



# 911 PROGRAM

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## PROGRAM GUIDANCE

*Calendar Year 2019*

*January 1, 2019 – December 31, 2019*

The information in this document provides general program guidance and financial management requirements for recipients of 911 funding from the Pennsylvania Emergency Management Agency in calendar year 2019.

This document is supplemented by the *Accounting and Financial Reporting Manual* that will provide county representatives, who are responsible for county 911 Fund accounting and reporting, with detailed accounting and financial reporting guidelines and requirements.

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## INTRODUCTION

911 is a vital part of public safety. A primary goal for the Pennsylvania Emergency Management Agency (PEMA) is to implement a reliable and sustainable NG911 system and 911 program in collaboration with the Commonwealth's 911 community. Governor Tom Wolf and the Pennsylvania General Assembly took proactive measures to increase the capabilities of the 911 system and to facilitate the implementation of Next Generation 911 (NG911) by passing Act 12 of 2015 (Act 12).

The planning and transition to NG911 is an extensive, multi-year effort, and completely dependent upon the availability of funds.

A coordinated effort between all stakeholders in areas such as budgeting, planning, governance, allocating funds, and oversight is required to ensure financial resources are available to sustain current 911 systems as well as implement and maintain NG911 systems in Pennsylvania.

PEMA is directed by Chapter 53, 911 Emergency Communication Services, of Title 35 of the Pennsylvania Consolidated Statutes to establish guidelines, standards and reporting requirements for the administration of 911 systems in the Commonwealth of Pennsylvania.

General program guidance and financial management requirements for recipients of 911 funding from PEMA in calendar year 2019 are provided in this document. The guidance and requirements were developed with the intent to generate useful and reliable information for budgeting, planning, allocating limited resources, and oversight. Compliance with the guidance and requirements will allow the Commonwealth to continue on the path to a sustainable NG911 system and program.

Counties are to ensure 911 service is provided in their jurisdiction and to comply with the guidelines, standards and reporting requirements established by PEMA (35 Pa. C.S. § 5304). Funding for 911 shall not be expended on a 911 system that does not conform to the standards and guidance published by PEMA (35 Pa. C.S. § 5306.1 (c) (2)). Compliance with these requirements and guidance will be verified through PEMA's annual Combined Report review and biennial audit process.

County representatives (911 Coordinators, fiscal, budget, controllers, commissioners, consultants, etc.) responsible for 911 funding should be familiar with this document. **This document is supplemented by the 2019 Accounting and Financial Reporting Manual that will provide county representatives, who are responsible for county 911 Fund accounting and reporting, with detailed accounting and financial reporting guidelines and requirements.**

*Please note: For the purposes of this document, the term "county" includes the cities of Allentown and Bethlehem as these cities host a primary Public Safety Answering Point (PSAP).*

## 2019 911 FUNDING OVERVIEW

Under Act 12, a uniform monthly surcharge fee of \$1.65 went into effect as of August 1, 2015. Each subscriber or consumer shall pay a surcharge of \$1.65 for each 911 communications service or prepaid wireless device for which that subscriber or consumer is billed by a provider or seller. For multi-line telephone systems, the legislation does provide a reduced surcharge rate on a sliding scale based on the number of lines.

With the exception of prepaid wireless service, providers are to assess and collect the uniform surcharge monthly and forward the amount collected quarterly to the Commonwealth for deposit into the 911 Fund. The due date for providers to remit the funds to the Commonwealth is fifteen (15) days after a calendar quarter ends. Providers may retain up to one percent (1%) of the revenue collected for their actual administrative costs.

The uniform surcharge on prepaid wireless service is charged and collected by retailers and remitted to the Commonwealth with the same due dates as a retailer's sales/use tax returns (usually monthly or quarterly). Sellers of prepaid wireless service may retain one and a half percent (1.5%) of the amount collected for their actual administrative costs.

### **911 SURCHARGE REVENUE DISTRIBUTION TO COUNTIES**

9-1-1 surcharge revenue is distributed to Pennsylvania counties through two primary methods under Act 12:

1. **Eighty-three percent (83%)** of the surcharge revenue collected quarterly is distributed to PSAPs using a formula-based calculation. These funds are commonly referred to as "83% funds".
2. **Fifteen percent (15%)** shall be used by PEMA to establish, enhance, operate or maintain statewide interconnectivity of 911 systems. Statewide interconnectivity funding made available to counties is distributed through a grant process in accordance with the guidelines and application procedures published by PEMA. These funds are commonly referred to as "15% funds".

### **FUNDING METHOD - FORMULA BASED FUNDS (83% Funds)**

Within 30 days after the end of each calendar quarter, PEMA is required to determine the amount available in the 911 Fund for distribution and disburse eighty-three percent (83%) of the revenue collected to the counties using a formula-based calculation.

### **2019 FUNDING FORMULA**

**The funding formula adopted for 2018 will remain in place for calendar year 2019.** Eighty-three percent (83%) of the surcharge revenue collected quarterly will be distributed to the counties using the following two-part formula-based calculation:

1. Three percent (3%) of the available amount will be equally distributed to each county.

2. Remaining funds are distributed based on the following calculation:
  - a. Thirty percent (30%) of the remaining amount will be distributed based on the ratio of a county's population to the total Commonwealth population.
  - b. Seventy percent (70%) of the remaining amount will be distributed based on the ratio of a county's *Revenue Difference* to the total Commonwealth *Revenue Difference*.

***How was the revenue difference ratio calculated?***

The *Revenue Difference* for each county was calculated using the following steps:

1. Determine revenue a county would have received using the interim formula at \$314 million.
2. Subtract a 3% equal distribution at \$314 million.
3. Subtract a 30% distribution based on population at \$314 million.

The Revenue Difference Ratio is calculated by comparing the Revenue Difference for each county to the Revenue Difference for all counties.

***When will the funding formula be reviewed?***

Act 12 requires the funding formula to be reviewed every two years. The current funding formula was adopted for calendar year 2018 and will remain in place through calendar year 2019. PEMA, in consultation with the 911 Advisory Board, will review the funding formula during 2019 to determine any adjustments for calendar year 2020.

Per Act 12, the following requirements must be included in any distribution formula:

- Three percent (3%) must be disbursed equally to each county; consolidation of PSAPs shall not reduce a county's allocation of the 3% equal distribution.
- At least thirty percent (30%) of the formula calculation must solely be based on population.

In reviewing the funding formula during 2019, many factors will be considered, from revenue and expenditure perspectives, as PEMA continues to work with the 911 Advisory Board for a distribution formula that fairly and proportionately reflects 911 system needs.

**2019 QUARTERLY FUNDING FORMULA PAYMENT SCHEDULE:**

Below is a schedule that provides the estimated dates for counties to receive their 2019 quarterly formula payments.

CALENDAR QUARTER		DUE DATE FOR PROVIDERS TO REMIT SURCHARGE REVENUE	DATE PAYMENT RECEIVED BY COUNTY (ESTIMATED)
1 <sup>st</sup>	January – March	April 15, 2019	<b>May 7, 2019</b>
2 <sup>nd</sup>	April – June	July 15, 2019	<b>August 6, 2019</b>
3 <sup>rd</sup>	July – September	October 15, 2019	<b>November 5, 2019</b>
4 <sup>th</sup>	October - December	January 15, 2020	<b>February 4, 2020</b>

## **FUNDS MANAGEMENT REQUIREMENTS - 83% FUNDS:**

- 1. Quarterly formula payments will be made directly to each county regardless of how a county provides a 911 system in their respective jurisdiction.**
  - a. Under Act 12, counties have the power and duty to ensure the provision of a 911 system in the county's respective jurisdiction. A county may provide a 911 system to the county's jurisdiction through participation in a regional 911 system.
  - b. As PSAP consolidations continue, PEMA will review the structure of the Combined Report during 2019 to determine any needed adjustments for consolidated entities.
  
- 2. Counties must report the payments on the 2019 quarterly funding formula payment schedule as revenue in calendar year 2019.**
  - a. This includes the 4<sup>th</sup> quarter payment counties are projected to receive in February 2020.
  
- 3. The funds must be deposited and maintained in an interest-bearing account.**
  - a. If pooled accounts are used by a county, a reasonable method must be used to allocate interest to the county's 911 Fund on a timely basis.
  - b. A County should be prepared to demonstrate how interest is allocated to their 911 Fund.
  - c. Interest income shall only be used for eligible 911 costs.

### ***Managing 83% funds for current & future 911 system needs:***

Counties have discretion over how 83% funds are spent; provided the funds are used for expenses that meet the *Eligible Uses* criteria on the 2019 Eligibility Factors List. The intent is to provide counties with the flexibility to prioritize and spend funds as they see fit to meet the specific needs of the county or regional 911 system.

PEMA continues to stress that counties are responsible for managing their formula based 911 funding to meet current and future needs. Managing 83% funds to meet current and future needs is of utmost importance as PEMA anticipates executing a contract for a statewide ESInet and Next Generation Core Services (NGCS) system in 2019. Once the statewide ESInet and NGCS system is implemented, the intent is to fund call delivery costs using 15% funds. Using 15% funds for the statewide ESInet and NGCS system will allow counties to use 83% funds, that were traditionally used for call delivery costs, to be used for other purposes.

### ***Why is it important to manage 83% funds to meet current and future needs?***

- Less statewide interconnectivity funding will be available for grants as statewide initiatives are implemented.
- As required by Act 12, the current funding formula will be reviewed during 2019 to determine any adjustments for 2020. Any funding formula adjustments are likely to result in 83% funding increases for some counties and 83% funding decreases for other counties.

### ***EMERGENCY ADVANCE PROCESS***

While it is paramount for counties to manage their formula funding to meet current and future needs, PEMA and the 911 Advisory Board Funding Subcommittee have developed the Emergency Advance Process (EAP). The EAP would be used to address unexpected issues that impair daily operations at a PSAP where no other financial resources are available to address the issue. PEMA would advance a county future formula-based funds (83% funds) to recover from 911 system outages or prevent imminent 911 system failure should a county use the EAP.

#### **Use of the EAP:**

- The EAP is to only be used in unplanned emergency situations to bring the 911 system back on line or prevent imminent 911 system failure.
- 911 system outages due to failure to maintain 911 systems will not be considered an unplanned emergency situation.
- EAP requests may not include 911 system upgrades.

#### **EAP funding guidelines:**

- Funds received through the EAP are not a grant.
- Funds are an advance of a county's future formula based quarterly payments (83% funds).
- Funds will be recouped in equal installments as a reduction from a county's future quarterly formula-based payments through the sunset date of the current 911 legislation.
- A county is responsible for managing EAP requests against their future funding needs.
- Use of the EAP is contingent on available funding in the 911 Fund.

#### **EAP eligibility and reporting:**

- PSAPs must have a contingency or disaster recovery plan in place to utilize the EAP.
- Funds must be used for eligible costs in accordance with the 2019 Eligibility Factors List.
- Costs must be reported on Schedule A of the Combined Report in accordance with the reporting guidelines established by PEMA for formula-based funds.

#### **Process to request an advance of funds:**

- 1. A county reports the incident on the Pennsylvania Emergency Incident Reporting Standard (PEIRS) system as a 911 Facility System Failure.**
- 2. The County Commissioner, Executive, etc. sends a letter requesting an advance of formula-based funding, and a copy of the contingency/disaster recovery plan to the Deputy Director for 911.**
- 3. The expected timeframe for the PSAP to receive the funding is 10 business days from the date PEMA processes the emergency advance request.**
- 4. An EAP payment is not guaranteed and will be issued at PEMA's discretion.**

## **ELIGIBILITY REQUIREMENTS - 83% FUNDS:**

9-1-1 funds shall be used only for reasonably necessary costs that enhance, operate or maintain a 911 system. Reasonably necessary costs shall be determined by PEMA, in consultation with the 911 Advisory Board. Eligible uses for 911 funding are provided on the *2019 Eligibility Factors List* published by PEMA in consultation with the 911 Advisory Board.

The *2019 Eligibility Factors List* is provided in **Appendix B** of this document.

### ***2019 Eligibility Requirements:***

- 1. Funds shall only be expended for eligible 911 costs.**
  - a. Eligibility criteria is provided on the 2019 Eligibility Factors List.
  - b. Funding for 911 shall not be expended on a 911 system that does not conform to the standards and guidance published by PEMA (35 Pa. C.S. § 5306.1 (c) (2)).
  - c. If ineligible expenditures are identified, the county's 911 Fund shall be reimbursed from other funding sources of the county.
- 2. Funds are to only be used for eligible 911 costs incurred between 1/1/2019 – 12/31/2019.**
  - a. Funds are not to be used for prior year costs or to offset prior year deficits.
- 3. If a county carries a 911 Fund balance into 2019, the remaining balance shall only be used for current year eligible 911 costs as provided on the 2019 Eligibility Factors List.**
- 4. 911 funds shall not be transferred for General Fund use.**

### ***Using the 2019 Eligibility Factors List:***

The 2019 Eligibility Factors List groups costs that enhance, operate or maintain a 911 system by *Cost Type and Cost Category*. For each *Cost Category*, general criteria are provided in the *Eligible Uses* column that counties must use to determine and justify eligibility.

Counties are responsible to demonstrate that costs meet the Eligible Uses criteria on the annual Combined Report, or during a biennial audit. Items that do not meet the Eligible Uses criteria are not eligible for 9-1-1 funding.

The following process should be used by counties to determine eligible uses of funding:

- 1. Does the item fit into a Cost Type?**
  - Yes – Refer to the Cost Categories and Eligible Uses for that Cost Type.
  - No – The item is ineligible.
- 2. Does the item meet the Eligible Uses criteria for a Cost Category?**
  - Yes - The item is eligible.
  - No - The item is ineligible.

## **REPORTING REQUIREMENTS – 83% FUNDS:**

A county must ensure and be able to demonstrate that 911 funds and interest earned was only expended for eligible 911 costs. The primary methods for a county to demonstrate funds were used for eligible 911 costs are: 1. completion of the annual Combined Report, and 2. participation in the biennial audit process required by Act 12.

- 1. Each county is required to submit a Combined Report for calendar year 2019.**
  - a. The due date for the 2019 Combined Report is tentatively scheduled for April 15, 2020.
  - b. Detailed line-item instructions for the 2019 Combined Report will be provided on a Funding Guidance Supplement.
  - c. The Combined Report will be reconciled to the county's general ledger records during the biennial audit process.
  
- 2. All PEMA reporting (i.e. Combined Report) must be completed using the modified accrual basis of accounting in all instances where practical.**
  - a. County personnel responsible for 911 Fund accounting and reporting should refer to the *Accounting and Financial Reporting Manual* for detailed accounting and financial reporting guidelines and requirements.
  - b. Expenditures are generally recorded when a liability is incurred.
  - c. Report costs for goods received or services provided between 1/1/2019 – 12/31/2019 rather than when cash is exchanged.
  - d. PEMA's annual Combined Report review and biennial audit process will be used to verify if the Combined Report was completed in accordance with PEMA's guidance.
  
- 3. Expenditures must be reported using the standard chart of accounts. The standard chart of accounts is the Cost Types and Cost Categories from the 2019 Eligibility Factors List.**
  - a. PEMA recognizes that a county may not have the ability to implement this chart of accounts tracking immediately.
  - b. However, each county should ensure there is a reconciliation between expenditures recorded within their 911 Fund and the amounts reported in the Cost Types and Cost Categories on the Combined Report submitted to PEMA.
  
- 4. Accounting records must be supported by documentation.**
  - a. Examples include invoices, contracts, agreements, time sheets, bank statements, etc.
  - b. Each county must ensure timely access to these records as they are essential to the biennial audit process required by Act 12.
  - c. Records must be preserved for at least three years following the submission of the Combined Report or in compliance with the county record retention policy; whichever is longer.

5. **A county is responsible for demonstrating expenditures are eligible for 911 funding.**
  - a. In addition to any supporting documentation needed, the “Item Description” a county provides for each expenditure line item on the 2019 Combined Report must be specific enough to justify the item meets the “Eligible Uses” criteria for the Cost Category on the 2019 Eligibility Factors List.
  
6. **Costs charged to a county’s 911 Fund through a cost allocation plan or some other method involving shared resources must be based upon a reasonable method and must be supported by actual costs – not budgeted costs.**
  - a. This includes costs of shared resources between different programs managed by the PSAP, different funding sources for the PSAP, as well as shared resources between different departments within a county or between PSAPs.
  
7. **Prepaid items or expenditures related to multi-year or multi-month contracts must be allocated evenly over the life of the contract.**
  - a. Please remember to pay close attention to the terms (period of performance) of multi-year and multi-month contracts to ensure expenditures are reported in the correct year.
  - b. ***Example:** A county pays \$100,000 for a 3-year maintenance contract; they would start with a prepaid asset of \$100,000 on their balance sheet as of the date the upfront payment is made for the contract, instead of expensing it upon payment. Each month, they would reduce the prepaid by 1/36th (\$2,777.28), and expense the same amount each month. This treatment should be consistent with what each County is doing for their own financial reporting (whether accrual or modified accrual) on an entity wide basis.*
  
8. **The total annual disbursement from the fund to any PSAP may not exceed the actual annual costs to enhance, operate or maintain that PSAP (35 Pa. C.S. § 5306.1 (e) (6)).**
  - a. Actual annual costs may include amortization or depreciation of allowable capital costs of the 911 system as determined using generally accepted accounting principles and approved plan allocations to capital and operating reserves, if approved by the agency.
  - b. Reserve allocations shall not exceed the reserve caps established by PEMA in consultation with the 911 Advisory Board. Reserve caps are provided on Schedule C of your Combined Report.
  - c. The anti-windfall provision in Act 12 went into effect in 2018 and will be based on information provided on the 2018 Combined Report.
    - i. Counties must remember to allocate 911 Fund balances to capital and operating reserves where applicable.
    - ii. For anti-windfall purposes, actual 911 system costs may include allocations to capital and operating reserves.
    - iii. Enforcement of the anti-windfall provision may result in the reduction of future quarterly formula payments to recoup excess balances.

- 9. Capital asset records must be maintained to clearly define capital assets using 911 funds.**
  - a. Capital assets purchased with 911 funds should follow a county’s capitalization policy.
  - b. The usage of capital assets that are already fully depreciated may not be charged to the 9-1-1 Program. Capital assets purchased using pre-Act 12 funding also cannot charge depreciation to the 911 Program.
  - c. Each item should be tracked by a serial or other identification number, acquisition cost and date, location, estimated useful life, and disposition information.
  - d. Proceeds from the disposition of a capital asset purchased with 911 funds should be reported as 911 Fund revenue.
  - e. Capital assets should clearly be defined and tracked between:
    - i. capital assets purchased using other funding sources of the county,
    - ii. capital assets purchased using pre-Act 12 funding,
    - iii. capital assets purchased using funding provided under Act 12 (i.e., expenditure incurred as of August 1, 2015 or after).

## **FUNDING METHOD - STATEWIDE INTERCONNECTIVITY FUNDS (15% Funds)**

Of the revenue collected quarterly, 15 percent shall be used by PEMA to establish, enhance, operate or maintain statewide interconnectivity of 911 systems. Statewide interconnectivity funding made available to counties will be distributed through a grant process in accordance with the guidelines and application procedures published by PEMA.

PEMA has worked with the 911 Advisory Board to implement a grant process that is conducive to a coordinated effort towards statewide interconnectivity of 911 systems and NG911. PEMA will continue to work with the Board to:

- Specify goals for statewide interconnectivity funding in 2019.
- Set specific funding priorities and project guidelines to accomplish 2019 goals.
- Identify specific types of projects that will be considered for funding.

## **FUNDS MANAGEMENT REQUIREMENTS – 15% FUNDS**

- 1. For each project award, PEMA will primarily advance funds per milestone as they are completed except for the last milestone of a project.**
  - a. The last milestone will be on a reimbursement basis.
  - b. Remaining balances from previous milestones will be considered when processing requests for advance payments and as part of the reimbursement/closeout process for each project.
  - c. Payment amounts are based on the approved workplan and budget for each project.
- 2. The funds must be deposited and maintained in an interest-bearing account in the same manner as 83% funds.**
  - a. Interest earned may be used for any eligible 911 expenditure as outlined on the 2019 Eligibility Factors List.

- 3. If 15% funds are awarded for PSAP facility renovations as part of a PSAP consolidation and the facility is subsequently sold, the county(s) shall reimburse PEMA for an amount equal to the fair market value of the upgrades in accordance with the county(s) capitalization policy.**
  - a. Every PSAP consolidation project is different and faces a unique set of challenges. In some situations, 15% funds may be awarded for facility renovations to enable a successful PSAP consolidation. The refund will be deposited in the 911 Fund for other 15% initiatives.

#### **ELIGIBILITY REQUIREMENTS - 15% FUNDS:**

- 1. Project expenditures must meet the Eligible Uses criteria on the Eligibility Factors List.**
- 2. 15% funds must be expended according to the approved project workplan and the approved project budget for each project.**
  - a. Only the items listed on the approved project workplan and the approved project budget for each project are allowable expenditures for these funds.
  - b. Costs not related to the approved project workplan are not eligible for 15% funding.
- 3. Statewide interconnectivity funds granted must be expended or obligated within the period of performance provided in the grant agreement.**
- 4. A county may not combine statewide interconnectivity project awards.**
- 5. A county may not reallocate statewide interconnectivity funds from one project to another statewide interconnectivity project or any other purpose.**
- 6. To be considered for consolidation project funding in 2019, a feasibility study must be submitted to PEMA prior to the June 2019 Board meeting.**
  - a. Please refer to the PSAP consolidation funding guidelines on the next page.

#### **REPORTING REQUIREMENTS – 15% FUNDS:**

- 1. The activity for each statewide interconnectivity project for which a county receives funding must be tracked/accounted for individually.**
- 2. Counties must report project costs on Schedule B of the Combined Report as they become known and measurable.**
  - a. Please do not report 15% grant expenditures on Schedule A of the Combined Report.
- 3. A county should not have a carryover balance at the end of a year related to 15% funding.**
  - a. At the end of 2019, a county must ensure all project costs incurred for calendar year 2019 are reported on Schedule B of the PEMA 911 Webtool.
  - b. The amount of 15% revenue should match the amount of expenditures reported for a project; 15% revenue should not exceed the amount of reported expenditures for a project at the end of the year.

- c. If adjustments are needed at the end of the year, PEMA will work with the county to adjust the amount of 15% revenue shown on the 2019 Combined Report so that it matches the reported expenditures for each project
- d. The excess will then be reported as 15% revenue on a subsequent Combined Report.

**4. Counties must notify PEMA when a project milestone or the entire project is completed via the PEMA 911 Webtool.**

- a. Please remember, the grant agreement requires a county to certify and acknowledge:
  - i. All approved project costs will be reported on the PEMA 911 Webtool prior to notifying PEMA that the entire project is completed.
  - ii. Any remaining grant funds will be returned to PEMA to be used for other statewide interconnectivity initiatives.
  - iii. The opportunity to make cost adjustments after the entire project is reported as completed may not be available. PEMA maintains sole discretion to approve or disapprove changes.

**PSAP CONSOLIDATION FUNDING GUIDELINES – 15% FUNDS**

A top priority for statewide interconnectivity funding has been voluntary consolidation of PSAPs. PEMA and the 911 Advisory Board have developed a process for future PSAP consolidation project funding that pertains to any new PSAP consolidation initiatives.

A primary concern of PEMA, and the Board, is that PSAP consolidations are completed in the most efficient manner. PSAPs must leverage existing infrastructure where possible. PEMA recognizes every PSAP consolidation project is different and faces a unique set of challenges. Funding situations that fall outside of this outlined process will be considered by PEMA, in consultation with the Board, on a case by case basis.

PEMA and the 911 Advisory Board have developed this process to:

- Provide counties considering PSAP consolidation with information needed to assist with the successful completion of a consolidation project.
- Clarify expectations for statewide interconnectivity funding.
- Ensure availability of funds for other statewide interconnectivity initiatives (network, GIS, etc.)

**PSAP consolidation project definition:**

New voluntary PSAP consolidation projects must meet the following definition to be considered for statewide interconnectivity funding:

**Voluntary PSAP Consolidation Project Definition:** A project that combines two or more primary PSAPs into a single physically combined primary PSAP with an integrated management structure that serves the same population previously served by independent primary PSAPs.

**Consolidation funding process:**

1. **The counties that govern the PSAPs involved in the physical consolidation must complete a feasibility study.**

- a. PEMA will fund 50% of the feasibility study up front.
  - b. The consolidating counties are responsible for the remaining cost (50%).
  - c. Consolidation studies are capped at \$60,000 for 15% funds.
  - d. PEMA will reimburse the counties for their share of the feasibility study upon successful completion of the PSAP consolidation.
- 2. The feasibility study must include the following items in this order:**
- a. A detailed description of how the consolidation will improve 911 service.
  - b. A detailed plan that provides the steps and timeline for completing the physical consolidation. The plan must identify:
    - i. existing infrastructure that will be leveraged
    - ii. infrastructure upgrades needed to complete the consolidation.
  - c. A description of the services the consolidated PSAP will perform.
  - d. Details of how the consolidated PSAP will be governed, organized and staffed.
  - e. Anticipated line item costs and total anticipated cost of the consolidation.
  - f. Anticipated cost savings of the PSAP consolidation.
  - g. Costs the counties will seek to be funded from 15% funds.
  - h. A funding plan to fund and sustain the consolidated PSAP.
  - i. The funding plan must provide other funding options if 15% funds are not awarded.
- 3. A feasibility study must be submitted to PEMA prior to the June 2019 911 Advisory Board meeting for a PSAP consolidation project to be considered for funding in 2019.**
- 4. PEMA will distribute the feasibility study to 911 Advisory Board members.**
- 5. Counties will have the option to present their consolidation plan at the June 2019 911 Advisory Board meeting.**
- 6. At the June 2019, 911 Advisory Board meeting, PEMA will seek recommendations from the Board regarding the following items:**
- a. Alignment of the project with the definition of a PSAP consolidation.
  - b. Recommendations for improving or clarifications needed on the consolidation project plan.
  - c. Recommendations for efficiencies or opportunities for cost effective technology or infrastructure upgrades.
- 7. PSAP(s) must submit a statewide interconnectivity funding application.**
- a. PSAPs should only apply for costs that meet the Eligibility Criteria from the Eligibility Factors List for the following Cost Types:
    - i. CPE
    - ii. CAD
    - iii. Connectivity
    - iv. GIS
    - v. Radio Systems
    - vi. Voice/Data Recorder
  - b. Costs that do not fit into one of these cost types will be considered on a case-by-case basis.

- c. For consideration, counties must demonstrate why this cost is critical to the consolidation, and that no other funding resources are available.

**Please Note:**

- **Agreement with a feasibility study, adhering to this framework, or recommendations from the 911 Advisory Board supporting the consolidation do not guarantee statewide interconnectivity funding.**

## **2019 PSAP AUDITS**

Per Title 35 Pa. C.S. § 5303(a) (12), PEMA is to require a biennial performance audit of each 911 system's use of money from the fund, including allocations to capital or operating reserves.

### ***2019 AUDITS:***

In 2018, audits were conducted on 35 of the Commonwealth's sixty-nine (69) recipients of 911 funding covering calendar year 2017. In 2019 and subsequent years, audits will be conducted on roughly half of the Commonwealth's sixty-nine (69) recipients of 911 funding.

The purpose of the audits is to:

- Determine compliance with PEMA's financial management guidance and requirements.
- Determine if financial statements are presented fairly and comply with the requirements of Commonwealth laws and regulations.
- Determine if funds were used for eligible costs in accordance with the Eligibility Factors List, program guidance, and grant agreements.
- Determine 911 Fund balances.

### ***AUDIT READINESS***

Records related to the financial and programmatic aspects of 911 operations should be readily accessible for audit.

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## APPENDIX A – 2019 911 PROGRAM QUICK REFERENCE GUIDE - GUIDELINES AND REQUIREMENTS

The table below provides a high-level summary of the 2019 911 Program guidelines and requirements and is only intended as a quick reference guide. Please refer to the prior sections of this document, the *Accounting and Financial Reporting Manual*, and other guidance documents published by the 911 Office for a comprehensive explanation of 911 Program guidelines and requirements.

TYPE	83% FUNDS	15% FUNDS
<b>FUNDS MANAGEMENT</b>	<ol style="list-style-type: none"> <li>1. Quarterly formula payments will be made to the counties regardless of how a county provides a 911 system in their respective jurisdiction.</li> <li>2. Counties must report the payments on the 2019 quarterly funding formula payment schedule as revenue in calendar year 2019.</li> <li>3. The funds must be deposited and maintained in an interest-bearing account.</li> </ol>	<ol style="list-style-type: none"> <li>1. For each project award, PEMA will primarily advance funds per milestone as they are completed except for the last milestone of a project.</li> <li>2. The funds must be deposited and maintained in an interest-bearing account in the same manner as 83% funds.</li> <li>3. If 15% funds are awarded for a facility upgrade as part of a consolidation project and the facility is subsequently sold, the county(s) shall reimburse PEMA for an amount equal to the fair market value of the upgrades. The reimbursement will be deposited in the 911 Fund for future 15% projects.</li> </ol>
<b>ELIGIBILITY</b>	<ol style="list-style-type: none"> <li>1. Funds shall only be expended for eligible 911 costs.</li> <li>2. Funds are to only be used for eligible 911 costs incurred between 1/1/2019 – 12/31/2019.</li> <li>3. If you have a remaining 911 Fund balance coming into 2019, the remaining balance shall only be used for current year eligible 911 costs as provided on the 2019 Eligibility Factors List.</li> <li>4. 911 funds shall not be transferred for General Fund use.</li> </ol>	<ol style="list-style-type: none"> <li>1. Project expenditures must meet the Eligible Uses criteria on the 2019 Eligibility Factors List.</li> <li>2. 15% funds must be expended according to the approved project work plan and project budget for each project.</li> <li>3. 15% funds granted must be expended or obligated within the period of performance provided in the grant agreement.</li> <li>4. Counties may not combine 15% funding project awards.</li> <li>5. Counties may not reallocate 15% funds from one project to another statewide interconnectivity project or any other purpose.</li> <li>6. To be considered for consolidation funding in 2019, a feasibility study must be submitted to PEMA prior to the June 2019 Board meeting.</li> </ol>

TYPE	83% FUNDS	15% FUNDS
<b>REPORTING</b>	<ol style="list-style-type: none"> <li>1. Counties are required to submit a Combined Report for calendar year 2019.</li> <li>2. All PEMA reporting (I.e. Combined Report) must be completed using the modified accrual basis of accounting in all instances where practical.</li> <li>3. Expenditures must be reported using the standard chart of accounts; which is the Cost Types and Cost Categories from the 2019 Eligibility Factors List.</li> <li>4. Accounting records must be supported by documentation.</li> <li>5. Counties are responsible for demonstrating expenditures are eligible for 911 funding.</li> <li>6. Costs charged to a county's 911 Fund through a cost allocation plan or some other method involving shared resources must be based upon a reasonable method and must be supported by actual costs – not budgeted costs.</li> <li>7. Prepaid items or expenditures related to multi-year or multi-month contracts must be allocated evenly over the life of the contract.</li> <li>8. The total annual disbursement from the fund to any PSAP may not exceed the actual annual costs to enhance, operate or maintain that PSAP (35 Pa. C.S. § 5306.1 (e) (6)).</li> <li>9. Capital asset records must be maintained to clearly define capital assets using 911 funds.</li> </ol>	<ol style="list-style-type: none"> <li>1. The activity for each statewide interconnectivity project for which a county receives funding must be tracked/accounted for individually.</li> <li>2. Counties must report project costs on Schedule B of the PEMA 911 Webtool as they become known and measurable.</li> <li>3. A county should not have a carryover balance at the end of a year related to statewide interconnectivity funding. Counties must work with PEMA to ensure statewide interconnectivity revenue is matched to statewide interconnectivity project expenditures in the proper year.</li> <li>4. Counties must notify PEMA when a project milestone or the entire project is completed via the PEMA 911 Webtool.</li> </ol>

**APPENDIX B - 2019 ELIGIBILITY FACTORS LIST**

<b>COST TYPE:</b>	<b>COST CATEGORY:</b>	<b>ELIGIBLE USES:</b>
<b>CALL PROCESSING EQUIPMENT (CPE)</b>	CPE Hardware/Software/Workstations	CPE server hardware, software, peripherals (including printers, monitors, keyboards, and mouse), and workstations to support 911 call processing. Costs include those for ANI/ALI controllers and automatic call distribution (ACD).
	CPE Maintenance	Costs for annual service contracts for CPE hardware/software maintenance.
	Headsets	Operator headsets and related equipment used to connect the headset with the CPE phone system.
	Call Accounting/Telephony - Management Information System (MIS) Software	Costs to implement MIS system that monitors call activity, logs call activity to a database and permits canned report generation. Includes MIS server hardware, software, peripherals (including printer, monitor, keyboard, and mouse), and/or annual subscription costs for a third-party hosted solution.
	Interpretation Service	Monthly or annual services procured from a vendor to provide on-demand language interpretation.
	Master Clock/Time Sync Equipment	Costs for a “master time source” that generates and synchronizes accurate time for clock displays, computer systems, or other equipment.
<b>COMPUTER AIDED DISPATCH (CAD)</b>	CAD Hardware/Software/Workstations	CAD server hardware, software, peripherals (including printers, monitors, keyboards, and mouse), and workstations to support processing of CAD events from initial call entry to final disposition. Software includes CAD modules, interfaces (e.g., paging, CAD-to-CAD, etc.), cybersecurity, etc.
	CAD Maintenance	Costs for annual service contracts for CAD hardware/software maintenance.
	Call Taking Protocol/Quality Assurance	Costs for Emergency Medical/Fire/Police Dispatch (EMD/EFD/EPD) system, software, or maintenance, as well as CAD system integration.
	Mobile Data System Interface	Equipment and server-side software directly related to the 911 system and radio tower sites to enable and connect mobile data systems. Client-side software that interfaces with the server-side software at the PSAP is an eligible cost.
	Records Management System (RMS) Interface	Required CAD interfaces or modules ( <i>ON THE CAD / PSAP SIDE ONLY</i> ) that populate RMS (EOC software, web publishing, and field reporting systems for response agencies, etc.) with CAD data.

<b>COST TYPE:</b>	<b>COST CATEGORY:</b>	<b>ELIGIBLE USES:</b>
<b>CONNECTIVITY/ INFRASTRUCTURE</b>	Emergency Services IP Networks (ESInet)	Transport and connectivity costs to connect multiple PSAPs together in a regional or state-level ESInet, including hardware, software, networking equipment, security appliances/software, and/or third-party services for hosted solutions.
	Wired or Wireless Connectivity	Costs to provision connectivity between the call origination services, PSAPs and other public safety entities, including (but not limited to): wireline trunks/lines, wireless trunks, fiber optic circuits, microwave links, administrative lines, tandem trunks, ring- down circuits, and tandem trunks. Connectivity supports transport of 911 callers and/or information.
	Maintenance	Costs for service contracts for connectivity hardware/software maintenance.
<b>CONTRACTED SERVICES</b>	Call Taking and Dispatch Fees	Costs include those fees paid to another PSAP for handling of 9-1-1 calls.
	Professional Services	Services procured from a vendor to include, but not limited to: procurement assistance, system integration/implementation support, system design and planning, PSAP operational policy development, fund management and program management.
<b>FACILITIES</b>	Access Control/Security Systems	Costs to acquire or maintain access control and other security systems for PSAPs and radio tower sites. Includes costs for keys, access cards, card readers, cameras, video monitors/recording equipment, and controller systems.
	Emergency Power Generator	Generator, fuel costs ( <i>includes fuel storage tank costs</i> ) for emergency power generation at the PSAP and tower sites.
	Heating, Ventilation, and Cooling (HVAC)	Environmental control of temperature and humidity within the PSAP, the PSAP equipment room and radio tower sites.
	Mobile Communications Unit	Maintenance costs for a Mobile Communications Unit used as the primary back up PSAP. Only the percentage of costs related to 911 duties are eligible for funding.
	Relocation Expenses	Transportation and other costs associated with moving 911 operations to another facility during a planned transition or emergency situation.
	Rent	Payments made for use of a facility, equipment or service in support of 911 service delivery. Rent for PSAP facilities and remote radio sites are included.
	Repairs	Non-cosmetic facility repairs at the PSAP necessary for 911 operations.

<b>COST TYPE:</b>	<b>COST CATEGORY:</b>	<b>ELIGIBLE USES:</b>
<b>FACILITIES</b> <i>Continued</i>	Services Contracts/Maintenance	Service and maintenance costs at the PSAP. Costs include fire suppression, pest control, cleaning services, mat rental, annual service contracts for UPS, generator, or HVAC maintenance, and insurance costs for PSAP facilities and equipment. For insurance costs to be eligible, a county must provide clear documentation that the shows the insurance policy is for 9-1-1 only and the cost specific to 9-1-1.
	Uninterruptable Power Supply (UPS)	Backup power supply, including transfer and bypass switches, and power conditioning in the event of a commercial power failure or fluctuation at the PSAP and radio tower sites.
	Utilities	Public utility costs associated with power, water, and sewer services <i>for the PSAP and radio tower sites.</i>
	Workstation UPS	Individual UPS devices used to support workstations not otherwise covered by a facility-based UPS system.
<b>GEOGRAPHIC INFORMATION SYSTEM (GIS) MAPPING</b>	GIS Hardware/Software/Workstations	GIS server hardware, software, peripherals (including printers/plotters, monitors, keyboards, and mouse), and workstations to support GIS data creation/ maintenance.
	GIS Data Development, Assessment, Maintenance, and Professional Services	Services procured from a vendor to support the creation, assessment, improvement, and maintenance of 911- related GIS data and data layers.
<b>MASS NOTIFICATION SYSTEM</b>	Public Alerting/Warning System	Hardware, software, peripherals (including monitor, keyboard, and mouse), and workstation(s) to support a mass notification, public alerting/warning system OR annual subscription costs for a third-party hosted solution.
<b>OFFICE OPERATIONS</b>	Communications	Cell phones and air cards for PSAP administrative staff.
	Internet Access	Costs to provision Internet access for use in 911 operations.
	<i>Meals for extended/emergency events</i>	<i>Includes meals purchased for 911 personnel working during a no notice emergency event (in conjunction with a County EOC activation) such as a blizzard, active shooter, flood, etc.</i>
	Office Equipment	Costs for typical office equipment, such as copiers, paper shredders, laminators, software used for PSAP administration (I.e. scheduling), and furniture for administrative staff dedicated to 9-1-1.

COST TYPE:	COST CATEGORY:	ELIGIBLE USES:
<b>OFFICE OPERATIONS</b> <i>Continued</i>	Office Supplies	Costs include those supplies used for 911 operations. <i>Includes postage/ mailing costs.</i>
	Telecommunicator Recognition	Awards, pins, plaques, etc. to recognize 9-1-1 telecommunicators.
	Uniforms	Uniforms for PSAP personnel.
	Workstation Chairs/Chair Mats	Workstation seating for the primary PSAP call taking and dispatch positions.
	Workstation Furniture	Furniture that houses PSAP workstation equipment at the positions where the primary call-taking and dispatch functions occur.
<b>PERSONNEL</b>	Salaries/Benefits	Salary or benefit costs <i>directly</i> associated with personnel operating a 911 system. <b>Please Note: If personnel have duties outside of 911, only the percentage of time related to 911 duties is eligible for funding.</b>
	Training/Travel	<ul style="list-style-type: none"> <li>• 911 training course costs.</li> <li>• Travel costs (transportation/lodging/meals) for personnel directly associated with operating a 911 system to attend training, continuing education courses, meetings related to 911 service delivery.</li> </ul>
	Pre-Employment Costs/ <i>Post-Employment Costs</i>	Costs associated with the recruitment, hiring and screening of new hire candidates, including physicals and other required tests. <i>Employee random drug testing, medical release/return to work physicals, fitness for duty evaluations.</i>
	911 Professional Associations	Annual costs for 911 personnel to join or maintain membership in a 911 professional association or subscription fees for 911-related publications.
<b>PUBLIC EDUCATION</b>	Public Education	Costs include any materials that educate the community on 911 issues, such as the appropriate use of 911. Includes <i>advertising</i> , printing costs and postage for educational mailings and materials.
<b>RADIO SYSTEMS</b>	Radio System Hardware/Software	Costs for core radio system components from the dispatch positions to the antenna. Costs include radio consoles, transceivers, receivers, servers, modems, shelters, broadband infrastructure, headsets, etc.
	Radio System Maintenance	Costs for core radio system maintenance from the dispatch positions to the antenna.
	Radio Tower Sites	Costs for annual radio tower site maintenance, emergency repairs, <i>FCC license and frequency fees.</i>
	Mobile Data Terminal (City - 1st class)	Using only remaining wireline 9-1-1 funds prior to Act 12, a city of the 1st class may purchase mobile data terminals that will be owned by the PSAP.

COST TYPE:	COST CATEGORY:	ELIGIBLE USES:
VOICE/DATA RECORDER	Digital Voice/Data Recorder	Server hardware, software, peripherals (including monitor, keyboard, and mouse), and workstation(s) to support voice/data (logging) recorder system <b>OR</b> annual subscription costs for a third-party hosted solution.
	Maintenance	Costs for annual service contracts for voice/data (logging) recorder system.

**Eligibility Factors changes for 2019:**

- New eligibility language for 2019 is in *italics*.
- The only eligibility changes for 2019 are:
  - The addition of *fuel storage tank costs* for the PSAP and Tower Sites.
    - Cost Type: **Facilities**
    - Cost Category: **Emergency Power Generator**
  - The addition of location: *for the PSAP and radio tower sites*.
    - Cost Type: **Facilities**
    - Cost Category: **Utilities**
  - The addition of *meals purchased for 911 personnel working during a no notice emergency event*.
    - Cost Type: **Office Operations**
    - Cost Category: *Meals for extended/emergency events*
  - The addition of *postage/ mailing costs* incurred by the PSAP.
    - Cost Type: **Office Operations**
    - Cost Category: **Office Supplies**
  - The addition of *employee random drug testing, medical release/return to work physicals, fitness for duty evaluation costs*.
    - Cost Type: **Personnel**
    - Cost Category: **Pre-Employment Costs/Post-Employment Costs**
  - The addition of *advertising costs* incurred when conveying information on 9-1-1.
    - Cost Type: **Public Education**
    - Cost Category: **Public Education**
  - The addition of *FCC license and frequency fees* for radio towers.
    - Cost Type: **Radio Systems**
    - Cost Category: **Radio Tower Sites**
  - The addition of location: *CAD / PSAP SIDE ONLY*.
    - Cost Type: **Computer Aided Dispatch (CAD)**
    - Cost Category: **Records Management System (RMS) Interface**