or funds to provide support for operational CCTV systems, review and utilize the guidance in *Best Practices for Government Use of CCTV: Implementing the Fair Information Practice Principles* available on the DHS Privacy Office website at http://www.dhs.gov/xlibrary/assets/privacy/privacy_rpt_cctv_2007.pdf.

4.5 – Best Practices for Collection and Use of Personally Identifiable Information (PII). DHS recommends that all grantees who collect PII have a publicly-available privacy policy that describes what PII they collect, how they use the PII, whether they share PII with third parties, and how individuals may have their PII corrected where appropriate. Grantees may also find as a useful resource the DHS *Privacy Impact Assessments: The Privacy Office Official Guidance* and in the *Privacy Impact Assessment Template* (available on the DHS Privacy Office website at http://www.dhs.gov/xlibrary/assets/privacy/privacy_pia_guidance_june2010.pdf and http://www.dhs.gov/xlibrary/assets/privacy/privacy_pia_template.pdf, respectively).

5. Administrative Requirements

5.1 – Housing and Retrieval of Homeland Security Information

- **Freedom of Information Act (FOIA).** Information submitted in the course of applying for funding under this program or provided in the course of an entity's grant management activities which is under Federal control is subject to the *Freedom of Information Act* (FOIA), 5 U.S.C. §552. The applicant is also 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. Note that some information, though not considered classified, may be protected from release or in how it is released. It is important to understand those laws and regulations that fall into an alternate category of Sensitive But Unclassified (SBU) information.
- **Sensitive But Unclassified (SBU).** SBU is a designation of information in the United States Federal government that, though unclassified, often requires strict controls over its distribution. SBU is a broad category of information that includes material covered by such designations as For Official Use Only (FOUO), Law Enforcement Sensitive (LES), Sensitive

Homeland Security Information, Security Sensitive Information (SSI), Protected Critical Infrastructure Information (PCII), etc. Some categories of SBU information have authority in statute or regulation (e.g. SSI, CII) while others, including FOUO, do not.

- **Sensitive Security Information (SSI).** Information submitted in the course of applying for funding or reporting under certain programs or provided in the course of an entity's grant management activities under those programs which is under Federal control is subject to protection under SSI, and must be properly identified and marked. Sensitive Security Information (SSI) is a control designation used by the Department of Homeland Security related to protecting information related to transportation security. It is applied to information about security programs, vulnerability and threat assessments, screening processes, technical specifications of certain screening equipment and objects used to test screening equipment, and equipment used for communicating security information relating to air, land, or maritime transportation. The applicable information is spelled out in greater detail in 49 CFR Part §1520.7.
- **Protected Critical Infrastructure Information (PCII).** The PCII Program, established pursuant to the *Critical Infrastructure Act of 2002* (Public Law 107-296) (*CII Act*), created a framework which enables members of the private sector, States, local jurisdictions, and Tribal nations to voluntarily submit sensitive information regarding critical infrastructure to DHS. The Act provides statutory protection from public disclosure and civil litigation for CII that is validated as PCII. When validated as PCII, the information can only be shared with government employees who complete the training requirement, who have homeland security duties, and a need to know.

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

- **Chemical-terrorism Vulnerability Information (CVI).** DHS issues a Manual to provide guidance on how to identify, handle and safeguard information developed by private and public entities under Section 550 of Public Law 109-295 and its implementing regulations, the Chemical Facility Anti-Terrorism Standards (CFATS), 6 CFR Part §27. Pursuant to CFATS. This information is known as Chemical-terrorism Vulnerability

Information, or CVI, is relevant for anyone authorized to possess or receive CVI (including chemical facility officers, employees, representatives and contractors, and Federal, State, local and Tribal government employees and contractors), as well as anyone who obtains what they reasonably should know is CVI.

http://www.dhs.gov/xlibrary/assets/chemsec_cvi_proceduresmanual.pdf

- **Sensitive Personally Identifiable Information (Sensitive PII).** Certain personally identifiable information, if lost, compromised, or disclosed without authorization, could result in substantial harm, embarrassment, inconvenience, or unfairness to an individual and needs to be carefully managed. Social Security number or alien number (A-number), for example, requires stricter handling guidelines because of the increased risk to an individual if compromised. A key part of the DHS mission to protect the homeland is to minimize our impact on individual privacy. In this regard DHS has developed a *Handbook for Safeguarding Sensitive PII*, which can be found at http://www.dhs.gov/xlibrary/assets/privacy/privacy_guide_spii_handbook.pdf. As required by OMB M-07-16, these rules also apply to DHS licensees, certificate holders, and grantees that handle or collect PII, including Sensitive PII, for or on behalf of DHS.

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

- **Civil Rights Act of 1964.** All recipients of financial assistance will comply with the requirements of Title VI of the *Civil Rights Act of 1964* (42 U.S.C. § 2000d *et seq.*), which provides that no person in the United States will, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.
- **Civil Rights Act of 1968.** All recipients of financial assistance will comply with Title VIII of the *Civil Rights Act of 1968*, which prohibits recipients from discriminating in the sale, rental, financing, and advertising of dwellings, or in the provision of services in connection therewith, on the basis of race, color, national origin, religion, disability, familial status, and sex (42 U.S.C. §3601 *et seq.*), as implemented by the Department of Housing and Urban Development at 24 CFR Part §100. The prohibition on disability discrimination includes the requirement that new multifamily housing with four or more dwelling units—*i.e.*, the public and common use areas and individual apartment units (all units in buildings with elevators and ground-floor units in buildings without elevators)—be designed and constructed with certain accessible features (see 24 CFR Part §100.201).

- **Title IX of the *Education Amendments of 1972 (Equal Opportunity in Education Act)*.** All recipients of financial assistance will comply with the requirements of Title IX of the *Education Amendments of 1972* (20 U.S.C. §1681 *et seq.*), which provides that no person in the United States will, on the basis of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any educational program or activity receiving Federal financial assistance. These regulations are codified at 44 CFR Part §19.
- ***Age Discrimination Act of 1975*.** All recipients of financial assistance will comply with the requirements of the *Age Discrimination Act of 1975* (42 U.S.C. § 6101 *et seq.*), which prohibits discrimination on the basis of age in any program or activity receiving Federal financial assistance.
- ***Americans with Disabilities Act of 1990*.** All recipients of financial assistance will comply with the requirements of Titles I, II, and III of the *Americans with Disabilities Act*, which prohibits recipients from discriminating on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§12101–12213).

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. If you have any additional questions or concerns regarding civil rights compliance, please feel free to contact the Office for Civil Rights and Civil Liberties by telephone at 866-644-8360, 866-644-8361 (TTY), or by email at crcl@dhs.gov.

5.3 – Services to Limited English Proficient (LEP) Persons

- **Limited English Proficiency (*Civil Rights Act of 1964, Title VI*).** All recipients of financial assistance will comply with the requirements of Executive Order 13166, *Improving Access to Services for Persons with Limited English Proficiency*, and resulting agency guidance, national origin and resulting agency guidance, national origin discrimination includes discrimination on the basis of limited English proficiency (LEP). To ensure compliance with Title VI, recipients must take reasonable steps to ensure that LEP persons have meaningful access to your programs. Meaningful access may entail providing language assistance services, including oral and written translation, where necessary. Recipients are encouraged to consider the need for language services for LEP persons served or encountered both in developing budgets and in conducting programs and activities. For assistance and information regarding LEP obligations, go to <http://www.lep.gov>.

5.4 – Certifications and Assurances. Applicants must provide certifications and assurances regarding the following:

- **Lobbying Prohibitions.** None of the funds provided under an award may be expended by the recipient to pay any person to influence, or attempt to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with any Federal action concerning the award or renewal of any Federal contract, grant, loan, cooperative agreement. These lobbying prohibitions can be found at 31 U.S.C. §1352.
- **Drug-Free Workplace Regulations.** All recipients of financial assistance will comply with the requirements of the *Drug-Free Workplace Act of 1988* (412 U.S.C. §701 *et seq.*), which requires that all organizations receiving grants from any Federal agency agree to maintain a drug-free workplace. The recipient must notify the awarding office if an employee of the recipient is convicted of violating a criminal drug statute. Failure to comply with these requirements may be cause for debarment. These regulations are codified at 44 CFR Part §17.
- **Debarment and Suspension.** Executive Orders 12549 and 12689 provide protection from fraud, waste, and abuse by debarment or suspending those persons deemed irresponsible in their dealings with the Federal government. The recipient must certify that they are not debarred or suspended from receiving Federal assistance. For additional information, see 2 CFR Part §3000.
- **Federal Debt Status.** The recipient may not be delinquent in the repayment of any Federal debt. Examples of relevant debt include delinquent payroll or other taxes, audit disallowances, and benefit overpayments. (See OMB Circular A-129, also refer to SF-424, item number 17.)
- **Hotel and Motel Fire Safety Act of 1990.** In accordance with section 6 of the *Hotel and Motel Fire Safety Act of 1990*, 15 U.S.C. §2225a, the recipient agrees to ensure that all conference, meeting, convention, or training space funded in whole or in part with Federal funds, complies with the fire prevention and control guidelines of the *Federal Fire Prevention and Control Act of 1974*, 15 U.S.C. §2225.

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

5.5 – Integrating Individuals with Disabilities into Emergency Planning

- **Rehabilitation Act of 1973.** All recipients of financial assistance will comply with the requirements of Section 504 of the *Rehabilitation Act of 1973*, 29 U.S.C. §794, as amended, which provides that no otherwise qualified handicapped individual in the United States will, solely by reason of the handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance. These requirements pertain to the provision of benefits or services as well as to employment.

For additional detailed information, please refer to the following:

- **FEMA Office of Disability Integration and Coordination.** There are many useful tools available through this office at <http://www.fema.gov/about/odc>.
- **Guidelines for Accommodating Individuals with Disabilities in Disaster.** These Guidelines are available at <http://www.fema.gov/oe/reference/>.
- **Disability and Emergency Preparedness Resource Center.** The “Resource Center” is available at <http://www.disabilitypreparedness.gov>.
- **ADA Best Practices.** The Civil Rights Division within the U.S. Department of Justice provides a resource entitled “the Americans with Disabilities Act (“ADA”) Best Practices Toolkit for State and Local Governments.” The ADA Best Practices Toolkit for State and Local Governments is available at <http://www.ada.gov/pcatoolkit/toolkitmain.htm>.

5.6 – Environmental Planning and Historic Preservation (EHP) Compliance

- **National Environmental Policy Act (NEPA) of 1969.** All recipients of financial assistance will comply with the requirements of the *NEPA*, as amended, 42 U.S.C. §4331 *et seq.*, which establishes national policy goals and procedures to protect and enhance the environment, including protection against natural disasters. To comply with NEPA for its grant-supported activities, DHS requires the environmental aspects of construction grants (and certain non-construction projects as specified by the component and awarding office) to be reviewed and evaluated before final action on the application.

For more information on FEMA’s EHP requirements, SAAs should refer to:

- **Information Bulletin 329**, *Environmental Planning and Historic Preservation Requirements for Grants*, available at <http://www.fema.gov/pdf/government/grant/bulletins/info329.pdf>.
- **Information Bulletin 345**, *Programmatic Environmental Assessment*, available at <http://www.fema.gov/pdf/government/grant/bulletins/info345.pdf>.
- **Information Bulletin 356**, *EHP Screening Form*, available at <http://www.fema.gov/pdf/government/grant/bulletins/info356.pdf>.

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

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

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

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

5.11 – Animal Welfare Act of 1966. All recipients of financial assistance will comply with the requirements of the *Animal Welfare Act*, as amended (7 U.S.C. §2131 *et seq.*), which requires that minimum standards of care and treatment be provided for vertebrate animals bred for commercial sale, used in research, transported commercially, or exhibited to the public. Recipients must establish appropriate policies and procedures for the humane care and use of animals based on the *Guide for the Care and Use of Laboratory Animals* and comply with the *Public Health Service Policy and Government Principles Regarding the Care and Use of Animals*.

5.12 – Clean Air Act of 1970 and Clean Water Act of 1977. All recipients of financial assistance will comply with the requirements of 42 U.S.C. §7401 *et seq.* and Executive Order 11738, which provides for the protection and enhancement of the quality of the Nation's air resources to promote public health and welfare and for restoring and maintaining the chemical, physical, and biological integrity of the nation's waters is considered research for other purposes.

5.13 – Protection of Human Subjects. All recipients of financial assistance will comply with the requirements of the Federal regulations at 45 CFR Part §46, which requires that recipients comply with applicable provisions/law for the protection of human subjects for purposes of research. Recipients must also comply with the requirements in DHS Management Directive 026-04, *Protection of Human Subjects*, prior to implementing any work with human subjects. For purposes of 45 CFR Part §46, research means a systematic investigation, including research, development, testing, and evaluation, designed to develop or contribute to general knowledge. Activities that meet this definition constitute research for purposes of this policy, whether or not they are conducted or supported under a program that is considered research for other purposes. The regulations specify additional protections for research involving human fetuses, pregnant women, and neonates (Subpart B); prisoners (Subpart C); and children (Subpart D). The use of autopsy materials is governed by applicable State and local law and is not directly regulated by 45 CFR Part §46.

5.14 – National Flood Insurance Act of 1968. All recipients of financial assistance will comply with the requirements of Section 1306(c) of the *National Flood Insurance Act*, as amended, which provides for benefit payments under the Standard Flood Insurance Policy for demolition or relocation of a structure insured under the Act that is located along the shore of a lake or other body of water and that is certified by an appropriate State or local land use authority to be subject to imminent collapse or subsidence as a result of erosion or undermining caused by waves or currents of water exceeding anticipated cyclical levels. These regulations are codified at 44 CFR Part §63.

5.15 – Flood Disaster Protection Act of 1973. All recipients of financial assistance will comply with the requirements of the *Flood Disaster Protection Act of 1973*, as amended (42 U.S.C. §4001 *et seq.*), which provides that no Federal financial assistance to acquire, modernize, or construct property may be provided

in identified flood-prone communities in the United States, unless the community participates in the National Flood Insurance Program and flood insurance is purchased within one year of the identification. The flood insurance purchase requirement applies to both public and private applicants for DHS support. Lists of flood-prone areas that are eligible for flood insurance are published in the *Federal Register* by FEMA.

5.16 – Coastal Wetlands Planning, Protection, and Restoration Act of 1990.

All recipients of financial assistance will comply with the requirements of Executive Order 11990, which provides that federally funded construction and improvements minimize the destruction, loss, or degradation of wetlands. The Executive Order provides that, in furtherance of Section 101(b)(3) of NEPA (42 U.S.C. § 4331(b)(3)), Federal agencies, to the extent permitted by law, must avoid undertaking or assisting with new construction located in wetlands unless the head of the agency finds that there is no practicable alternative to such construction, and that the proposed action includes all practicable measures to minimize harm to wetlands that may result from such use. In making this finding, the head of the agency may take into account economic, environmental, and other pertinent factors. The public disclosure requirement described above also pertains to early public review of any plans or proposals for new construction in wetlands. This is codified at 44 CFR Part §9.

5.17 – USA Patriot Act of 2001. All recipients of financial assistance will comply with the requirements of the *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act* (USA PATRIOT Act), which amends 18 U.S.C. §§175–175c. Among other things, it prescribes criminal penalties for possession of any biological agent, toxin, or delivery system of a type or in a quantity that is not reasonably justified by a prophylactic, protective, bona fide research, or other peaceful purpose. The Act also establishes restrictions on access to specified materials. “Restricted persons,” as defined by the Act, may not possess, ship, transport, or receive any biological agent or toxin that is listed as a select agent.

5.18 – Trafficking Victims Protection Act of 2000. All recipients of financial assistance will comply with the requirements of the government-wide award term which implements Section 106(g) of the *Trafficking Victims Protection Act (TVPA) of 2000*, as amended (22 U.S.C. §7104), located at 2 CFR Part §175. This is implemented in accordance with OMB Interim Final Guidance, *Federal Register*, Volume 72, No. 218, November 13, 2007. In accordance with the statutory requirement, in each agency award under which funding is provided to a private entity, Section 106(g) of the TVPA, as amended, requires the agency to include a condition that authorizes the agency to terminate the award, without penalty, if the recipient or a sub-recipient —

- Engages in severe forms of trafficking in persons during the period of time that the award is in effect;

- Procures a commercial sex act during the period of time that the award is in effect; or
- Uses forced labor in the performance of the award or sub-awards under the award. Full text of the award term is provided at 2 CFR §175.15.

5.19 – Fly America Act of 1974. All recipients of financial assistance will comply with the requirements of the Preference for U.S. Flag Air Carriers: Travel supported by U.S. Government funds requirement, which states preference for the use of U.S. flag air carriers (air carriers holding certificates under 49 U.S.C. §41102) for international air transportation of people and property to the extent that such service is available, in accordance with the *International Air Transportation Fair Competitive Practices Act of 1974* (49 U.S.C. §40118) and the interpretative guidelines issued by the Comptroller General of the United States in the March 31, 1981, amendment to Comptroller General Decision B138942.

5.20 – Activities Conducted Abroad. All recipients of financial assistance will comply with the requirements that project activities carried on outside the United States are coordinated as necessary with appropriate government authorities and that appropriate licenses, permits, or approvals are obtained. All recipients of financial assistance will comply with requirements to acknowledge Federal funding when issuing statements, press releases, requests for proposals, bid invitations, and other documents describing projects or programs funded in whole or in part with Federal funds.

5.21 – Copyright. All recipients of financial assistance will comply with requirements that publications or other exercise of copyright for any work first produced under Federal financial assistance awards hereto related unless the work includes any information that is otherwise controlled by the Government (e.g., classified information or other information subject to national security or export control laws or regulations). For any scientific, technical, or other copyright work based on or containing data first produced under this award, including those works published in academic, technical or professional journals, symposia proceedings, or similar works, the recipient grants the government a royalty-free, nonexclusive and irrevocable license to reproduce, display, distribute copies, perform, disseminate, or prepare derivative works, and to authorize others to do so, for government purposes in all such copyrighted works. The recipient shall affix the applicable copyright notices of 17 U.S.C. §401 or 402 and an acknowledgement of government sponsorship (including award number) to any work first produced under an award.

5.22 – Use of DHS Seal, Logo, and Flags. All recipients of financial assistance must obtain DHS' approval prior to using the DHS seal(s), logos, crests or reproductions of flags or likenesses of DHS agency officials, including use of the

United States Coast Guard seal, logo, crests or reproductions of flags or likenesses of Coast Guard officials.

5.23 – DHS Specific Acknowledgements and Assurances. All recipients of financial assistance must acknowledge and agree—and require any sub-recipients, contractors, successors, transferees, and assignees acknowledge and agree—to comply with applicable provisions governing DHS access to records, accounts, documents, information, facilities, and staff.

- Recipients must cooperate with any compliance review or complaint investigation conducted by DHS.
- Recipients must give DHS access to and the right to examine and copy records, accounts, and other documents and sources of information related to the grant and permit access to facilities, personnel, and other individuals and information as may be necessary, as required by DHS regulations *and* other applicable laws or program guidance.
- Recipients must submit timely, complete, and accurate reports to the appropriate DHS officials and maintain appropriate backup documentation to support the reports.
- Recipients must comply with all other special reporting, data collection, and evaluation requirements, as prescribed by law or detailed in program guidance.
- If, during the past three years, the recipient has been accused of discrimination on the grounds of race, color, national origin (including limited English proficiency), sex, age, disability, religion, or familial status, the recipient must provide a list of all such proceedings, pending or completed, including outcome and copies of settlement agreements to the DHS awarding office and the DHS Office of Civil Rights and Civil Liberties.
- In the event any court or administrative agency makes a finding of discrimination on grounds of race, color, national origin (including limited English proficiency), sex, age, disability, religion, or familial status against the recipient, or the recipient settles a case or matter alleging such discrimination, recipients must forward a copy of the complaint and findings to the DHS Component and/or awarding office.

The United States has the right to seek judicial enforcement of these obligations.

C. Drawdown and Expenditure of Funds

Grantees should not expend funds or request drawdowns until all special conditions listed on the grant award document have been met and the award approved for payment in the Payment and Reporting System (PARS). Expenditures for awards should be reported as incurred and grant recipients should drawdown funds based upon immediate disbursement requirements; however, FEMA strongly encourages recipients to draw down funds as close to disbursement or expenditure as possible to avoid accruing interest.

Although advance drawdown requests are permissible, State grantees remain subject to the interest requirements of the Cash Management Improvement Act (CMIA) and its implementing regulations at 31 CFR Part §205. Interest under CMIA will accrue from the time Federal funds are credited to a State account until the time the State pays out the funds for program purposes.

D. Reporting Requirements

Grantees are obliged to submit various financial and programmatic reports as a condition of their award acceptance. Please see below for a summary of financial and/or programmatic reports as required. **Future awards and fund drawdowns may be withheld if these reports are delinquent.**

- 1. Federal Financial Report (FFR) – required quarterly.** Obligations and expenditures must be reported on a quarterly basis through the FFR (SF-425), which replaced the SF-269 and SF-272, which is due within 30 days of the end of each calendar quarter (e.g., for the quarter ending March 31, the FFR is due no later than April 30). A report must be submitted for every quarter of the period of performance, including partial calendar quarters, as well as for periods where no grant activity occurs. Future awards and fund draw downs may be withheld if these reports are delinquent. The final FFR is due 90 days after the end date of the performance period. FFRs must be filed electronically through PARS.
- 2. Semi-Annual Assistance Progress Report (SAPR).** Following an HSGP, THSGP, EOC Grant Program, NSGP, RCPGP, EMPG Program, IPR, PSGP, TSGP, FRSGP or IBSGP Program award, the awardees will be responsible for providing updated obligation and expenditure information on a semi-annual basis. The applicant is responsible for completing and submitting the SAPR reports. The awardee should include a statement in the narrative field of the SAPR that reads: See BSIR

The SAPR is due within 30 days after the end of the reporting period (July 30 for the reporting period of January 1 through June 30; and January 30 for the reporting period of July 1 through December 31).

Required submission: SAPR (due semi-annually).

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

Required submission: Project Report (quarterly).

- 4. Initial Strategy Implementation Plan (ISIP).** Following a SHSP and UASI award, the awardees will be responsible for providing updated obligation and expenditure information to meet the pass-through requirement. The applicable SAAs are responsible for completing and submitting the ISIP online.

Required submission: ISIP (due within 45 days of the award date).

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

The BSIR is due within 30 days after the end of the reporting period (July 30 for the reporting period of January 1 through June 30; and January 30 for the reporting period of July 1 through December 31). Updated obligations and expenditure information must be provided with the BSIR to show progress made toward meeting strategic goals and objectives.

- 6. Exercise Evaluation and Improvement.** Exercises implemented with grant funds should evaluate performance of the capabilities required to respond to the exercise scenario. Guidance related to exercise evaluation and the implementation of improvements is defined in the Homeland Security Exercise and Evaluation Program located at <https://hseep.dhs.gov>.

- 7. Reporting requirements under the *Federal Funding Accountability and Transparency Act of 2006 (FFATA) (Public Law 109-282)*, as amended by *Section 6202(a) of the Government Funding Transparency Act of 2008 (Public Law 110-252)*.** As defined by the OMB, all new Federal awards of \$25,000 or more as of October 1, 2010, are subject to FFATA reporting requirements. "Federal awards" includes not only prime awards for grantees, cooperators, and contractors, but also awards to sub-recipients. More information can be found at <http://www.usaspending.gov/learn?tab=What%27s+New>.

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

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

The grantee shall give FEMA, the sponsoring agency, through any authorized representative, access to, and the right to examine all records, books, papers or documents related to the grant and use and management of these funds.

- 9. Monitoring.** Grant recipients will be monitored periodically by FEMA staff, both programmatically and financially, to ensure that the project goals, objectives, performance requirements, timelines, milestone completion, budgets, and other related program criteria are being met.

Monitoring may be accomplished through either a desk-based review or on-site monitoring visits, or both. Monitoring will involve the review and analysis of the financial, programmatic, performance, compliance and administrative processes, policies, activities, and other attributes of each Federal assistance award and will identify areas where technical assistance, corrective actions and other support may be needed.

The recipient is responsible for monitoring all sub-award activities to ensure compliance with federal and state laws, regulations, and guidance. Responsibilities include the accounting of receipts and expenditures, cash management, maintaining of adequate financial records, reporting and refunding expenditures disallowed by audits, monitoring or other assessments and reviews.

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

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

E. FY 2011 Match Guidance

Introduction

Determining match for the purposes of submitting grant applications to any Federal Agency should be a coordinated process at the State and local level. It is highly recommended that programmatic staff at the State and local level consult with their

financial staff prior to submitting any grant applications, especially those that identify cash or in-kind match. Grantees should ensure that they are thoroughly familiar with the governing provisions which impact matches: 44 CFR Part §13.24; 2 CFR Part §225; and Program Guidance and/or Regulations.

Types of Match

- 1. Cash Match.** Cash (hard) match includes non-Federal cash spent for project-related costs, according to the program guidance. Allowable cash match must only include those costs which are in compliance with the provisions listed above.
- 2. In-kind Match.** In-kind (soft) match includes, but is not limited to, the valuation of in-kind services. “In-kind” is the value of something received or provided that does not have a cost associated with it. For example, if in-kind match (other than cash payments) is permitted, then the value of donated services could be used to comply with the match requirement. Also, third party in-kind contributions may count toward satisfying match requirements provided the grantee receiving the contributions expends them as allowable costs in compliance with provisions listed above.

F. FY 2011 Requirements Specific to For-Profit Entities

Requirements Specific to For-Profit Entities

For-profit organizations are eligible to apply for funding under the PSGP, IBSGP, FRSGP, and IPR. The following requirements apply specifically to for-profit entities receiving Federal funding from FEMA:

- Recipients of PSGP, IBSGP, FRSGP, and IPR funds must comply with the contract cost principles as defined in the Federal Acquisition Regulations (FAR), Part §31.2 Contract Cost Principles and Procedures, Contracts with Commercial Organizations
- For purposes of financial and procedural administration of the PSGP, IBSGP, FRSGP, and IPR, recipients must comply with 2 CFR Part §215, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations (OMB Circular A-110) will apply, excluding Sections 40-48.
- Recipient of PSGP, IBSGP, FRSGP, and IPR funds agree that this award may be terminated in accordance with 2 CFR Part §215.61. If the Federal Government determines that a grant will be terminated, it will be carried out in accordance with the process specified in Part §49 of the FAR.

- Recipients of PSGP, IBSGP, FRSGP, and IPR funds may not make a profit as a result of this award or charge a management fee for the performance of this award.
- Recipients of PSGP, IBSGP, FRSGP, and IPR funds must have a financial audit and compliance audit performed by qualified individuals who are organizationally, personally, and externally independent from those who authorize the expenditure of Federal funds. This audit must be performed in accordance with the United States Government Accountability Office Government Auditing Standards. The audit threshold contained in OMB Circular A-133 applies. This audit must be performed on a program-wide basis to ascertain the effectiveness of financial management systems and internal procedures that have been established to meet the terms and conditions of the award. The management letter must be submitted with the audit report. Recipient audit reports must be submitted no later than nine (9) months after the close of each fiscal year during the term of the award. The distribution of audit reports shall be based on requirements in the current edition of 2 CFR Part §215, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations (OMB Circular A-110). Note: If your audit disclosed findings or recommendations, you must include with your audit report a corrective action plan containing the following: (1) The name and number of the contact person responsible for the corrective action plan; (2) specific steps taken to comply with the recommendations; (3) a timetable for performance or implementation dates for each recommendation; and (4) descriptions of monitoring to be conducted to ensure implementation.

PART II.

FEMA CONTACTS

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

- 1. Centralized Scheduling and Information Desk (CSID).** CSID is a non-emergency comprehensive management and information resource developed by DHS for grants stakeholders. CSID provides general information on all FEMA grant programs and maintains a comprehensive database containing key personnel contact information at the Federal, State, and local levels. CSID can be reached by phone at (800) 368-6498 or by e-mail at ASKCSID@dhs.gov, Monday through Friday, 8:00 AM – 6:00 p.m. (EST).
- 2. Grant Programs Directorate (GPD).** FEMA GPD's Grants Management Division will provide fiscal support, including pre- and post-award administration and technical assistance, to the grant programs included in this solicitation. Additional guidance and information can be obtained by contacting the FEMA Call Center at (866) 927-5646 or via e-mail to ASK-GMD@dhs.gov.
- 3. FEMA Regions.** FEMA Regions will provide fiscal support, including pre- and post-award administration and technical assistance, to the grant programs included in this solicitation. For a list of contacts, please go to <http://www.fema.gov/about/contact/regions.shtm>.
- 4. GPD Environmental Planning and Historic Preservation (GPD-EHP).** The FEMA GPD-EHP Team provides guidance and information to grantees and subgrantees related to submission of materials for EHP review. All EHP Review Packets should be sent to gpdehpinfo@fema.gov.