

# SUBRECIPIENT HANDBOOK

*Issue 7, November 2016*

Homeland Security and  
Emergency Management Agency  
Grants Division

State Administrative Agent for the  
District of Columbia and the  
National Capital Region

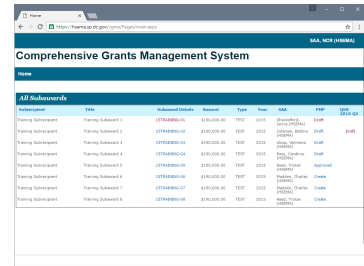
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## NEW AND NOTEWORTHY

Starting with FY 2015 subawards, the SAA implemented a new online grants management process. The intent is to streamline the process for managing project management plans, subawards and adjustments, quarterly status reports, closeouts, project notes and files, and several other grant management functions. The system is a SharePoint-based application called the **Comprehensive Grants Management System**. **CGMS** is used by subrecipients and the SAA for project management and reporting functions. The financial and reimbursement request process is still managed through **NCR | GMS**.



| Comprehensive Grants Management System |                     |                 |              |        |      |          |
|--|---------------------|-----------------|--------------|--------|------|----------|
| All Subawards                          |                     |                 |              |        |      |          |
| Subaward                               | Type                | Subaward Number | Amount       | Status | Year | Comments |
| Training Subaward                      | Training Subaward 1 | 17148800-01     | \$100,000.00 | TRF    | 2015 | Approved |
| Training Subaward                      | Training Subaward 2 | 17148800-02     | \$100,000.00 | TRF    | 2015 | Approved |
| Training Subaward                      | Training Subaward 3 | 17148800-03     | \$100,000.00 | TRF    | 2015 | Approved |
| Training Subaward                      | Training Subaward 4 | 17148800-04     | \$100,000.00 | TRF    | 2015 | Approved |
| Training Subaward                      | Training Subaward 5 | 17148800-05     | \$100,000.00 | TRF    | 2015 | Approved |
| Training Subaward                      | Training Subaward 6 | 17148800-06     | \$100,000.00 | TRF    | 2015 | Approved |
| Training Subaward                      | Training Subaward 7 | 17148800-07     | \$100,000.00 | TRF    | 2015 | Approved |
| Training Subaward                      | Training Subaward 8 | 17148800-08     | \$100,000.00 | TRF    | 2015 | Approved |

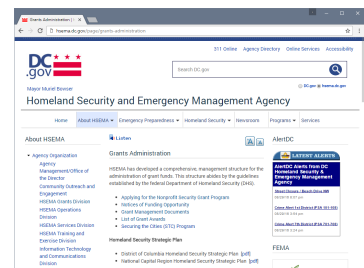
Starting with FY 2015, all federal awards must comply with **2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards**. The super circular or omniscircular supersedes and streamlines requirements from 44 CFR 13 and 2 CFR 215, and Office of Management and Budget (OMB) circulars A-21, A-87, A-110, A-122, A-89, A-102, and A-133.

FEMA has issued **guidance on Executive Order 13688—Federal Support for Local Law Enforcement Equipment Acquisition and Recommendations**, which established a *Prohibited Equipment List* and a *Controlled Equipment List*. Many items on the **Controlled Equipment List**, such as weapons, ammunition and riot gear are unallowable under the FEMA preparedness grants. Others, such as command and control vehicles, require prior approval from FEMA.

**IB 404** reiterates that subrecipients may use grant funds for costs associated with the preparation, conduct, and completion of any required **Environmental and Historic Preservation** reviews. FEMA has also clarified that any training or exercises that are not both classroom- and discussion-based must be submitted for EHP approval.

**IB 409** states that HSGP funds may not be used for Zika preparedness and response. All HSGP-funded activities are required to have a **nexus to terrorism**.

The SAA is pleased to respond to any questions not covered by the Subrecipient Handbook and welcomes suggestions to improve the utility and content of the guide. Please contact the SAA at [ncr.saa@dc.gov](mailto:ncr.saa@dc.gov) with any questions or suggested revisions. As a reminder all templates, forms and guidance documents are available on the **SAA website**.



## OVERVIEW

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Grants from the U.S. Department of Homeland Security (DHS) Federal Emergency Management Agency (FEMA) are awarded to a single responsible State Administrative Agent (SAA) for administering the grant and passing through funds to localities and other eligible subrecipients to implement the grant program objectives.

The District of Columbia (District) is the SAA for grants awarded to the District and the National Capital Region (NCR) urban area. District officials appointed the Homeland Security and Emergency Management Agency (HSEMA) to carry out the administrative tasks of the SAA. The SAA's function is supported by HSEMA's Grants Division, which is composed of one director, one deputy, four financial managers, and six program managers.

The SAA has developed this Subrecipient Handbook as a tool for subrecipients to use in their day-to-day grant management activities. It is intended to increase a subrecipient's understanding of how these grant management activities fit within the subaward lifecycle. The handbook will discuss in detail the following subaward lifecycle steps: project setup, spend plan review, project implementation, and closeout.

Below is a highlight of the actions that take place **prior** to the initiation of the subaward lifecycle.

### THIRA

States and urban areas receiving DHS/FEMA homeland security grant funds must assess their threats and hazards, the risk these threats/hazards pose, and their ability to respond to these threats and hazards. The Threat and Hazard Identification and Risk Assessment (THIRA) is updated annually and is submitted to FEMA by December 31 of each year. The results of the THIRA are the basis for DHS/FEMA grant-funding priorities.

### PROGRAM/PROGRESS ASSESSMENT

The District and the regional program management offices (PMO) assess current grant-funded programs and metrics of progress. Any specific programmatic changes of direction, metrics, or goals approved by District or regional leadership for the new grant year will be communicated through the District or NCR PMO.



Per the *National Capital Planning Act of 1952* (40 U.S.C. § 8702), the NCR is composed of: "The District of Columbia; Montgomery and Prince Georges [sic] Counties in Maryland; Arlington, Fairfax, Loudoun, and Prince William Counties in Virginia; and all cities in Maryland or Virginia in the geographic area bounded by the outer boundaries of the combined area of the counties listed [above]."

## GRANT APPLICATION AND PROJECT DEVELOPMENT

The SAA in coordination with the District and NCR PMOs, will develop a process and timeline for preparing and submitting the grant application to FEMA. This will include any specific priorities for funding identified in the THIRA or Strategic Plan, approach to sustaining current capabilities, and how project proposals will be made and reviewed.

Proposals must be allowable, within the scope of the grant, address a terrorism threat, align to threats and capability gaps identified in the THIRA, build or sustain a core capability, align to priorities of the Strategic Plan, and meet DHS, leadership and SAA requirements.

## PROJECT REVIEW

Proposals are reviewed and assessed by the SAA, the District and NCR PMOs, and the other agencies and working groups that make up the state or urban area working group.

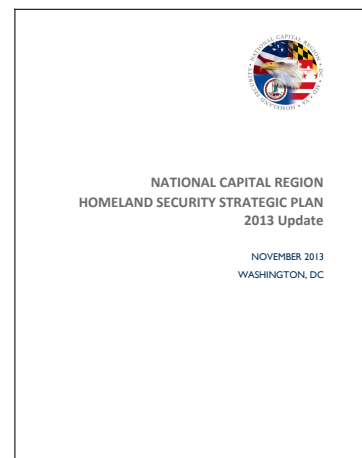
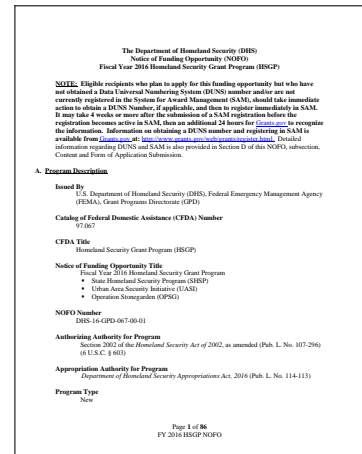
## FUNDING DECISIONS

The District leadership (District Emergency Preparedness Council [EPC]) and NCR leadership (Homeland Security Executive Committee [HSEC]) make funding decisions for District and NCR projects respectively, based on regional priorities and impact on terrorism and emergency preparedness.

FEMA makes all funding decisions for the Nonprofit Security Grant Program (NSGP).

## PROJECT SETUP AND AWARD

The SAA reaches out to the subrecipient with funding decisions and next steps to set up the project and issue the subaward.



NCR Strategic Plan

# 1 PROJECT SETUP

## 1.1 PROJECT MANAGEMENT PLAN

Each subrecipient is required to submit a project management plan (PMP). The SAA will contact the subrecipient and request a PMP after the leadership finalizes the funding decisions. The subrecipient must complete the PMP in CGMS ([hsema.sp.dc.gov/cgms](https://hsema.sp.dc.gov/cgms)), the SAA’s online subaward management system. The PMP must be complete in order for the SAA to issue the subaward. The subrecipient must also receive approval of the PMP from the SAA in CGMS before implementing the project.

The SAA may periodically revise the PMP template to reflect new requirements from the District or NCR leadership, or DHS.

The SAA will review the PMP for the following:

- Does the PMP explain the overall goal of the project (does it match what the leadership approved)?
- Does the PMP explain how the subrecipient will achieve that goal?
- Are the proposed expenditures allowable and reasonable?
- 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 and within the period of performance?
- Does this project require EHP approval?

## 1.2 ENVIRONMENTAL AND HISTORIC PRESERVATION

The FEMA Grants Program Directorate (GPD) released a number of reference documents on National Environmental Policy Act (NEPA) and EHP compliance requirements, including information bulletins [IB 271](#), [IB 329](#) and [clarification, IB 345](#), [IB 371](#), and [IB 404](#); FEMA policies [FP 108-023-1](#) and [FP 108.024.4](#); and FEMA [Form 024-0-1](#).

All projects funded in part or in full with grant funds must be submitted through the SAA to FEMA for EHP review and approval before project initiation, unless expressly exempted from the requirement (see below for a list of exempted project types).

*Project management plan*

A Word version of the PMP is available on the [SAA website](#) for planning purposes. However, the final version must be submitted in CGMS. Changes to the project may require the subrecipient to submit a revised PMP to the SAA for approval. See [2.5 Award adjustments](#) for more information.

The subrecipient must submit a screening memo and any additional documentation to the SAA in CGMS for any non-exempted projects. The project may not be initiated until the SAA receives approval from DHS. Projects found to be non-compliant will not have their reimbursement requests processed and are at risk of de-obligation of funding.

### 1.2.1 What is an EHP review?

- Involves an analysis of pertinent project information used to determine the appropriate amount of documentation required for EHP compliance.
- All projects funded with federal grant dollars must comply with EHP laws, regulations, and Executive Orders.
- Projects must be EHP-approved before initiation.
- DHS certifies that a grant-funded project is in compliance with applicable EHP laws, regulations, and Executive Orders
- Complex projects will typically require more information to reach a determination.

### 1.2.2 DHS EHP review process

- Subrecipients are responsible for providing all relevant EHP materials to the SAA, who will submit them to DHS.
- Grant funds may be used for preparation of EHP documentation.
- DHS may be required to consult with the State Historic Preservation Office (SHPO), the U.S. Fish and Wildlife Service (FWS), etc.
- More complex projects may be referred from FEMA headquarters to FEMA Region III, which may result in a longer review period.

### 1.2.3 Project types exempted from EHP review

- Planning.
- Classroom- and discussion-based training and exercises.
- Personnel.
- Mobile and portable equipment (personal protective equipment [PPE], radios, etc.), vehicles, and other equipment that does not require any installation.

### 1.2.4 Examples of project types not exempted from EHP review

- Training or exercises that are not both classroom-based and discussion-based must be submitted for EHP approval. This includes hands-on demon-

The image shows a document titled "Environmental and Historic Preservation Screening Form" from FEMA. At the top right, it says "Grand Programs Directorate, Homeland Security, OMB Control# 1688-0115, Revision: 03-11-2017, FEMA Form 024-1". The main title is "DEPARTMENT OF HOMELAND SECURITY, FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA), ENVIRONMENTAL AND HISTORIC PRESERVATION SCREENING FORM". Below the title, there is a "Directions for completing this form" section, a "Disclaimer" section, and a "This is not to be completed and retained on file" section. At the bottom, there is a "Paperwork Reduction Project" section with a small logo and text.

EHP screening form

strations, activities conducted outside, and operations-based exercises, such as drills, functional exercises and full-scale exercises.

- Any item that is affixed to a non-mobile structure. For instance, cameras, display boards or whiteboards that are nailed or screwed into a wall must be submitted for EHP approval.

#### 1.2.5 *What are the contents of the EHP screening form?*

- Physical address of structure/facility or latitude/longitude.
- Clear color photographs (ground-level and aerial).
- Dimensions/acreage/square footage of structure and/or land affected.
- Extent and depth of ground disturbance for:
  - New construction and structure modification
  - Utility line placement
  - Fencing, light posts, etc., installations
- Height of communication towers.
- Special equipment being used, staging areas, etc.
- Year building or structure was built (to include buildings or structures that are in the vicinity).
- A clear and descriptive project description, with clear color photos and maps.
- Submit materials as soon as you receive your award notice or in your planning phase.
- Include any previous Master Plans or other environmental documentation.

### 1.3 SUBAWARDS

The SAA will issue an award package in CGMS after receipt and approval of the PMP. The award package will include the following:

- Subaward listing the project title, number, Catalog of Federal Domestic Assistance (CFDA) number, award amount, and period of performance, to be signed by the authorization official, indicating acceptance of the award and the terms of the subaward.
- DHS Agreement Articles and Standard Terms and Conditions.
- HSEMA Terms and Conditions.
- Subrecipient Handbook.

Should the subrecipient fail to comply with the provisions of the agreement articles, regulations, and terms and conditions promulgated by DHS, the District or the SAA, the subaward may be terminated in whole or the award amount reduced at any time at the discretion of the SAA.



## 1.4 NON-DISTRICT AGENCY PAYMENT SETUP AND SPEND PLAN

A District agency is any organization that is a member of the Government of the District of Columbia.

### 1.4.1 *Setup and receive payments from the SAA*

The subrecipient is treated as a vendor for the purpose of receiving payments from the District. A subrecipient receiving an award for the first time must complete and submit a w-9 form so that it can be established as a vendor within the District's financial system of record.

**A subrecipient whose remittance address has changed must also complete and resubmit 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 subrecipient must complete the w-9 and ACH forms.
2. Check only. The subrecipient must complete the w-9 form.

Complete and return the linked [w-9](#) and/or [ACH](#) forms.

### 1.4.2 *Spend plan submission*

Homeland Security Grant Program (HSGP) subrecipients are responsible for developing and submitting a spend plan in NCR | GMS **within 60 days** of receipt of the subaward. The subrecipient will have access to the project funds once the SAA releases them in the system, shortly after issuing the subaward.

The National Capital Region Grant Management System (**NCR | GMS**) is the SAA's online system for managing and processing reimbursement request submissions from non-District subrecipients. The website is [ncrgms.com](http://ncrgms.com).

In order to complete the spend plan, the subrecipient must create line items for each proposed project expenditure and select the appropriate authorized equipment list (AEL) code and associated amount. The system will not allow a subrecipient to submit an application until all funding has been allocated for every project. The subrecipient may then submit the grant application to the SAA for review.

[How to build and submit a grant application.](#)

Subrecipients are required to designate an NCR | GMS point of contact. Users must receive training before obtaining an account. The SAA conducts group training every other month, and offers one-on-one sessions as needed.

Please allow the SAA at least five business days to review the grant application in NCR | GMS. The spend plan should reflect the most recent PMP or be subject to denial.

## 1.5 DISTRICT AGENCY BUDGET ESTABLISHMENT

The SAA uses the District's intra-District process as a means to pass through funds to a District subrecipient. The SAA is responsible for managing the



structure, the SAA will submit a budget modification to OBP. This process can take up to two weeks.

## 1.6 COST PRINCIPLES

### 1.6.1 *Supplanting*

Subrecipients are reminded to be sensitive to supplanting issues. Grant funds can only be used to supplement existing funds, and cannot supplant (replace) funds that have been appropriated in its jurisdiction or organization's budget for the same purpose. Therefore, equipment, supplies, contractual services and personnel previously funded with state and/or local funds cannot be supplanted with federal grant funding. The subrecipient 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.

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.

### 1.6.2 *Unallowable costs*

The following costs are unallowable:

- **Construction and renovation** are generally prohibited; however there are a few exceptions and the subrecipient must reference the Notice of Funding Opportunity (NOFO) for these exceptions.
- **Land acquisition** costs are unallowable unless otherwise noted in the NOFO.
- **Motor vehicles** are unallowable unless otherwise noted in the NOFO.
- **Non-terrorism-related** costs are unallowable. HSGP funds may only be used to prevent, protect against, mitigate, respond to, and recover from acts of terrorism.
- **Operational** costs are generally prohibited. This includes personnel expenses incurred during an activation or deployment, and any equipment or supplies procured during an emergency. There are very limited exceptions allowed for operational overtime, but only with prior approval provided in writing by the FEMA Administrator. See [Organization](#) for more information.
- **Preparedness items** (e.g. food, water, disaster ready kits, emergency blankets and rain ponchos, battery operated flashlights and radios, sanitizers and first-aid kits, waterproof document protectors) for distribution to the general public are unallowable. Members of the public should only receive information and nothing else.
- **Prohibited and controlled equipment**, including riot gear, weapons, am-

WHEN IN DOUBT,  
GIVE THE SAA A SHOUT!  
If you are not sure about the allowability of a particular item, please review the NOFO and the AEL. If you are still uncertain after reviewing the guidelines, please contact the SAA for a ruling.

Due to the lack of a required nexus to terrorism, FEMA grants may not be used for Zika preparedness and response, or civil disturbance unit equipment and activities.

Consult [IB 407](#) for more information.

munition, and accessories (e.g. night vision scopes, tripods) are unallowable. Other controlled equipment, such as command vehicles, may be allowable, but the subrecipient must obtain FEMA approval first.

- **Promotional materials** (bags, pens/pencils, pins, patches, magnets, souvenir clothing/headwear, etc.) are unallowable.
- **Training and exercise equipment and supplies** for permanent installation and/or use beyond the scope of the conclusion of the training or exercise.
- **Travel** costs considered unallowable: entertainment, sporting events, visa fees, passport charges, bar charges and/or alcoholic beverages, laundry charges, and mileage and fuel for a vehicle owned or leased by the subrecipient's organization. Any costs not clearly in compliance with the jurisdiction/organization's written travel policy, or General Services Administration (GSA) policy, if lack thereof, are considered unallowable.
- **Work or services performed after the end of the period of performance**, unless otherwise exempted under [Maintenance/warranty services](#). Goods may be received during the subrecipient's liquidation period only if funds were obligated (i.e. contract or purchase order issued) during the period of performance. In those cases, consult with your SAA program manager before hand.

Subrecipients may also reference the NOFO to determine if any costs have been specifically called out as unallowable under a particular grant program. Any costs not listed as allowable in the NOFO or otherwise approved in writing by DHS must be considered unallowable. Subrecipients must meet all conditions listed in 2 CFR 200, the NOFO and all of the award terms and conditions prior to incurring costs against the subaward. Otherwise, those costs are considered unallowable.

### 1.6.3 Allowable costs

DHS grant funds can only be used for the purpose set forth in the NOFO or otherwise approved in writing by DHS. Proposed project costs must be reasonable, allowable under federal regulations and guidelines, and consistent with the subrecipient's approved PMP.

### 1.6.4 Multiple purpose or dual-use of HSGP funds

As appropriated by Congress and described in the NOFO issued by FEMA, HSGP is intended to "support state and local efforts to prevent terrorism and other catastrophic events and to prepare the Nation for the threats and hazards that pose the greatest risk to the security of the United States."

A cost is **reasonable** if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost.

Consult [2 CFR § 200.404 Reasonable costs](#) for more information.

FEMA does recognize that some capabilities that are developed to address terrorism threats may also be useful or relevant for addressing other types of non-terrorism threats and hazards. FEMA addresses this “dual use” or “multiple purpose use” of HSGP grant funds in the NOFO:

For both State Homeland Security Program (SHSP) and Urban Areas Security Initiative (UASI), many activities which support the achievement of target capabilities related to terrorism preparedness may simultaneously support enhanced preparedness for other hazards unrelated to acts of terrorism. However, all SHSP and UASI funded projects must assist recipients and subrecipients in achieving target capabilities related to preventing, preparing for, protecting against, or responding to acts of terrorism.

It is frequently easier to make this determination when it comes to equipment purchases, which either can or cannot be associated with a terrorism related capability. When it comes to planning, training, or exercise type activities, the content, nature, purpose, and outcomes of the activity will need to be evaluated in context by the subrecipient and the SAA to make that determination.

#### 1.6.5 *Contractual services*

Any type of service that is procured through a contract agreement. The subrecipient must follow its jurisdiction’s or organization’s procurement procedures and regulations provided that the procurement conforms to applicable federal law and standards.

All contracts relating to or derived from the subaward must be let on a competitive bid agreement in accordance with the subrecipient’s own specific policy and all federal regulations applicable to grants and cooperative agreements, with a record maintained of the procedure, bids received, and rationale for the final decisions.

Any sole-source procurement in excess of \$100,000 must receive prior approval from the SAA.

##### 1.6.5.1 *Professional services*

Services performed by independent contractors or consultants to assist with accomplishing the projects goals and objectives. The subrecipient cannot pay for professional services that extend beyond the subaward period of performance. For example, if a subaward period is two years and the contract agreement is three years, only the costs associated with the first two years of the agreement would be allowable. Examples include plan development, exercise development, project management support, advertisement, etc.

### 1.6.5.2 Service agreements

Service agreements such as wireless services, data services, hosting services (e.g. website), and service renewals cannot extend beyond the subaward period of performance. For example, if a subrecipient's project period ends on 12/31/2017 then only the costs for services rendered through this date are allowable.

### 1.6.5.3 Maintenance/warranty services

Warranties/maintenance contracts/licenses and user fees coverage may exceed the subaward period of performance **only** if they are purchased at the same time and on the same invoice or purchase order as the original equipment or system which the warranty/maintenance contract/license and users fees serve to cover, and are reasonable and consistent with that which is typically provided for or available through these types of agreements. This does not include the service agreements described above. [FP 205-402-125-1](#) amends the maintenance section within [IB 336](#). All other portions of the [IB](#) remain in effect.

### 1.6.6 Personnel

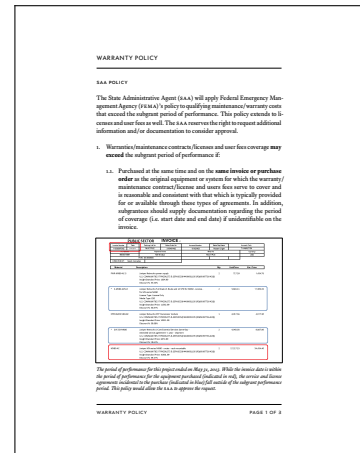
Personnel expenses are charges for individuals who are employed by the jurisdiction or organization. Personnel expenses are only allowable when listed in the NOFO and only to perform allowable planning, organization, training, equipment, and exercise activities listed in the NOFO. The subrecipient must reference the NOFO to determine whether the type of activity is allowable. Personnel costs cannot extend beyond the subaward period of performance.

#### 1.6.6.1 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 (as specified in the applicable NOFO). Overtime associated with any other activity is not eligible.

#### 1.6.6.2 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



Warranty policy

personnel who are temporarily assigned to approved activities (specified in the applicable NOFO) that are outside their core responsibilities.

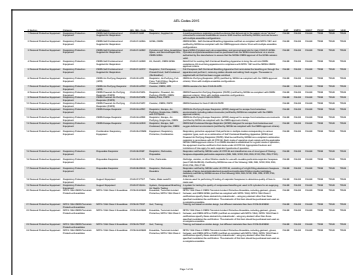
Overtime is only allowable under the limited circumstances permitted by the NOFO and must comply with the subrecipient's existing policies regarding overtime pay.

#### 1.6.6.3 Compensatory time

Because costs associated with compensatory time cannot be easily substantiated and associated with activities in support of the grant, the SAA will not accept any reimbursement requests for compensatory time.

#### 1.6.7 Equipment/supplies

The NOFO is the primary reference tool to determine allowability. For equipment and supplies costs, DHS has developed an AEL that assigns a numeric code to pre-approved categories of equipment and supplies. Proposed equipment and supplies purchases must list the corresponding AEL code where one exists, and if it does not exist, the subrecipient must notify the SAA in order to get written approval from DHS. Each DHS grant program has an AEL and the subrecipient must ensure they reference the correct AEL when developing their spend plan.



Authorized equipment list

#### 1.6.8 Mass care and shelter supplies

HSGP funds are to be used to purchase equipment and supplies consistent with the items outlined in FEMA's *Guidance on Planning for Integration of Functional Needs Support Services in General Population Shelter*, which enables shelter residents, including children, to maintain a pre-disaster level of health and independence focusing on durable medical equipment, consumable medical supplies, and personal assistance services. Any item not listed on the AEL must obtain prior approval from the SAA and FEMA; this includes personal hygiene and care kits. Any non-essential items, such as toys or coloring books, should be considered unallowable.

Prior to acquiring critical emergency supplies, the subrecipient must also have FEMA's approval of a viable inventory management plan, an effective distribution strategy, sustainment costs for such an effort, and logistics expertise, in order to avoid any mismanagement of funding or supplies.

### 1.6.9 Education, outreach, citizen preparedness and volunteer management

Subrecipients should consult the 2 CFR 200, the applicable NOFO and this handbook for information on allowability. Regarding HSGP, it must be absolutely clear that it is not a preparedness program for any possible hazard. HSGP was created by Congress with the expressed intent to help strengthen the Nation against risks associated with potential terrorist attacks. Any collateral improvement to general preparedness would be of benefit, but the primary justification and impact must be tied to mitigating the threat of or responding to a terrorist attack.

Therefore any outreach media campaign or printed materials focused on weather-related preparedness, residential fire alarms, or natural disasters, for instance, will not be reimbursed under the grant.

Volunteer classes, exercises, workshops, training, and education and outreach printed materials or advertisements should be either directly related to terrorism preparedness or related to general emergency preparedness (which is also useful for terrorism preparedness), not for specific events or topics that cannot be connected back to HSGP priorities, i.e. terrorism.

For public information or outreach activities, the nature of the public information/education must have some connection to the authorized purpose of the HSGP grant program, which is to “support state and local efforts to prevent terrorism and other catastrophic events and to prepare the Nation for the threats and hazards that pose the greatest risk to the security of the United States”.

If the message is not related to terrorism or general all-hazards preparedness, then it is difficult to make a connection to the allowable costs of the HSGP grant program. For instance, residential fire alarms, natural disasters, general weather or handouts or trainings that don’t relate to any hazard at all would not be appropriate for HSGP funding.

Specifically concerning education, outreach, citizen preparedness and volunteer management, funds may be used to support:

- Accessible public information/education: printed and electronic materials, public service announcements, seminars/town hall meetings, and web postings.

Consult [2 CFR § 200.421 Advertising and public relations](#) for more information.

All media campaign and printed materials should be submitted to the SAA for review before distribution to ensure compliance with federal requirements.



- Support for in-person meetings, events, and conferences that bring the public and private sectors together.
- Public education campaigns including promoting suspicious activity reporting, and individual, family, and organizational emergency preparedness.
- Web-based and social media tactics (webinars, emails, newsletters, alerts, databases, online collaboration tools, website development and maintenance, etc.).
- Collateral (brochures, banners, fact sheets and other informational material).
- For public outreach activities, the **only** items that the individual member of the public should walk away from the table with in their hands is the information.
- Allowable public awareness, training, and education topics include:
  - Volunteer emergency trainings and recruitment information
  - Alert notification systems information
  - How to prepare for emergencies
  - Active shooter preparedness tips
  - Emergency preparedness and disaster kit information
  - Pet and kid emergency preparedness tips
  - Other topics, with prior approval from the SAA
- Training-related costs, including, but not limited to:
  - Developing volunteer programs and other activities to strengthen citizen participation.
  - Developing, delivering, and evaluating training. Includes costs related to administering the training, planning, scheduling, facilities, materials and supplies, reproduction of materials, disability accommodations, and equipment.
  - Therefore, any equipment or supplies purchased under the volunteer/community preparedness program are limited to **only** those items that are necessary for use during the training event.
  - Items such as vests, shirts and caps will **only** be allowable in the context of being necessary components of the training activity.

The DHS and HSEMA logo and seal may not be used without prior approval.

- Any item not listed on the AEL must obtain prior approval from the SAA.

This cost category does **not** include the following:

- Any non-informational give-aways (keychains, hats, shirts, toys, flashlights, balls, whistles, bags, etc.). These are not means of conveying a message or information to the public and are not allowable.
- Any type of preparedness supplies (food, water, medical supplies). These items are only allowable for the purpose of building and maintaining a jurisdiction’s own emergency stockpile—anything given away to individual members of the public cannot be tracked or monitored, and its use in responding to an incident cannot be demonstrated.

The SAA may submit a request to FEMA seeking clarification on the allowability of a specific item on behalf of the subrecipient. In that case, the subrecipient will need to submit further information that clearly identifies exactly what purchase is proposed (detailed description, amount, cost), how it will be used, and its intended purpose. The clearer and more specific the request, the greater the chance it will be processed quickly. However, while FEMA may return a written “yes” or “no” answer quickly, they may take months to reply—in that case the item remains unallowable until we get a written response from FEMA that it is allowable.

Please be aware that any purchase that the SAA or FEMA determines is not allowable under the grant program will **not be reimbursed**. And if payment has already been made and it is subsequently questioned in an audit, it **must be repaid** to the SAA. At all times, subrecipients should be asking themselves whether they are “pay-it-back-if-I’m-wrong” sure that the item is allowable.

For this reason it is critical that subrecipients take full responsibility for every expense that occurs under the subaward. If the subrecipient enters into agreements with other third-party entities, it takes on full responsibility for the activities (compliant or not) of those other entities. The SAA will not deal with any third-party entities on behalf of the subrecipient—it is the subrecipient’s responsibility to ensure activities are compliant with federal regulations and grant program guidelines, and documentation is complete.

#### 1.6.10 Travel

Travel costs are allowable as expenses by employees and contractors who are in travel status on official business. The subrecipient must follow its jurisdiction's or organization's established travel policy, which must generally conform to the federal travel policy. Any costs not clearly in compliance with the jurisdiction/organization's written travel policy will be considered unallowable.

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

If a deviation or exception to the subrecipient organization's written travel policy was requested and approved for some reason through the subrecipient organization's internal approval process, evidence of the approval and an explanation must be provided as part of the reimbursement request.

Gratuities associated with allowable travel expenses may be allowable provided such costs comply with the jurisdiction/organization's written travel policy, and are reasonable.

Subrecipients must receive prior approval for all foreign travel, which includes any travel outside of the United States and its territories and possessions. Subrecipients must also comply with the *Fly America Act of 1974*, granting preference to U.S. flag air carriers holding certificates for international air transportation, to the extent that such service is available. Consult the relevant federal agreement articles for more information.

If a subrecipient does not have an established travel policy, it must abide by the federal travel policy (including per diem rates). If a subrecipient's travel policy does not clearly define when someone is on travel status and/or does not specify the per diem rate, it must also abide by the federal travel policy. The current travel policy and per diem rate information is available from the GSA.

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

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

#### 1.6.11 Food and/or beverages

Food and/or beverages are allowable if provided to participants at training and exercise sessions, planning meetings, or conferences that are allowable activities under the particular grant program guidelines. The food and/or

Use AEL code 120.OC.01.OTHE "Other Items" for food and/or beverages in the spend plan.

beverages must be provided on site where the training and exercise sessions, meetings, or conferences are being held. Any and all such costs must be clearly allowable under the subrecipient's own purchasing and procurement regulations.

Food and beverage costs are **unallowable** under the Securing the Cities (STC) program.

Expenses incurred for food and/or beverages provided at training sessions, meetings, or conferences must satisfy the following three tests:

- The cost of the food and/or beverages provided is considered to be reasonable.
- The food and/or beverages provided are incidental to a work-related event. Costs will not be reimbursed for shorter events scheduled to coincide with meals.
- The food and/or beverages provided are not directly related to amusement and/or social events.

No working lunches.

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

#### 1.6.12 *Organization*

The only allowable organizational activities are:

- Intelligence analysts, working at one of the four recognized fusion centers supporting the region (the Washington Regional Threat and Analysis Center, the Maryland Coordination and Analysis Center, the National Capital Region Intelligence Center, and the Virginia Fusion Center).
- Operational overtime for (1) staffing the regional fusion centers, (2) increased security measures at critical infrastructure sites, and (3) public safety, but only with **prior** approval provided in writing by the FEMA Administrator, per [IB 379](#).
- Program management, though generally limited to those activities carried out by one of the regional PMOs (NCR PMO, DCERS, MDERS, and NVERS).

#### 1.6.13 *Management and administration*

Management and administration (M&A) costs are direct and necessary costs incurred to manage and administer a subaward. The subrecipient must reference the NOFO to determine what percentage of their award can be used for M&A activities. M&A must be documented just like any other allowable personnel, equipment, or supplies costs.

In addition, M&A costs must be:

- Integral to the project.
- Specifically identified within that project.
- Explicitly included in the budget.
- Easily separable for accounting and reporting purposes.
- Not also recovered as indirect costs.

The following are examples of M&A activities:

- Completing the subaward application process, including the PMP.
- Preparing and submitting required programmatic and financial reports.
- Performing financial management activities and monitoring compliance with applicable regulations and requirements.
- Establishing and/or maintaining equipment inventory/usage logs.
- Responding to activities such as requests for programmatic and or financial data by state and or federal oversight authorities related to the grant.

#### 1.6.14 *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 subrecipient must have an approved indirect cost rate. A subrecipient that needs to obtain an approved indirect cost rate must follow the procedures outlined in [2 CFR § 200.414 Indirect \(F&A\) costs](#).

In order to receive reimbursement for indirect costs, the subrecipient must incorporate the cost in their spend plan and provide a copy of the approved indirect rate agreement to substantiate the budgeted amount. The subrecipient may submit the agreement with their PMP, but no later than the day the subrecipient submits their first reimbursement request. Indirect costs must also be applied consistently (i.e. using the same approved rate across all subawards), and submitted for reimbursement in a timely manner—at a minimum on a quarterly basis, and preferably with the reimbursement request containing the direct costs to which the indirect rate is being applied.

## 2 PROJECT IMPLEMENTATION

### 2.1 REPORTING

#### 2.1.1 Status reports

The subrecipient is required to submit a quarterly status report (QSR) to the SAA in CGMS after receiving a subaward. The subrecipient must complete the report using the template provided by the SAA. The submission schedule is as follows:

| QUARTER | PERIOD COVERED | DUE DATE |  |
|---------|----------------|----------|--|
| 1       | Jan 1–Mar 31   | Apr 10   | If the 10th falls on a weekend or holiday, the QSR will be due on the previous business day. |
| 2       | Apr 1–Jun 30   | Jul 10   |  |
| 3       | Jul 1–Sep 30   | Oct 10   |  |
| 4       | Oct 1–Dec 31   | Jan 10   |  |

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 subrecipient as appropriate.

#### 2.1.2 Quarterly review process

The SAA has implemented a quarterly review process of all subawards. The purpose of this review is to identify issues that may affect timely project implementation, limit exposure to underperforming subawards, and identify and implement corrective actions to mitigate risks. The SAA implemented these measures to ensure grant funds can be expended within the federal period of performance and to avoid returning unspent funds to FEMA.

### 2.2 PROCUREMENT

#### 2.2.1 Non-District agency

A non-District subrecipient must use NCR | GMS to upload documentation that identifies what goods and/or services have been ordered. As items are procured, the subrecipient 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” (proof of encumbrance). In order to submit the POE, the subrecipient

Quarterly status report

For projects with no activity, the subrecipient must submit a report indicating there was no activity.

The subrecipient should report how much they anticipate spending in the next three months in the *projected spending for next quarter* column.

It is imperative that the subrecipient provide complete and accurate information in the spend plan section; the SAA will analyze this information to determine the subrecipient’s ability to spend funds timely.

is required to assign an accurate description for the expenditure item that also includes the billing period and period of service.

### 2.2.2 District agency

The subrecipient must be current with the submission of required status reports in order for the SAA to approve any purchase requests in the Procurement Automated Support System (PASS).

District agencies use 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 to determine if it is allowable, aligns with the project scope, is within the subaward period of performance, and is included in the spend plan.

#### 2.2.2.1 Accessing FTO funding in PASS

In order to procure using grant funds, the designated user must first ensure he or she has the authority to create requisitions in PASS under their own agency. Simply gaining FTO access without the authority to procure will not work.

Then the user must submit a user maintenance request to gain access to FTO:

- In PASS, click on `create` in the menu bar and select `user maintenance request`.
- Select `maintain` under `maintenance selector`.
- Select the appropriate name under `user`.
- Select `FT0 QueryAll` under `roles`.
- Include the following in the comments section: “[User’s agency] is the subrecipient of HSGP funds and needs access to FTO to procure with these grant funds.”
- Submit the request.

Once the request has been processed, the user should be ready to procure using FTO.

The District Chief Financial Officer created the **FTO paper agency** to establish budget authority for non-personal services, homeland security grant-funded expenditures. This allows the SAA to maintain financial oversight of spending progress, ensure only allowable costs are charged to the federal grants, and produce consistent, timely, and accurate financial reports.

### 2.2.2.2 Accessing FTO in System of Accounting and Reporting (SOAR)

In order to view the status of funds established under FTO, the user must complete the following steps:

1. Enroll into PASS Buyer training using PeopleSoft and complete the training.
2. Enroll into SOAR training using the OCFO training request form and complete the training (consult the OFOS website for the training schedule).
3. Submit the PASS/SOAR access form, along with a training transcript, to the PSJC Cluster Financial Manager, Rosanne Etinoff ([rosanne.etinoff@dc.gov](mailto:rosanne.etinoff@dc.gov)).

### 2.2.2.3 Creating a new requisition in PASS

Consider the following when creating a requisition in PASS:

- The project number (e.g. 2FAUA5) must be included as part of the title.
- When nearing the end of the fiscal year, only enter requisitions that can be fully received and paid by September 30.
- PSJC Accounts Payable process all invoices for purchase orders funded under FTO. Provide all invoices to Rosanne Etinoff ([rosanne.etinoff@dc.gov](mailto:rosanne.etinoff@dc.gov)) in a timely manner.
- Requisitions for subawards with delinquent QSRs will be denied.
- Subawards with a period of performance extending beyond the fiscal year will have their remaining budget reestablished on October 1.

Should the subrecipient experience difficulties entering a requisition, the SAA suggests the following:

1. Check the 80 screen in SOAR to verify that the budget has been established. \item Check the AY, funding attributes, and object codes to ensure they are the same as established in SOAR.
2. Check that the person entering the requisition has proper access to FTO in PASS.
3. Contact the PASS helpdesk at 202.727.8700.



## 2.3 REIMBURSEMENT PROCESS

### 2.3.1 *Non-District agency*

#### 2.3.1.1 Conditions

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

Reimbursements must be based upon authorized and allowable expenditures consistent with the PMP. Expenditures must be supported with documentation.

The subrecipient must submit reimbursement requests no later than **90 days** after the subrecipient has paid for the goods and/or services. The SAA, at its own discretion, can deny a reimbursement request if the submission date exceeds the 90-day limit. The SAA will not accept any reimbursement requests after the subaward liquidation period, which is **30 days** after the end of the subaward period of performance. Please refer to the subaward letter or any applicable award adjustment to determine the end of the subaward period of performance.

#### 2.3.1.2 Submission

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

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

NSGP subrecipients are not required to submit reimbursement requests through NCR | GMS; however, all subrecipients must submit complete invoices, receipts, proof of payment, and any other required documentation to the SAA.

#### 2.3.1.3 SAA review

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 SAA program manager reviews the documentation for mathematical

accuracy, and confirms the expenses are allowable, timely, and consistent with the PMP.

- The SAA financial manager reviews the documentation for mathematical accuracy and compliance with [2 CFR § 200 Subpart E—Cost Principles](#).
- The Grants Division Director reviews the documentation and signs off on the request for payment to the OCFO.

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 submission. A system generated notification will be sent to the subrecipient point of contact explaining the denial.

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

#### 2.3.1.4 OCFO review and payment

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

In some instances, the OCFO may bundle **multiple reimbursement requests** into one payment. If a subrecipient cannot easily match a payment to a reimbursement request, please contact the SAA. For a break-out of ACH payments specifically, please contact [Rosanne Etinoff](#).

#### 2.3.1.5 Refunding the SAA

In the event of overpayment, the subrecipient must issue a refund to the District. The subrecipient must first notify the program manager of this issue and provide an explanation. The SAA will review the notification and work with the subrecipient to ensure the refund is processed correctly. The District's tax identification number is 536001131.

Subrecipients must follow these three steps:

1. Refund checks must be made out to *District of Columbia Treasury*.
2. Refund checks must be mailed to the attention of the Grants Division Director at the following address:

*District of Columbia Homeland Security and Emergency Management Agency  
2720 Martin Luther King Jr Ave SE  
Washington, DC 20032*

3. The subrecipient should notify the SAA when the refund has been sent.
4. Once the OCFO has deposited the refund and repaid FEMA, the SAA will notify the subrecipient that the refund is complete.

5. Refunds for items paid to non-District subrecipients through NCR | GMS will be reflected in NCR | GMS. The SAA will deduct the refunded amount from the completed item(s) in NCR | GMS that were affected by the refund, and the item(s) in NCR | GMS will show that a refund has been applied. Subrecipients can open the NCR | GMS item to review the original amount requested/paid and the details of the refund.
6. If a subaward has been closed (i.e. a closeout adjustment has been issued) and a refund is made after closeout, the SAA will process the refund and record it in NCR | GMS, but a revised closeout adjustment will not be issued.

### 2.3.2 District agency

The SAA uses the intra-District process as a means to reimburse funds to a District subrecipient. The subrecipient is reimbursed for expenses incurred against its intra-District projects through an intra-District advance. The subrecipient is only able to receive the advance after the funds are expended in SOAR. The subrecipient must submit the PDF version of the agency's 485 payroll report, supporting overtime sheets and sign-in sheets (as applicable), invoices, receipts, receiving reports, and any other documentation to support the amount to be reimbursed. The subrecipient must submit an intra-District advance request in order for the SAA to process the advance. As audit requirements may change during the course of the year, additional support documents may be requested.

Additionally, below is some of the pertinent information that should be included in an advance request:

- Project number
- Appropriation year
- Pay period
- Primary document number
- Index code
- PCA
- Vendor name
- Invoice number
- Object class
- Amount

## 2.4 FINANCIAL DOCUMENTATION

### 2.4.1 Documentation requirements

A subrecipient who seeks reimbursement for project-related charges is required to provide documentation that supports the proof of encumbrance, proof of purchase, and the proof of payment. It is imperative that a subre-

recipient ensure that the documentation is complete and accurate to prevent delays in the SAA review, approval, and payment process. All documentation submitted with the reimbursement request to the SAA must be sufficient to clearly demonstrate to the SAA what product or work the reimbursement request is for, and that the expense in question is both in compliance with the approved PMP and allowable under the NOFO.

If a subrecipient elects to pass-through funds via a subaward agreement or MOU to any organization for the purpose of obtaining resources to complete a project, the SAA requires the same documentation required for proof of encumbrance, proof of purchase and proof of payment from that organization to validate funds were properly spent. For example, if a subrecipient receives funds to purchase medical supplies for the region and it elects to pass-through these funds to area hospitals, the subrecipient is responsible for providing the SAA documentation to support the hospital's proof of encumbrance, proof of purchase and proof of payment.

An **invoice** is a bill for services rendered or products delivered. It must clearly indicate:

- Who the vendor is
- Who the receiver is
- 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

## 2.4.2 Acceptable forms of documentation

| ITEM                            | DESCRIPTION  | PROOF OF ENCUMBRANCE   | PROOF OF PURCHASE  | PROOF OF PAYMENT  |
|---------------------------------|--|--|--|---|
|                                 |  | <i>Shows that a subrecipient has made a commitment or obligation to pay for goods and/or services.</i>   | <i>Required to prove that the subrecipient has actually received goods and/or services and thereby is obligated to pay for such costs.</i>   | <i>Required to prove that the subrecipient has actually released funds for an expense and is therefore owed a reimbursement from the SAA.</i>   |
| Personnel and personal services | Remuneration for services or work performed by individuals who are employees of the subrecipient; includes wages, salaries and fringe benefits.                              | <ul style="list-style-type: none"> <li>Any record that specifies the person's level of effort, such as timesheets or activity reports</li> <li>For overtime or backfill, provide the approval form along with the timesheet.</li> <li>For overtime, properly demonstrate the overtime hours. If the documentation does not distinguish overtime from regular time, the approval form may suffice.</li> <li>For a variable percentage level of effort, include: <ul style="list-style-type: none"> <li>How that percentage was calculated</li> <li>Total cost for the employee (salary, fringe, etc.) for the period</li> <li>Percentage billed to the grant</li> </ul> </li> <li>For a flat percentage fringe multiplier applied to the payroll amount, explain the percentage calculation in a memo or directly on the submitted documentation. Otherwise, provide a fringe report that details the fringe cost.</li> <li>For 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), include an "invoice" summary sheet that details who and what pay periods and amounts are included.</li> </ul> |  | <ul style="list-style-type: none"> <li>Pay stub</li> <li>Payroll register</li> </ul> <p>Documentation must clearly be generated from the subrecipient's official system of record. The SAA cannot accept an Excel spreadsheet, a Word document or a hand-written notation as a justification for payment.</p> |
| Goods and non-personal services | Includes materials and supplies, equipment, contractors and consultants, rental costs, and other services and charges.   | <ul style="list-style-type: none"> <li>Purchase order (associated amendments or modifications)</li> <li>Contract (associated amendments or modifications)</li> <li>Online purchase: order confirmation</li> </ul>  | <p>Invoice</p> <ul style="list-style-type: none"> <li>Equipment purchase invoices must list: <ul style="list-style-type: none"> <li>Item purchased</li> <li>Unit cost</li> <li>Number of units delivered</li> <li>Total amount</li> </ul> </li> <li>Shipping costs should be rolled up into the relevant line item in NCR   GMS; submitting them separately creates confusion.</li> </ul>  | <ul style="list-style-type: none"> <li>Copy of a check</li> <li>Copy of a receipt (receipts can function as invoice and POP)</li> <li>Printout from the subrecipient's financial system of record that shows the payment detail</li> </ul>  |
| Food and beverages              | Consumable products that are provided at allowable training sessions, meetings, or conferences.  | The subrecipient must provide one document from each of the following: <ol style="list-style-type: none"> <li>Event registration list, or on-site sign-in sheet, or attendee list; and</li> <li>Event agenda, or schedule, or program.</li> </ol>  | <ul style="list-style-type: none"> <li>Receipts</li> <li>Invoices</li> </ul>   | Receipts  |
| Travel                          | Expenses for transportation, lodging, subsistence, and related items incurred by employees or contractors who are in travel status on official business of the subrecipient. | <ul style="list-style-type: none"> <li>Personnel <ul style="list-style-type: none"> <li>Approved travel request form, including detailed purpose of travel (e.g. conference agenda)</li> <li>Online reservations</li> </ul> </li> <li>Contractors/consultants <ul style="list-style-type: none"> <li>Purchase order (associated amendments or modifications)</li> <li>Contract (associated amendments or modifications)</li> </ul> </li> </ul> <p>Travel must be included as part of the purchase order or contract.</p>   | <ul style="list-style-type: none"> <li>Personnel <ul style="list-style-type: none"> <li>Receipts</li> <li>Invoices</li> <li>Mileage, to include: <ul style="list-style-type: none"> <li>Date of travel</li> <li>Total distance traveled</li> <li>Points of origin and destination (street addresses are optional; city-to-city is sufficient)</li> <li>Explanation of any abbreviations used for points of origin/destination</li> </ul> </li> </ul> </li> <li>Contractors/consultants <ul style="list-style-type: none"> <li>Invoice</li> </ul> </li> </ul> | Copy of payment the subrecipient made to the person(s) on travel  |

## 2.5 AWARD ADJUSTMENTS

During the subaward lifecycle, changes to the original PMP may occur or become necessary. In those cases, the subrecipient may request the following:

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

Any proposed changes to the PMP must be approved by the SAA before those changes can be implemented. Expenditures inconsistent with the SAA-approved PMP may not be reimbursed.

The SAA may ask the subrecipient to provide additional information and documentation as part of the review process. The SAA may also ask the subrecipient to submit a revised PMP prior to approving the requested change.

### 2.5.1 *Spend plan revision*

Changes that involve moving funds between approved budget categories that do not affect the final deliverables or capability development produced by the project may be approved by SAA grant management staff via an approval of the revised PMP. No signed award adjustment is needed for this type of change.

### 2.5.2 *Change in scope or deliverables*

Changes that involve adding to, reducing, or changing the scope of the project will require prior notification to and approval from the District or NCR program management office before being presented to the SAA. SAA grant management staff will confirm that the relevant District and NCR stakeholders have been consulted and concur with the requested change of scope prior to making any approval determination.

Significant changes of scope may require formal approval by the leadership (District EPC or NCR Senior Policy Group (SPG)/Chief Administrative Officers (CAO)).

### 2.5.3 *Funding increase*

Changes that involve a request for additional funding must be discussed with the District or NCR program management office before being presented to

the SAA. SAA staff will confirm whether unexpended or reprogrammed grant funds are available to support the requested funding increase. The subrecipient must not make any obligations or expenditures in anticipation of receiving a funding increase until the SAA has issued an award adjustment.

**2.5.4 Extension**

If the project experiences significant delays, the subrecipient may request a period of performance extension. Subaward extensions are only possible if they are within the federal award period of performance or if the SAA has received an extension from DHS.

For some grant programs, the relevant governing body (District or NCR) may have placed specific limits or requirements on how to handle extensions for that grant, and the SAA will enforce compliance with those policies. For example, if the governing body wants all subaward extension requests to be submitted at one time rather than throughout the year, then the SAA will only accept extension requests during the designated timeframe.

The subrecipient must utilize the SAA-provided template to request an extension and the request must include the following:

- The 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 are being mitigated.
- A brief timeline and explanation of how the subrecipient plans on accomplishing the remaining tasks within the extension period.
- Any funding at risk of lapsing if the extension is not granted.

**2.5.5 Award adjustment notice**

When a change request has been received and reviewed by SAA staff and any other necessary parties, the SAA will make a final determination to approve or deny the change request. If the request is approved, the SAA will issue an award adjustment notice to the subrecipient authorizing the modification to the subaward. The award adjustment becomes effective when the SAA signs it. The subrecipient must then have the award adjustment notice signed by the authorization official and return it to the SAA. The SAA will also update NCR | GMS to reflect the changes outlined in the award adjustment.

An award adjustment involving a change to project scope, budget, or time-

**Subgrant Extension Request**

**1. Project Information**

Subgrant # \_\_\_\_\_  
 Subaward # \_\_\_\_\_  
 Subaward point of contact \_\_\_\_\_  
 Subaward address \_\_\_\_\_  
 Period of performance \_\_\_\_\_  
 NCR | GMS # \_\_\_\_\_

Please ensure all information in NCR/GMS is up-to-date.

**2. Financial Snapshot**

| AWARD | EXPENDED TO DATE | OBLIGATED UNOBLIGATED (AMOUNT) | AMOUNT SPENDING BY THE SAA | BALANCE AWARDED |
|-------|------------------|--------------------------------|----------------------------|-----------------|
| (\$)  | (\$)             | (\$)                           | (\$)                       | (\$)            |
|       |                  |                                |                            |                 |

**3. Amount that will be unspent (no invoice in hand) by the end of the current period of performance**

\$: \_\_\_\_\_

**4. Explain why the project cannot be completed within the current period**

**5. List the deliverables/tasks (as defined in the PMP) at risk if an extension is not granted**

| # | DELIVERABLE/ TASK/DESCRIPTION | START DATE | END DATE | RESPONSIBLE |
|---|-------------------------------|------------|----------|-------------|
|   |                               |            |          |             |
|   |                               |            |          |             |
|   |                               |            |          |             |
|   |                               |            |          |             |
|   |                               |            |          |             |
|   |                               |            |          |             |
|   |                               |            |          |             |
|   |                               |            |          |             |
|   |                               |            |          |             |
|   |                               |            |          |             |

*Extension request form*

line will require a revision to the PMP. The SAA will send the PMP back to the subrecipient in CGMS to be modified and resubmitted.



### 3 CLOSEOUT

The purpose of closeout is to ensure that all work has been completed, funds expended, and reimbursements paid.

After the period of performance has expired, all work has been completed, all funds have been expended, or the project has been canceled, the subrecipient must complete and submit a final QS Rin CGMS, which serves as the closeout report, to include the following:

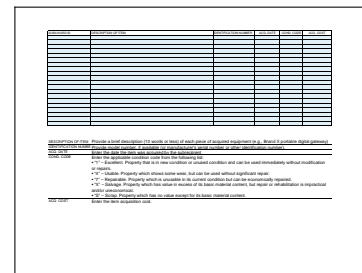
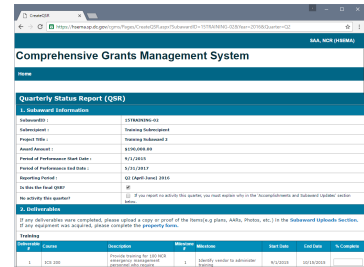
- Noteworthy results, such as did the project over- or underachieve the goals.
- Balance remaining on the project.
- All equipment received and/or services rendered.
- Resolution of project issues, if applicable.

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

As part of the closeout effort, the SAA will complete an audit of the project files in CGMS and at HSEMA to ensure all of the appropriate documentation is saved. The subrecipient will be responsible for providing the SAA any documentation that is missing from the project file. This may include:

- Subaward (signed)
- Award adjustments (signed)
- Current PMP
- Status reports
- Proof or copies of deliverables
- MOU/IDSR (District agencies only)
- Equipment inventory report, if applicable

When the above steps are complete, the SAA will issue a final award adjustment to the subrecipient. The subrecipient must sign and return the final award adjustment in CGMS as soon as possible. Any remaining unspent funds will be rescinded.



Closeout equipment report



cedures that demonstrate the subrecipient’s ability to manage and expend grant funds appropriately.

At a minimum, the SAA will review the following items:

- Project file
- General ledger reports
- Procurement files
- Invoices or other documents used to justify expenditures
- Inventory management procedures and/or physical inspection of equipment
- Written policies regarding travel expenses, indirect rate, purchasing authority, and other policies relevant to the administration of the project
- Status updates from subrecipient program and financial management staff

#### 4.3 RECORD KEEPING

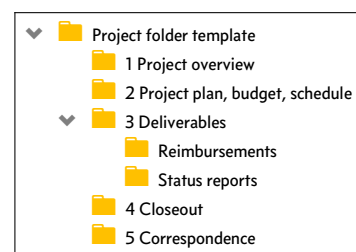
The subrecipient is responsible for maintaining a project file that contains complete and up-to-date records for the project. These records may be paper files or electronic, provided that they can be easily and quickly located and provided for review.

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

- Subaward (signed)
- Applicable federal terms and conditions
- Applicable District terms and conditions
- NOFO
- All award adjustments (signed)
- Current PMP
- All project 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 subrecipient’s standard procedure; however, the subrecipient 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 subrecipient project man-



*Suggested folder structure*

agers during any staff turnover. The project files must be kept by the subrecipient for a period of no less than three years from the date of the end of the federal award period of performance, or three years from the date of any audit that includes the project as part of the tested sample, whichever is later.

#### 4.3.1 Exercise

All HSGP-funded exercises must be compliant with the Homeland Security Exercise and Evaluation Program (HSEEP). This involves specific planning steps, scope and method of conducting the exercise, and production of an after-action report. The after-action report must be submitted to [hseep@fema.dhs.gov](mailto:hseep@fema.dhs.gov) and [ncr.saa@dc.gov](mailto:ncr.saa@dc.gov) no more than 90 days after completion of the exercise.

Consult the [FEMA exercise website](#) for more information.

### 4.4 EQUIPMENT

#### 4.4.1 Equipment inventory

At a minimum, the subrecipient must maintain property records (inventory) of all grant-funded equipment, to include:

- Description of the property
- Serial number or other identification number
- Source of funding for the property (including the federal award identification number)
- Title holder
- 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

**Equipment** means an article of non-expendable, tangible personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more.

Consult [2 CFR § 200.313 Equipment](#) for more information.

The subrecipient must agree to make the equipment available for inspection at the SAA's request.

In addition:

- A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.
- A control system must be in place to ensure adequate safeguards to prevent the loss, damage, theft or misuse of the property.

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

4.4.2 Equipment transfer

An equipment transfer takes place when a subrecipient purchases equipment on behalf of one of more organizations. The subrecipient must maintain documentation to demonstrate a transfer took place, and the documents should minimally include the project funding source, contact information for the subrecipient and the organization, and a summary of what is being transferred. Furthermore, the organization receiving the equipment must follow the equipment inventory and disposition requirements outlined in 2 CFR § 200.313 Equipment.

4.5 PROPERTY DISPOSITION

Before proceeding with any disposition of grant-funded property, the SAA may need to obtain a final determination from DHS. Therefore, at a minimum, the subrecipient must provide the following information, using the SAA-provided template:

- Subaward number
- Method of disposition, including any applicable policies
- Reason for disposition
- Any capability gap resulting from the disposition, and steps taken to mitigate the gap
- Property list
  - Description
  - Identification number
  - Condition
  - Acquisition date
  - Acquisition cost
  - Current fair market value

For the purpose of disposition, property includes equipment with an acquisition cost of \$5,000 or more and supplies with an aggregate value of \$5,000 or more.

Federal disposition requirements are outlined in 2 CFR § 200.414 Equipment (e) Disposition and 2 CFR § 200.314 Supplies.

**Property Disposition Form**

Before proceeding with any disposition of grant-funded property, the SAA may need to obtain a final determination from DHS. Terms of interest, as outlined in 2 CFR § 200.313 Equipment (e) Disposition and 2 CFR § 200.314 Supplies, include the following:

- Items of equipment with a current per unit fair market value in excess of \$5,000
- Residual inventory of excess supplies exceeding \$5,000 in total aggregate value

Subrecipients must provide additional information for being meeting the threshold before taking steps towards disposition. Please provide this completed form to your designated Program Manager.

1. Subaward number
2. Briefly describe the disposition method the subrecipient will use, and whether it complies with the subrecipient's disposition policy.
3. Briefly explain why the items are being disposed.
4. What, if any, capability gap does disposition create? How will the subrecipient address this gap?

In the table below, please provide details for each of the items. If needed, please add additional rows to the table below to provide an attachment that includes all of the required fields.

| DISPOSITION OF ITEM | IDENTIFICATION NUMBER | ACQ. COST | ACQ. DATE | COND. | CURRENT FAIR MARKET VALUE |
|---------------------|-----------------------|-----------|-----------|-------|---------------------------|
|                     |                       |           |           |       |                           |
|                     |                       |           |           |       |                           |
|                     |                       |           |           |       |                           |
|                     |                       |           |           |       |                           |
|                     |                       |           |           |       |                           |
|                     |                       |           |           |       |                           |
|                     |                       |           |           |       |                           |
|                     |                       |           |           |       |                           |
|                     |                       |           |           |       |                           |
|                     |                       |           |           |       |                           |

DISPOSITION: Provide a brief description (15 words or less) of each piece of disposed equipment (e.g., Grant #, purchase date, priority). Provide the item identification number (manufacturer's serial number or agency/contractor inventory #), ACQ. COST: Enter the item acquisition cost. ACQ. DATE: Enter the date the item was received by the subrecipient. Enter the applicable condition code from the following list:

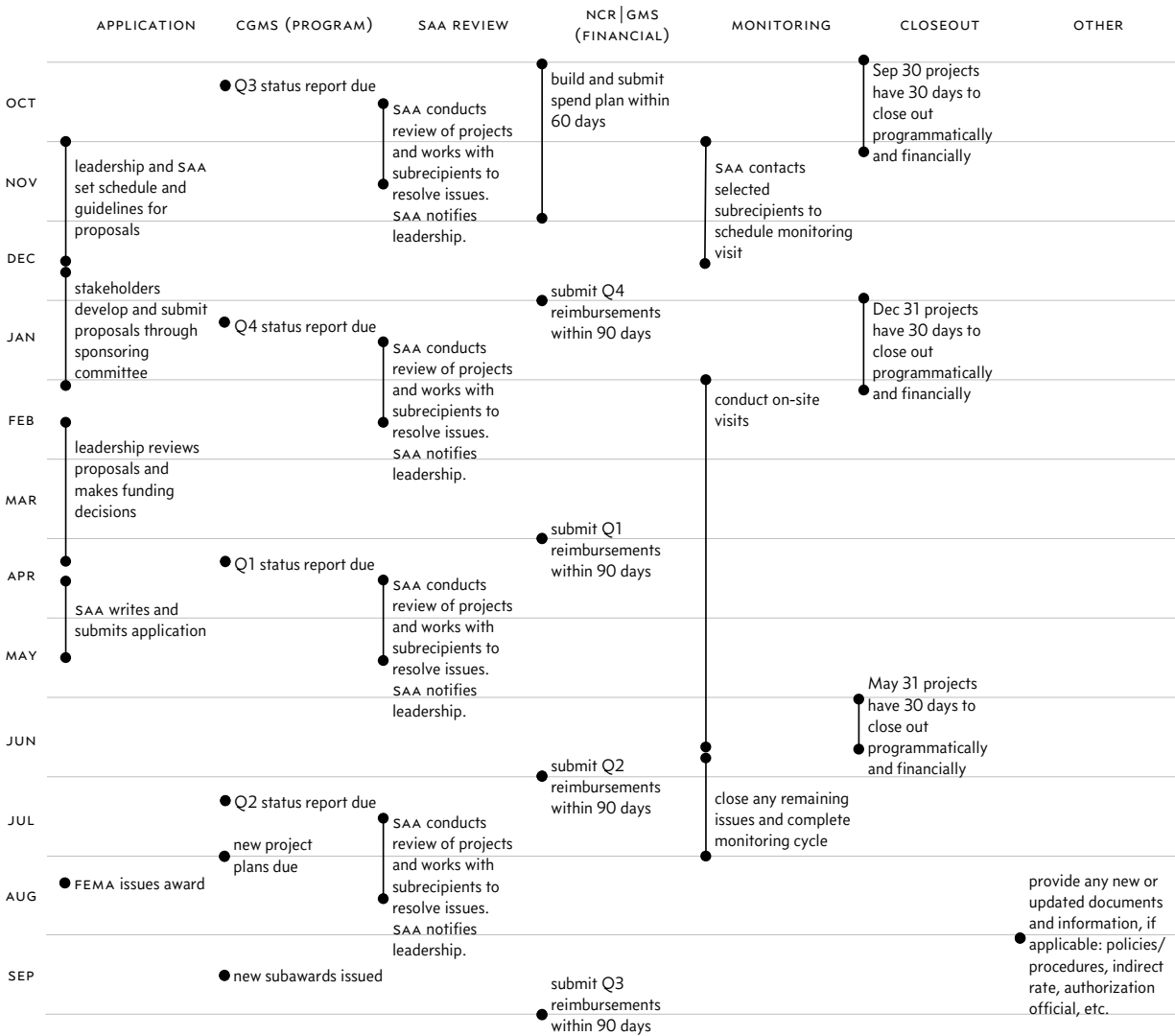
1. Good: Property in use condition or unexpired condition and can be used immediately without modification of parts.
2. Limited: Property with above average wear, but can be used without significant repair.
3. Damaged: Property which is beyond normal wear and tear, but can be repaired.
4. Salvage: Property which has major damage or is broken, unusable, or has a major defect or alteration in structural integrity.
5. Other: Property which has no major damage but is unusable.

COMMENT FROM SUBMITTER: Provide a reasonable selling price for the same item of the same age and condition. The basis for the estimate may need to be explained.

vSPD01 1

Ready to dispose of property? Complete and submit the property disposition form to the SAA.

## 4.6 SUBAWARD LIFECYCLE CALENDAR



## ACRONYMS

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|           |   |
|-----------|---|
| ACH       | Automated clearing house                          |
| AEL       | Authorized equipment list                         |
| BEF       | Budget establishment form                         |
| CAO       | Chief Administrative Officers                     |
| CFDA      | Catalog of Federal Domestic Assistance            |
| CGMS      | Comprehensive Grants Management System            |
| DHS       | U.S. Department of Homeland Security              |
| EHP       | Environmental and Historic Preservation           |
| EPC       | Emergency Preparedness Council                    |
| FAIN      | Federal award identification number               |
| FEMA      | Federal Emergency Management Agency               |
| FWS       | U.S. Fish and Wildlife Service                    |
| GPD       | Grants Program Directorate                        |
| GSA       | General Services Administration                   |
| HSEC      | Homeland Security Executive Committee             |
| HSEEP     | Homeland Security Exercise and Evaluation Program |
| HSEMA     | Homeland Security and Emergency Management Agency |
| HS GP     | Homeland Security Grant Program                   |
| IB        | Information bulletin                              |
| IDSR      | Intra-District standard request                   |
| M&A       | Management and administration                     |
| MOU       | Memorandum of understanding                       |
| NCR       | National Capital Region                           |
| NCR   GMS | National Capital Region Grant Management System   |
| NEPA      | National Environmental Policy Act                 |
| NOFO      | Notice of Funding Opportunity                     |
| NSGP      | Nonprofit Security Grant Program                  |
| OBP       | Office of Budget and Planning                     |
| OCFO      | Office of the Chief Financial Officer             |
| OMB       | Office of Management and Budget                   |
| PASS      | Procurement Automated Support System              |
| PMO       | Program management office                         |
| PMP       | Project management plan                           |
| POE       | Proof of encumbrance                              |
| POP       | Proof of payment                                  |
| PPE       | Personal protective equipment                     |
| PSJC      | Public Safety and Justice Cluster                 |
| QSR       | Quarterly status report                           |
| SAA       | State Administrative Agent                        |

|       |  |
|-------|--|
| SHPO  | State Historic Preservation Office                   |
| SHSP  | State Homeland Security Program                      |
| SOAR  | System of Accounting and Reporting                   |
| SPG   | Senior Policy Group                                  |
| STC   | Securing the Cities                                  |
| THIRA | Threat and Hazard Identification and Risk Assessment |
| UASI  | Urban Areas Security Initiative                      |