

# Subgrantee Handbook

Issue 1, September 2010

# Table of Contents

<b>About Us</b> .....	<b>2</b>
HSEMA Oversight for Grant Administration .....	2
HSEMA Grant Division Structure .....	2
<b>Grant Information</b> .....	<b>3</b>
List of DHS Grants Managed and Administered by SAA .....	3
Grant Lifecycle Process.....	3
<b>Project Management Plan (PMP)</b> .....	<b>4</b>
Project Change .....	4
Helpful Tips.....	4
<i>New!</i> PMP Addition .....	4
<b>Subgrantee Awards</b> .....	<b>6</b>
Setup or Change Subgrantee Payments.....	6
<b>Spend Plan Review Process</b> .....	<b>7</b>
Non-District Agency .....	7
District Agency .....	7
<b>Project Implementation</b> .....	<b>8</b>
Status Reports.....	8
Helpful Tips.....	8
Procurement .....	9
Reimbursement Process .....	10
Refunding the SAA.....	12
Grant Adjustment Notice (GAN).....	12
Extension Requests .....	12
<b>Monitoring</b> .....	<b>13</b>
Record Keeping .....	13
Equipment Inventory .....	13
A-133 Audit Report .....	14
Subgrantee Monitoring .....	14
<b>Project Closeout</b> .....	<b>15</b>
<b>Allowable Cost</b> .....	<b>16</b>
Equipment/Supplies .....	16
Contractual Services .....	16
Personnel.....	16
Travel.....	17
Food and/or Beverages.....	17
Management & Administrative .....	18
Indirect Costs.....	18
Unallowable Costs .....	18
<b>Documentation Requirements</b> .....	<b>19</b>
Acceptable Forms of Proof of Encumbrance.....	19
Acceptable Forms of Proof of Purchase .....	20
Acceptable Forms of Proof of Payment (POP).....	21
<b>Quick Links &amp; Documents</b> .....	<b>22</b>

## About Us

The U.S. Department of Homeland Security (DHS) requires that DHS grants be awarded to states and passed through a single State Administrative Agent (SAA). In fact, DHS appointed the District of Columbia (District) to be the SAA for grants awarded to the National Capital Region (NCR). This role requires unprecedented cooperative efforts between the jurisdictions and organizations, and the creation of innovative processes for both managing and dispensing the grant funds.

### **HOMELAND SECURITY AND EMERGENCY MANAGEMENT AGENCY (HSEMA) OVERSIGHT FOR GRANT ADMINISTRATION**

HSEMA has developed a comprehensive, management structures for the administration of grant funds. This structure abides by the guidelines established by DHS. HSEMA's objective is to provide oversight and management of grant funds awarded to District and regional jurisdictions and organizations in order to improve mitigation, preparedness, response, and recovery capabilities for all hazards. The team's specific priorities are to perform the following:

- Improve the District's and the region's administration of grant funding for disaster response and recovery capabilities by developing and maintaining an understanding of integrated operational capability developed in coordination with our federal partners, volunteer organizations, universities, and the private sector
- Assist all levels of District and regional government, first responders, volunteer groups, universities, and the public in meeting the responsibilities of public emergencies and challenges, through program management and coordination activities
- Use baseline program evaluation strategies to identify emergency preparedness areas in need of improvement and allow for a methodology for strategic planning and the justification of resource allotment
- Provide critical information to Congress, the public, the media, and the emergency management community by maintaining strict spending and activity records and by building partnerships with and among federal and regional entities, District agencies, other responder organizations, and the private sector

### **HSEMA GRANT DIVISION STRUCTURE**

The Grants Division is composed of one Chief, two Deputies (one for the NCR and one for District), four Financial Managers, and six Program Managers.

# Grant Information

## LIST OF DHS GRANTS MANAGED AND ADMINISTERED BY SAA

The SAA currently manages and administers federal programs on behalf of the District and NCR:

### DISTRICT

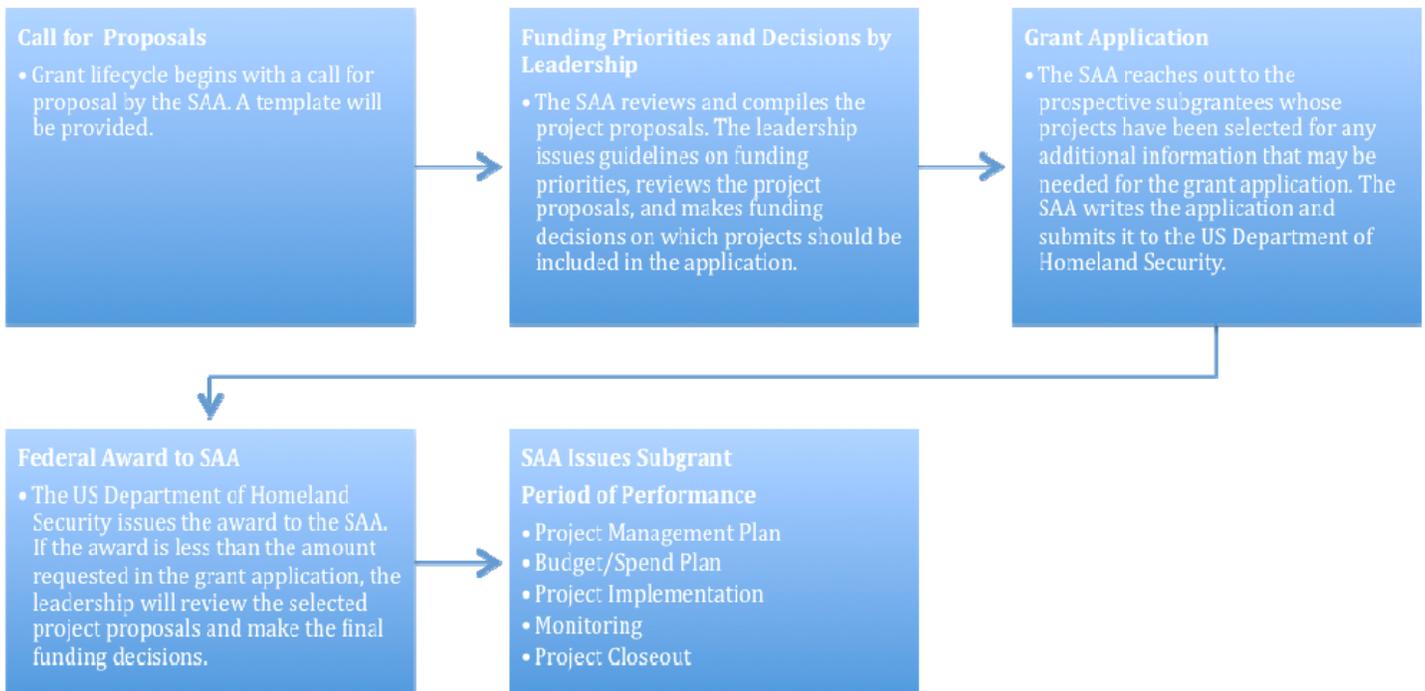
- Buffer Zone Protection Program (BZPP)
- Emergency Management Performance Grant (EMPG)
- Emergency Operations Center (EOC) Grant Program – through FY 2008
- Citizens Corp Program (CCP)
- Urban Area Security Initiative (UASI)
- State Homeland Security Program (SHSP)
- Interoperable Emergency Communications Grant Program (IECGP)
- Public Safety Interoperable Communications (PSIC)

### NCR

- Urban Area Security Initiative (UASI)
- Nonprofit Security Grant Program (NSGP)
- Regional Catastrophic Preparedness Grant Program (RCPGP)
- Transit Security Grant Program (TSGP) – through FY2008

The subgrantee should note that leadership (body that makes policy and funding decisions) differs from grant to grant, depending on the individual grant requirements.

## GRANT LIFECYCLE PROCESS



## Project Management Plan (PMP)

Each subgrantee is required to submit a PMP. The SAA will contact the subgrantee and request a PMP after the leadership finalizes the funding decisions. The subgrantee must complete the PMP using the template provided by SAA. The PMP must be complete in order for the SAA to issue the award.

The PMP must address the following:

*Does the PMP explain what the overall goal of the project is (does it match what the leadership approved)?*

*Does the PMP explain how the subgrantee will achieve that goal?*

*Are proposed expenditures allowable?*

*Does the PMP list proposed expenditures with enough detail to determine allowability?*

*Does the PMP list expected deliverables in such a way that they can be tracked?*

*Are the proposed deliverable dates realistic / within the period of performance?*

### **NEW! PMP ADDITION**

#### Funding by Target Capability

Target Capability (Identified in above section)	Proposed Funding Amount
<b>Total</b>	<b>\$ 0.00</b>

The subgrantee must provide the proposed funding amount for each selected target capability.

### **PROJECT CHANGE**

The subgrantee may be asked to submit a revised PMP under the following circumstances:

- Change in project scope and deliverables
- Significant delays in project implementation

### **HELPFUL TIPS**

Please note the SAA may periodically change PMP template. PMP consists of the following core sections:

#### *Applicant Profile*

This section lists the representatives from the subgrantee organization, including authorization official, project manager and financial manager.

The subgrantee should notify the SAA of any change in the point-of-contact for a particular project. The decision-maker for each project should be clearly identified.

### ***Description***

This section succinctly describes the purpose and scope of the project.

### ***Best Practices***

*Background.* Provide some background so that the leadership understands the purpose and context of the project. This is especially important if the project involves multiple grants or grant years. For example, Project X will take a multiphase approach; ten (10) agencies are currently sharing jail records; in 2009 Project X will incorporate 25 additional agencies. 30 new agencies will be added in subsequent years to create an NCR wide records system, provided funding prioritization.

*List project level goal(s).* At the end of the project, what does the organization expect to accomplish?

*List higher-level objective.* If this individual project is a part of multiple projects that address a broader goal make sure this information is explained. For instance, the license plate reader project has its own project level goals for law enforcement to identify wanted license plates at point of contact. In a broader scheme, license plate reader will tie into LInX to provide multi jurisdiction data in NCR for investigative purposes.

### ***Deliverables and Tasks***

This section lists all the deliverables and tasks associated with the project, including a proposed timeline within the anticipated period of performance.

### ***Best Practices***

*Deliverables.* These are the products or services the project will produce at the end of the period of performance.

These include items such as:

- Purchase of 300 P25 radios, batteries, and peripherals (tangible deliverable)
- Update Standard Operations Plan for Arlington Hospital (tangible deliverable)
- Provide enhanced query logic for existing ESSENCE application (soft deliverable)
- Add 25 new data fields into the PAWN database (soft deliverable)

Please note that the deliverables provide specific information related to the project.

### ***Financial Plan***

This section lists all the proposed expenditures by category.

The SAA reviews the completed PMP against allowability, the grant guidance, federal guidelines, and any policy issued by the leadership.

### ***Common Overlooked Section***

*District Agency (ONLY).* The comptroller object is a four-digit code needed to load the budget. Please refer to page 22 for document link.

*POETE.* Acronym stands for Planning, Organization, Equipment, Training, and Exercises. Organization should only be used for Intelligence Analysts.

## Subgrantee Awards

The SAA will issue an award package after receipt and approval of a subgrantee's PMP. The award package will include the following:

- Award Letter listing the project title, number, award amount, and period of performance
- Certification of Compliance to be signed by the authorization official, indicating acceptance of the award and the terms of the grant
- US DHS Special Conditions
- HSEMA Terms & Conditions

**Return signed award to the SAA** (email electronic copy to the SAA). The SAA will release the project grant funds in the NCR | GMS after receipt of the signed award letter. The subgrantee will then have access to build the spend plan in the NCR | GMS.

### What is NCR | GMS?

NCR | GMS stands for The National Capital Region Grant Management System. NCR | GMS is the SAA's online grant management system. Subgrantee is required to enter all financial expenditures for each project in this system. Additionally, the subgrantee is required to designate a NCR | GMS point-of-contact and before receiving a user account and receive training by the SAA. Upon request, the SAA will conduct quarterly training at our office location. In cases where your jurisdictions or organizations are in need of training, the SAA does offer one-on-one training. Please contact your program manager directly. The website is found at [NCR | GMS](#).

## SETUP OR CHANGE SUBGRANTEE PAYMENTS

The subgrantee is treated as a vendor for the purpose of receiving payments from the District. A subgrantee receiving an award for the first time must complete and submit a W-9 form so that they can be established as a vendor.

A subgrantee whose remittance address has changed must also complete and submit a W-9 so that the updated information is captured. This will ensure payments are properly recorded and tracked.

Two Payment Options:

**1** « *Automated Clearing House (ACH)*. The subgrantee must complete the W-9 and ACH templates.

**2** « *Check Only*. The subgrantee must complete the W-9 template.

Please refer to page 22 for the W-9 and ACH form links (return completed form(s) to the SAA).

### Special Note

The subgrant (project) may be terminated in whole or the award amount reduced at any time that the SAA finds a substantial failure to comply with the provisions of regulations and terms and conditions promulgated by the DHS, the District or the SAA.

# Spend Plan Review Process

*Non-District Agency vs. District Agency - A District Agency is any organization that is a member of the Government of the District of Columbia. A Non-District agency is any organization that is not a member of the Government of the District of Columbia.*

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## NON-DISTRICT AGENCY

The subgrantee is responsible for developing a spend plan in NCR|GMS after receipt of the subgrantee award package. This is accomplished by creating project expenditures and selecting the appropriate AEL code and the associated amount. The subgrantee then submits the Grant Application to the SAA for review through the online NCR|GMS system.

### What is Authorized Equipment List (AEL)?

The AEL is a list of published equipment categories. The AEL is not an exclusive list of allowable costs, and is primarily focused on equipment. Other allowable costs are detailed in the Guidance or may be approved by DHS. In NCR|GMS, users can select expenditure requests from the full AEL listing as well as for other allowable Planning, Training, Exercise, and Organization costs.

Please allow the SAA at least five business days to review the grant application in NCR|GMS. If the NCR|GMS spend plan does not reflect what was submitted in the PMP be sure to notify your program manager of the change and send the updated PMP before submitting the Grant Application in NCR|GMS. Please note that the system will not allow a subgrantee to submit until all funding has been allocated for every project listed in the application.

## DISTRICT AGENCY

The SAA uses the District's intra-district process as a means to pass-through funds to a District subgrantee. Therefore, the SAA is responsible for managing the intra-district budget load process. The spend plan section in the PMP serves as the budget and must identify the items to be purchased, the amounts, and how much should be budgeted by comptroller object. The District subgrantee should note that they must request intra-district budget establishment after receipt of a subgrant award and the request must specify the amount that will be spent within the fiscal year of the budget establishment. This is the amount that will be included in the initial intra-district budget request. The amount remaining will be loaded in subsequent fiscal years. It takes approximately 30 days to establish intra-district budget authority; therefore a District subgrantee is encouraged to give the SAA 30 day lead on such requests. The subgrantee may begin spending after the intra-district budget is loaded.

### *Step by Step Process as follows:*

- The SAA prepares the Memorandum of Understanding (MOU) and Intra-District Standard Request Form (IDSR) for the budget establishment after receipt of request from subgrantee
- The SAA works with the subgrantee to gather all of the appropriate signatures
- The SAA forwards the fully signed MOU to the Office of Financial Officer (OCFO) legal team for review and approval
- OCFO legal team notifies the SAA of approval or denial. If denied, the SAA works with OCFO legal to provide the appropriate modifications for approval
- An intra-district budget load request is sent to Office of Budget and Planning (OBP) after the OCFO legal team approves the MOU
  - If the Agency requesting budget establishment is within the Public Safety and Justice Cluster (PSJC), the SAA prepares and submits an intra-district budget establishment request to OBP for review and approval
  - If the Agency requesting budget establishment is not within the PSJC, the SAA will forward the budget load packet to the subgrantee. The subgrantee must prepare the cover memo and submit the intra-district budget establishment request to OBP

# Project Implementation

## STATUS REPORTS

The subgrantee is required to submit a quarterly project status report to the SAA after receiving a subgrant award. The subgrantee must complete the report using the template provided by SAA.

The submission schedule is as follows:

- Quarter 1** « due by April 10 (covers January 1 – March 31)  
**Quarter 2** « due by July 10 (covers April 1 – June 30)  
**Quarter 3** « due by October 10 (covers July 1 – September 30)  
**Quarter 4** « due by January 10 (covers October 1 – December 31)

If there are issues raised in the status report that present a significant risk to the project's success, the SAA will follow-up with the subgrantee as appropriate.

### Things to Remember

**1** « Submit on time and stay up-to-date (must submit a report when there is No Activity)

**2** « No incomplete or inaccurate Financial Plan section is acceptable. Be sure to:

- Enter the correct award amount
- Copy spend plan figures from PMP
- Update what has been encumbered, paid, and submitted for reimbursement to the SAA

**3** « Indicate any changes to the project scope or budget

**4** « If project is completed mark the last report as FINAL

### HELPFUL TIPS

*Major Issues.* Any issues must be documented to provide a paper trail and to explain any deviation from the original PMP. Examples of major issues are extensions, reduction in cost of the service or equipment, change in scope of the project and change in contact person and/or project manager.

*Additional Information.* Be sure to give the circumstances around any changes from the original PMP. If any of the critical components of the project are altered it should be explained. Examples include any unforeseen incidents, such as severe snowstorm that could prolong the period of performance or the equipment manufacturer may no longer produce the needed technology.

*Financial Plan.* The “Previous Financial Plan” should mirror the PMP and the “Updated Financial Plan” should reflect all the adjustments for the quarter.

*Deliverables/Tasks.* Copy and paste all the deliverables/tasks listed in the original PMP and add-on or revise any of these items along the way. Each column must be completed.

## PROCUREMENT

### *Non-District Agency*

A non-District subgrantee must use the NCR | GMS to upload documentation that identifies what goods and/or services have been ordered. As items are procured, the subgrantee must submit the proof of encumbrance (e.g. purchase order or contract) into the system. At this stage, the SAA has approved the Expenditure List in NCR | GMS and the line items are marked as “Needs POE” (POE: Proof of Encumbrance). In order to submit the POE, the subgrantee is required to assign an accurate description for the expenditure item that also includes the billing period and period of service.

### *District Agency*

A District subgrantee uses the Procurement Automated Support System (PASS), the technology application that supports the District's online procurement (eProcurement) process, to purchase goods and/or services. After a District agency receives intra-district budget authority, the agency can enter purchase requests (requisitions) in PASS. The SAA reviews every PASS requisition funded with homeland security grant funds. The SAA reviews each requisition to determine if it aligns with the project scope, within the subgrant period of performance, and is included in the spend plan.

***Creating a new requisition in PASS.*** A subgrantee must include the project number (i.e. 2FBUA6) as part of the title.

Newly loaded budgets will not be available until the Monday following the budget load.

Difficulties entering a PASS requisition? The SAA suggests the subgrantee does the following:

- Check the 80 Screen in SOAR to determine if the budget is loaded
- Check the attributes and source groups you are using to determine they match up with SOAR
- Make sure it is the Monday after the budget was loaded

If the subgrantee has completed the above checks and is still experiencing problems, please contact the PASS helpdesk at 202.727.8700.

### **NCR | GMS TIPS**

*Common Misstep.* Not providing an accurate expenditure item description. For example, when a subgrantee is requesting reimbursement for a single expense for either personnel or contractual support, please include the pay or billing period start and end date.

*Don't Forget.* Any amendment or modification to a contract or purchase order must be submitted in NCR | GMS.

### **When in Doubt, Give the SAA a Shout!**

Before purchasing a non-standard or unique purchase item, please make sure to review the grant program guidelines to ensure this expenditure is allowable under the particular grant program. If you are not certain from your review of the guidelines, please contact the SAA before purchasing the item.

It is critical the SAA review all purchase requests as goods and/or services are procured.

## REIMBURSEMENT PROCESS

The subgrantee must be *current with the submission of required status reports* in order for the SAA to process reimbursement requests.

The subgrantee must submit invoices, receipts, proof of payment, and any other documentation to verify the amount being requested in NCR |GMS.

The subgrantee must submit reimbursement requests no later than 90 days after the subgrantee has paid for the goods and/or services. The SAA, at its own discretion, can deny a reimbursement request if it is determined that the documentation exceeds the 90 day limit. *The SAA will not accept any reimbursement requests after the subgrant's liquidation period, which is 30 days after the end of the subgrant's period of performance.* Please refer to your subgrant award or any applicable Grant Adjustment Notice (GAN) to determine the end of your subgrant's period of performance.

### *Requesting Partial Payment*

If a subgrantee requests partial payment for an expenditure item, that subgrantee must include a written explanation. This explanation can be in the form of an additional attachment, a cover memo, or written onto the payment documentation. The subgrantee must include this documented explanation as an attachment to the reimbursement request in NCR |GMS to avoid double payment and other audit related confusion.

### Helpful Tips for Common Reimbursement Mistakes

#### *Common Mistakes when documenting a journal transfer or transfer of funds*

Any expenditure item or reimbursement request that consists of a journal transfer or transfer of funds must include the documentation (i.e. invoices and proof of payment) to substantiate the amount transferred.

#### *Common Mistakes when entering multiple invoicing*

Please avoid combining multiple vendors or services and refer to the SAA program manager as to how to submit multiple vendors or services.

#### *Common Mistakes when entering personnel charges*

Payroll documentation can be vague and/or not directly match the amount included in the reimbursement request. If this is the case, the subgrantee must include a written explanation in NCR |GMS that provides a clear breakdown of how the reimbursement amount correlates to the documentation.

### *Non-District Agency*

The SAA reviews the documentation loaded into NCR |GMS to ensure it is sufficient. This involves a two-step review process that takes approximately 15 business days:

- The program manager reviews the documentation for mathematical accuracy and confirms the expenses are allowable, consistent with the project management plan, and timely
- The financial manager reviews the documentation for mathematical accuracy and compliance with the DHS Financial Management Guide and Office of Management Budget Circulators

The SAA submits the reimbursement request to the OCFO for payment after the above two-step review process is complete.

If a reimbursement request has discrepancies, the SAA will deny the request in NCR | GMS and add comments in the textbox providing an explanation and steps to correct the reimbursement. The program manager will ensure a notification is sent to the subgrantee point of contact explaining the denial.

*Every time a reimbursement request is resubmitted due to SAA denial, the two-step review process restarts giving the SAA 15 business days to complete its review.*

### ***NSGP Subgrantee***

The subgrantee must be *current with the submission of required status reports* in order for the SAA to process reimbursement requests.

The subgrantee does not have to submit their reimbursement request through NCR | GMS; however, the subgrantee must complete and return form (refer to page 22 for form link) along with the invoices, receipts, proof of payment, and any other documentation to the SAA. Please note that the subgrantee must identify the matching expenditure items in the Comment section of the Project Expenditure Report form.

The subgrantee must submit reimbursement requests no later than 90 days after the subgrantee has paid for the goods and/or services. The SAA, at its own discretion, can deny a reimbursement request if it is determined that the documentation exceeds the 90 day limit. *The SAA will not accept any reimbursement requests after the subgrant's liquidation period, which is 30 days after the end of the subgrant's period of performance.* Please refer to your subgrant award or any applicable Grant Adjustment Notice (GAN) to determine the end of your subgrant's period of performance.

### ***Payment Process***

The OCFO has 30 business days to pay the subgrantee's reimbursement request in accordance with the District's Quick Payment Act. In total, the subgrantee must allow 45 business days to receive payment after they submit a proper reimbursement request. The subgrantee is encouraged to contact the SAA for status of payment if they do not receive payment after the 45th business day.

In some incidences the OCFO will bundle multiple reimbursement requests into one payment. If a subgrantee can not easily match a payment to a reimbursement request, please contact the SAA.

### ***District Agency***

The subgrantee must be *current with the submission of required status reports* in order for the SAA to process reimbursement requests.

The SAA uses the District's intra-district process as a means to reimburse funds to a District subgrantee. The subgrantee is reimbursed for expenses incurred against their intra-district projects through an intra-district advance. The subgrantee is only able to receive the advance after the funds are expended in SOAR. The subgrantee must submit invoices, receipts, receiving reports, and any other documentation to support the amount reimbursed. The subgrantee must submit an intra-district advance request in order for the SAA to process the advance. Additionally, below is some of the pertinent information that should be included in an advance request:

- Project Number
- Appropriation Year
- Primary Document Number
- Index Code
- PCA
- Vendor Name
- Invoice Number
- Amount

### REFUNDING THE SAA

In the event a subgrantee is overpaid and they need to refund the SAA, they must first notify the program manager of this issue and provide an explanation. The SAA will review the notification and request that the subgrantee proceed with issuing a refund check. All refunds should be sent to the below address. The District's tax identification number is 536001131.

Public Safety & Justice  
300 Indiana Avenue, NW Suite 4068  
Washington, DC 20001

The subgrantee should notify the SAA when the refund has been sent in order for us to follow-up with the OCFO point-of-contact.

### GRANT ADJUSTMENT NOTICE (GAN)

During the life of a project, changes may occur to the original project plan. In those cases, the subgrantee may request the following:

- Change in project scope and deliverables
- Extension of the subgrant period of performance
- Decrease or increase in the award amount

The SAA may ask the subgrantee to submit the request on a SAA-provided template and provide additional information and documentation as part of the review process. The SAA may also ask the subgrantee to submit a revised PMP. Depending on the grant, the request may be subject to review by the leadership and/or stakeholders.

The SAA will approve or deny the request. If the request is approved, the SAA issues a GAN to the subgrantee authorizing the modification to the subgrant award. The subgrantee must then have the GAN signed by the authorization official and returned to the SAA. The SAA also updates NCR | GMS to reflect the changes outlined in the GAN.

### EXTENSION REQUESTS

The subgrantee may request a period of performance extension, if the project experience significant delays. The subgrantee must utilize the SAA-provided template and the request must include the following:

- Reason the extension is needed, including a strong justification as to why the additional time is required
- Identify any unusual circumstances that caused the delay and explain how they were or are being mitigated
- A brief timeline/explanation of how the subgrantee plans on accomplishing the remaining tasks within the extension period
- Any funding at-risk of lapsing if the extension is not granted

*The subgrantee must be current with status reports. Failure to provide the above information may result in a delay in processing the extension request.*

# Monitoring

## RECORD KEEPING

The subgrantee is responsible for maintaining a project file that contains complete and up-to-date records for the project. These records may be paper files or electronic, provided that they can be easily and quickly located and provided for review.

At a minimum, the project file should contain the following documents:

- Subgrant Award Letter (signed)
- Applicable US DHS Special Conditions
- Applicable HSEMA Terms & Conditions
- All GANs (signed)
- Current PMP
- All project's status reports
- Contracts and purchase orders associated with the project
- Procurement files
- Payment information that supports project-related charges

The SAA understands that procurement and payment documents may be stored elsewhere if that is the subgrantee's standard procedure however the subgrantee must ensure that procurement and payment information for all grant funded purchases are clearly identified and produced when requested.

This project file should be transitioned between subgrantee project managers during any staff turnover. The project files must be kept by the subgrantee for a period no less than three (3) years from the date of the end of the DHS grant period of performance, or three (3) years from the date of any audit that includes the project as part of the tested sample, whichever is later.

## EQUIPMENT INVENTORY

At a minimum, the subgrantee must maintain property records (inventory), which must include:

- Description of the property
- Serial number or other identification number
- Source of the property (what grant/project funded it)
- Identification of titleholder
- Acquisition date
- Cost of the property
- Percentage of Federal funding contributing to the cost of the property
- Location of the property
- Use and condition of the property
- Disposition data, including the date of disposal and sale price

A physical inventory of the property must be taken and the results reconciled with the property. A control system must be in place to ensure adequate safeguards to prevent.

- Loss
- Damage
- Theft or
- Misuse of the property

The subgrantee must ensure that when practicable, any equipment purchased with grant funding shall be prominently marked as follows:

“Purchased with funds provided by the U.S. Department of Homeland Security”

Also, any loss, damage, theft, or misuse of property shall be promptly and properly investigated by the SAA and the subgrantee, as appropriate.

### **A-133 AUDIT REPORT**

Any subgrantee that expends over \$500,000 of grant funds in a given fiscal year must conduct an independent audit in accordance with the requirements of Office of Management and Budget (OMB) Circular A-133. The subgrantee is responsible for providing the auditor's report to the SAA for review.

### **SUBGRANTEE MONITORING**

The SAA will conduct periodic monitoring of subgrantee in addition to collecting project status reports. This will include both electronic and telephone desk reviews of projects and files, as well as on-site visits by a monitoring team from the SAA. The subgrantee is expected all files available for a desk review or an on-site monitoring review.

The type of monitoring will be conducted according to the level of risk, which will be determined, by a variety of factors, to include, but not limited to:

- Award amount
- Time left in the period of performance
- Balance remaining
- Rate of spending
- Past performance

Accordingly, the SAA will perform on-site visits and/or desk reviews based on the risk factors.

During a monitoring visit, the SAA staff will look for documents and procedures that demonstrate the subgrantee is managing and expending grant funds appropriately. At a minimum, the SAA will review the following items:

- The project file
- General Ledger reports
- Procurement files
- Invoices or other documents to justify expenditures
- Inventory management procedures and/or physical inspection of equipment
- Status updates from subgrantee program and financial management staff

# Project Closeout

The purpose of project closeout is to ensure all work is completed, funds expended, and reimbursement(s) paid.

As part of the closeout effort the SAA will complete an audit of the project file, the SAA maintains in house, to ensure all of the appropriate documentation is saved. The subgrantee will be responsible for providing the SAA any documentation that is missing from the project file, this may include:

- Subgrant Award Letter (signed)
- All GANs (signed)
- Current PMP
- All project's status reports
- Proof of deliverable
- MOU/IDSR (District Agency only)
- Equipment Inventory Report, if applicable

In addition the SAA will work with the subgrantee to verify the following:

- Noteworthy results such as did the project over-or-underachieve the goals
- All payments were received
- Balance remaining on the project is accurate
- All equipment was received and/or services rendered
- Future maintenance requirement, if applicable
- Project issues were resolved, if applicable

The subgrantee *may* also be required to host a meeting with the SAA at the subgrantee site to demonstrate the work defined in the PMP was completed and all deliverables were received.

When the above steps are complete, the SAA will issue a final GAN to the subgrantee. The subgrantee must sign and return the signed final GAN to the program manager as soon as possible. Any remaining funds will be rescinded.

Helpful Tips	
<b>Acceptable forms of proof of deliverable</b> <ul style="list-style-type: none"><li>• Photographs of the equipment, with proof of proper attribution to grant funding (e.g. NCR sticker)</li><li>• After Action Report or Improvement Plan following an exercise</li></ul>	<b>Training &amp; Exercises-related projects</b> <ul style="list-style-type: none"><li>• Verify that any exercise funded with grant dollars are Homeland Security Exercise and Evaluation Program (HSEEP) compliant</li></ul>

## Allowable Cost

DHS grant funds can only be used for the purpose set forth in the grant, and must be consistent with the subgrantee's approved PMP. The subgrantee can only use grant funds to supplement existing funds, and cannot supplant (replace) funds that have been appropriated in their jurisdiction or organization's budget for the same purpose. The subgrantee 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.

### EQUIPMENT/SUPPLIES

The subgrantee must reference the [AEL](#) to determine whether a cost is allowable. Each DHS grant program has an AEL and the subgrantee must ensure they reference the correct AEL when developing their spend plan.

### CONTRACTUAL SERVICES

Contractual services are any type of service (i.e. consulting, maintenance, advertisement and warranty agreements) that is procured through a contract agreement. The subgrantee must follow their jurisdiction or organization's procurement procedures and regulations provided that the procurement conforms to applicable Federal law and standards. The subgrantee cannot pay for contractual services that extend beyond the subgrant's period of performance. For example, if a subgrant project period is two (2) years and the contract agreement is three (3) years, only the cost associated with the first two (2) years of the agreement would be allowable.

### PERSONNEL

Personnel expenses are a charge for an individual's who are employed by the jurisdiction or organization. These expenses are permitted to perform allowable planning, training, exercise, and equipment activities. The subgrantee must reference the grant program guidance to determine whether the type of activity is allowable. Personnel costs can not extend beyond the subgrant's period of performance.

#### What is considered Supplanting?

A subgrantee must be sure to only use grant funds to supplement existing funds and is prohibited from using funds to supplant (replace) funds that have been appropriated in their jurisdiction or organization's budget for the same purpose.

For example, if a State pays the salaries of three intelligence analysts, it cannot begin to pay the salary of one of them with Federal grant funding. It could, however, hire a fourth analyst.

#### Overtime

These expenses are limited to the additional costs that result from personnel working over and above 40 hours of weekly work time as a direct result of their performance of approved activities (specified in applicable guidance). Overtime associated with any other activity is not eligible.

#### Overtime as Backfill

These expenses are limited to overtime costs which result from personnel who are working overtime (as identified above) to perform the duties of other personnel who are temporarily assigned to approved activities (specified in applicable guidance) which is outside their core responsibilities.

## TRAVEL

Travel costs are allowable as expenses by employees and contractors who are in travel status on official business. The subgrantee must follow their jurisdiction or organization's established travel policy, which must generally conform to the Federal travel policy. The subgrantee must receive prior approval for all foreign travel. This includes any travel outside of Canada and the United States and its territories and possessions.

If a subgrantee does not have an established travel policy, they must abide by the Federal travel policy (including per diem rates). If a subgrantee's travel policy does not clearly define when someone is on travel status and/or does not specify the per diem rate, they must also abide by the Federal travel policy. The current travel policy and per diem rate information is available at [GSA](#).

*The SAA encourages every subgrantee to provide a copy of their travel policy in advance of requesting reimbursement to help expedite the review and approval process.*

While on travel status, the following vehicular expenses are allowable:

- Mileage for traveling in personal car
- Car rental cost and fuel for rental

## FOOD AND/OR BEVERAGES

Food and/or beverages are allowable if it is provided to participants at training and exercise sessions, planning meetings, or conferences that are allowable activities under the particular grant program guidelines. Also, the food and/or beverages must be provided on-site where the training and exercise sessions, meetings, or conferences are being held. Expenses incurred for food and/or beverages provided at training sessions, meetings, or conferences must satisfy the following three tests:

**Test 1** « the cost of the food and/or beverages provided is considered to be reasonable

**Test 2** « the food and/or beverages provided are incidental to a work-related event

**Test 3** « the food and/or beverages provided are not directly related to amusement and/or social events

(Any event where alcohol is being served is considered a social event and, therefore, costs associated with that event are not allowable)

*When submitting a reimbursement request* for food and/or beverages, please use AEL code (120.OC.01.OTHE) "Other Items", and, at the minimum, provide the following back-up documentation:

- Event registration list, on-site sign-in sheet or attendee list
- Event agenda, schedule or program

### MANAGEMENT & ADMINISTRATIVE

Management & Administrative (M&A) costs are direct costs that are incurred to manage a project. This includes cost associated with completing the SAA's subgrant application process, tracking and monitoring project spending, and meeting all reporting requirements. The subgrantee must reference the grant guidance to determine what percentage of their award can be used for M&A activities.

### INDIRECT COSTS

Indirect costs are costs of a jurisdiction or organization that are not readily assignable to a particular project, but are necessary to the operation of the jurisdiction or organization and the performance of the project. The cost of operating and maintaining facilities, depreciation, and administrative salaries are examples of the types of costs that are usually treated as indirect. In order to be reimbursed for indirect costs, a subgrantee must have an approved indirect cost rate. A subgrantee that needs to obtain an approved indirect cost rate must follow the procedures outlined in the appropriate OMB Circular.

- State, Local, and Indian Tribal Governments (OMB A-87)
- Non-Profit Organizations (OMB A-122)
- Colleges and Universities (OMB A-21)

#### Helpful Tip

In order to receive reimbursement for indirect costs, the subgrantee must incorporate the cost in their spend plan and provide a copy of the approved indirect rate agreement to substantiate the budgeted amount. The SAA encourages the subgrantee to submit the agreement together with their PMP, but no later than the day the subgrantee submits their first reimbursement request.

### UNALLOWABLE COSTS

A subgrantee must reference the grant guidance to determine what costs are unallowable for a specific grant program. In general, the following costs are unallowable:

- Land Acquisition costs are unallowable unless otherwise noted in the grant guidance
- Construction and Renovation are generally prohibited; however there are a few exceptions and the subgrantee must reference the grant guidance for these exceptions
- Motor vehicles are unallowable unless otherwise noted in the grant guidance
- Travel costs: entertainment, sporting events, visa fees, tips, passport charges, bar charges and/or alcoholic beverages, laundry charges, and mileage and fuel for a vehicle owned or leased by the subgrantee's organization

# Documentation Requirements

A subgrantee that seeks reimbursement for project related charges are required to provide documentation that supports the proof of encumbrance, proof of purchase and the proof of payment. It is imperative that a subgrantee ensures that the documentation is complete and accurate to prevent delays in the SAA review, approval, and payment process.

## ACCEPTABLE FORMS OF PROOF OF ENCUMBRANCE

### *Goods/Services*

- Purchase order (associated amendments or modifications)
- Contract (associated amendments or modifications)
- Online purchase: Order confirmation

### Common Service Vendor Invoicing Examples

#### *Time & Materials invoice*

This should list what resources were used, at what rate, for how many hours, and the total. This should also list the period of time (start and end date) the invoice covers.

#### *Firm Fixed Price invoice*

This should list the deliverable(s) provided, the agreed upon price, and the total amount.

### *Personnel*

- Timesheets
- Personnel Reports
- Any record that specifies the person's level of effort

### *Food and/or Beverage*

- Event registration list, on-site sign-in sheet or attendee list
- Event agenda, schedule or program

### *Travel*

- Approved travel request form
- Online reservations

*Per Diem for travel is allowable but the rate calculations should be provided to ensure the subgrantee is within federal limits  
(Per Diem rates can be found at [www.gsa.gov](http://www.gsa.gov)).*

## ACCEPTABLE FORMS OF PROOF OF PURCHASE

### *Goods/Services*

An invoice is a bill for services rendered or products delivered – it must clearly indicate:

- Who the vendor is
- Who the bill is directed to
- The date of the invoice
- The nature of the services or products provided
- The cost of the services or products provided
- The date (or range of dates) on which the products or services were delivered
- The total amount of the bill

Helpful Tips	
<p><b>Invoice Approval Test:</b></p> <p>1 « What is being paid?</p> <p>2 « Do we have enough information to determine if it is allowable?</p> <p>3 « When did the work occur?</p> <p>4 « Can we say for sure that the services were rendered or products were delivered within the grant period of performance?</p>	<p><b>Equipment Purchase</b></p> <p>An invoice must list the item of equipment purchased, the unit cost, number of units delivered, and total amount. Shipping costs should be rolled up into the total amount entered into the NCR   GMS line item (entering shipping costs separately is not helpful and creates confusion in NCR   GMS).</p>

### *Personnel*

- Timesheets
- Personnel Reports
- Any record that specifies the person's level of effort

### *Personnel "Invoice" Tips*

- If a subgrantee is billing the personnel on an hourly basis, the SAA wants to see the number of hours worked, the hourly rate used, and the total amount billed to the grant.
- If a subgrantee is billing a standard percentage level of effort (including 100%), the SAA needs an explanation on file that describes the standard level of effort. The PMP may suffice. The documentation should list the total cost of the employee (salary, fringe, etc.), the percentage billed to the grant, and the total.
- If a subgrantee is billing a variable percentage level of effort, the documentation should explain how that percentage was calculated, the total cost for the employee (salary, fringe, etc.) for the period, the percentage billed to the grant, and the total. If the percentage level of effort is variable from one pay period to the next, the documentation should provide sufficient detail.
- If a subgrantee chooses to apply a flat percentage multiplier to the payroll amount to reflect fringe cost then they must explain the percentage calculation in a memo or indicate this on submitted

documentation in NCR | GMS. Otherwise, the subgrantee must provide a fringe report that details the fringe cost.

- If a subgrantee reimbursement consists of multiple payrolls (i.e. combination of one employee for multiple pay periods, multiple employees for one pay period, or multiple employees for multiple pay periods), then they must include an "invoice" summary sheet that details who and what pay periods and amount are included in the request so the SAA can crosscheck this summary sheet against the supporting documentation.
- If a subgrantee reimbursement includes overtime, the documentation must properly demonstrate the overtime hours. If the documentation does not distinguish overtime from regular time, the subgrantee must provide documentation (i.e. authorized overtime approval form) that demonstrates that they were approved for overtime.

#### *Food and/or Beverage*

- Receipts
- Invoices

*Common Mistake when a subgrantee submits food-related requests.* The subgrantee must avoid submitting an invoice or receipt that only specifies the amount billed. The invoice or receipt must detail what food and/or beverage items were purchased and amounts (i.e. itemized receipt).

#### *Travel*

- Receipts
- Invoices
- Mileage: Auto mileage billed to the grant should include date of travel, total distance traveled, and points of origin and destination. A street address is not necessary; however city-to-city level of detail is sufficient. If acronyms or other shorthand descriptions of points of departure or destination are used, the subgrantee must explain where those points are in the reimbursement.

#### **ACCEPTABLE FORMS OF PROOF OF PAYMENT (POP)**

POP is required to prove that the subgrantee has actually released funds for an expense and is therefore owed a reimbursement from the SAA.

#### *Goods/Services*

- Copy of a check
- Copy of a receipt (receipts can function as invoice and POP)
- Printout from a subgrantee's financial system of record that shows the payment detail

#### *Personnel*

- Pay stub
- Payroll Register

#### *Travel*

- Copy of payment the subgrantee made to the person(s) on travel

#### *Food and/or Beverage*

- Receipts

## Quick Links & Documents

**Page 6 « District Comptroller Codes**

<https://sites.google.com/a/dc.gov/saa/home/D.C.ComptrollerCodes.xls>

**Page 7 « NCR | GMS**

[www.ncrgms.com](http://www.ncrgms.com)

**Page 7 « W-9 Form**

<http://www.irs.gov/>

**Page 7 « Automated Clearing House Form**

[http://seo.dc.gov/seo/lib/seo/ACH\\_Info.pdf](http://seo.dc.gov/seo/lib/seo/ACH_Info.pdf)

**Page 12 « Request for Funds and Project Expenditure Report form**

<https://sites.google.com/a/dc.gov/saa/home/RequestforFundsandProjectExpenditureReport0629.10.xls>

**Page 8, 17 « Authorized Equipment List**

<https://www.rkb.us/mel.cfm?subtypeid=549>

**Page 18 « General Services Administration (GSA)**

<http://www.gsa.gov/>