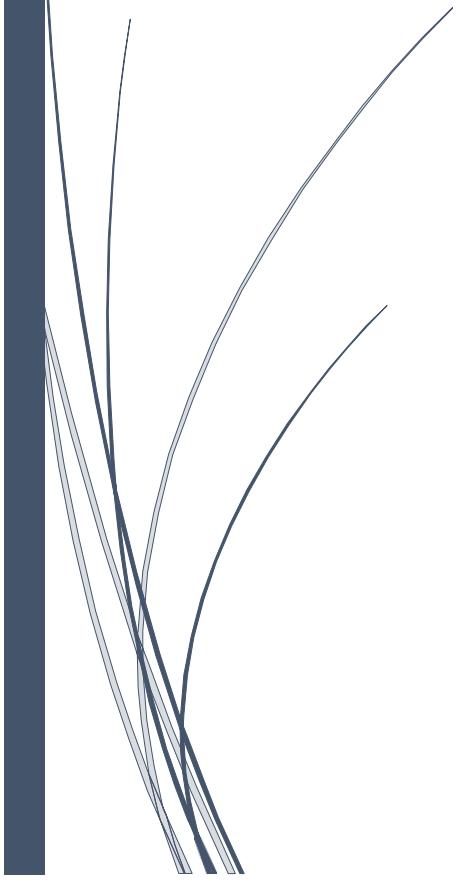




# Emergency Management Performance Grant Program Administrative Guide

September 2023



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## **Executive Summary and Overview**

The Emergency Management Performance Grant (EMPG) Program is an important component of the implementation of the National Preparedness System. The EMPG Program supports the building, sustainment, and delivery of core capabilities critical to achieving the National Preparedness Goal of a secure and resilient nation and the goal of readying the Nation for catastrophic disasters. EMPG supports core capabilities across the five mission areas of prevention, protection, mitigation, response and recovery, and is based on allowable costs. As authorized by Section 662 of the Post-Katrina Emergency Management Reform Act of 2006 (PKEMRA), as amended, (Pub. L. No. 109-295) (6 U.S.C. § 762); the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended (Pub. L. No. 93-288) (42 U.S.C. §§ 5121 *et seq.*); the Earthquake Hazards Reduction Act of 1977, as amended (Pub. L. No. 95-124) (42 U.S.C. §§ 7701 *et seq.*); and the National Flood Insurance Act of 1968, as amended (Pub. L. No. 90-448) (42 U.S.C. §§ 4001 *et seq.*), the EMPG program provides federal funds to states to assist state, local, territorial, and tribal governments in preparing for all hazards. Through the EMPG Program, the Federal Government provides direction, coordination, guidance, and necessary assistance to support a comprehensive all-hazards emergency preparedness system.

The grant program supports the implementation of Urban Area, State and Regional Threat and Hazard Identification and Risk Assessments (THIRAs) and Stakeholder Preparedness Reviews (SPR). The annual THIRA and SPR inform planning, organization, equipment, training and exercise needs to prevent, protect against, mitigate, respond to and recover from acts of terrorism and other catastrophic events, which are carried into the Integrated Preparedness Plan (IPP) for the state, counties, and task forces to implement.

The U.S. Department of Homeland Security, Federal Emergency Management Agency (FEMA) manages the EMPG at the federal level. The Pennsylvania Emergency Management Agency (PEMA) serves as the State Administrative Agency (SAA) and is responsible for applying to FEMA for EMPG funding, accepting the federal award, and administering the grant funds on behalf of the Commonwealth of Pennsylvania (COPA).

### **Grant Regulations and Guidance**

This guide incorporates grant information and regulations from Federal, State and other resources that are managed by PEMA acting as the SAA. The requirements in this guide are effective starting with the period of performance of October 1, 2023. This guide is not intended to supersede or replace any federal regulations or guidance.

In addition to this manual, Subrecipients and their fiscal officers should ensure compliance with all federal requirements.

### **National Incident Management System (NIMS)**

Future federal preparedness funding and assistance is contingent upon working towards achieving full NIMS compliance, as outlined in the Federal Implementation Objectives and the annual federal preparedness grant program Notice of Funding Opportunities (NOFO). For Pennsylvania and its local jurisdictions to secure EMPG funding, the Commonwealth remains dedicated to working towards implementing NIMS and completing the compliance activities specified to date by the National Integration Center (NIC). Progress will be measured annually, and strategies will be put into place to assist stakeholders in achieving success and progress.

## **Administrative Guidance**

The following references provide the legal aspects governing submittal for and receipt of federal grant funds:

- Relevant grant agreement between the Commonwealth of Pennsylvania and the Subrecipient;
- Relevant Federal Fiscal Year DHS Standard Terms and Conditions;
- 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards;
- 2 CFR Part 225, Cost Principles for State, Local and Indian Tribal Governments;
- 6 U.S.C. § 762, Section 662 of the Post-Katrina Emergency Management Reform Act of 2006 (PKEMRA), as amended, (Pub. L. No. 109-295);
- 44 CFR Part 13, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments;
- 42 U.S.C. §§ 5121 *et seq.*, the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as amended (Pub. L. No. 93-288);
- 42 U.S.C. §§ 7701 *et seq.*, the Earthquake Hazards Reduction Act of 1977, as amended (Pub. L. No. 95-124);
- 42 U.S.C. §§ 4001 *et seq.*; and the National Flood Insurance Act of 1968, as amended (Pub. L. No. 90-448);
- Information Bulletins can be found at:  
<https://www.fema.gov/grants/preparedness/about/informational-bulletins>.

## **Chapter 1: Application and Award Process**

FEMA will release the Notice of Funding Opportunity (NOFO), notifying PEMA of the application timeline and overall grant allocation for the Commonwealth. PEMA will then inform the Subrecipients of their allocation. Additional adjustments to the allocation may be made, as necessary, after FEMA releases the formal grant award.

### **1.1 Performance Period**

The grant performance period is the time during which grant-funded activities are permitted. Activities performed outside of this period are not eligible for funding. FEMA establishes the performance period for all awards issued to the recipient. PEMA, as the recipient, may at times set more restrictive performance periods for Subrecipients, to ensure PEMA is able to meet the federal period of performance.

### **1.2 Pre-Application Planning**

The Subrecipient should begin planning and gathering information for the application several months in advance of the projected Notice of Funding Opportunity (NOFO). This includes completing a THIRA/SPR to assess gaps and sustainment needs, participating in the annual Integrated Preparedness Plan Workshop (IPPW), and determining what training and exercises will a) close county THIRA/SPR-identified gaps, b) meet priorities identified in the Integrated Preparedness Plan, c) work towards implementing the National Qualification System, d) work towards achieving their Associate or Professional PEMA Certification, or e) determining what positions will use EMPG funding. All projected expenses should be as accurate as possible and include any known increases in salaries for personnel cost.

To reinforce, any grant expenditures and projects identified should be in alignment with the county and state's THIRA and SPR and the IPP, with the intent of building capabilities and closing gaps.

### **1.3 Application Submission Process**

PEMA will notify eligible applicants via email regarding the opening and closing dates of the grant application period within the Electronic Single Application (ESA) system. Each ESA application must be completed and submitted by the application closing date. Early submissions are always encouraged.

An application that is not completed within the established application period or that is incomplete cannot be accepted by PEMA.

### **1.4 Application Review Process**

Each application will be reviewed to ensure that it satisfies the goals and objectives included in the NOFO for the current EMPG program. Applications will also be reviewed to ensure that they:

- Comply with all applicable federal guidelines
- Are consistent with and supportive of the overall implementation of the Commonwealth's Integrated Preparedness Plan (IPP), state priorities, national priorities, core capabilities, and THIRA/SPR
- Will achieve the listed goal(s), objective(s), performance measures and increase the core capabilities of the Subrecipient
- Explain how the subrecipient will coordinate efforts with state, local jurisdictions and federal grant programs
- Are complete and include all required information and supporting documentation

During the review process, the Subrecipient may be required to correct or clarify items contained within the application. The Subrecipient should identify a single point of contact to answer any questions related to its application.

### **1.5 Grant Agreements**

Grant agreements will be provided electronically to the Subrecipients for review and signature via the Electronic Single Application (ESA) system.

If the executive staff at the Subrecipient level chooses to authorize any other staff to sign the grant agreement, a signatory authority must be submitted or on file with PEMA. Updated signatory authority forms reflecting changes should be sent to [RA-DGMhmgrants@pa.gov](mailto:RA-DGMhmgrants@pa.gov).

### **1.6 Sub-granting of Funds**

Subrecipients are not authorized to subgrant funds. PEMA shall have sole discretion to determine what actions constitute a subgrant.

### **1.7 Special Conditions and Assurances**

Subrecipients shall adhere to all special conditions and assurances that are included or incorporated by reference in the grant agreement. This includes, but is not limited to, PEMA grants policy, the Commonwealth Standard Terms and Conditions, the DHS Standard Terms and Conditions and federal EMPG guidelines, 2 CFR Part 200 and 28 CFR Part 17. The Subrecipient is responsible for reviewing these special conditions and assurances with its counsel prior to the execution of the grant agreement.

## **Chapter 2: Fiscal Responsibility**

### **2.1 Expenditure of Grant Funds**

It is the responsibility of the Subrecipient to ensure that the grant funds are obligated and expended within the grant performance period.

### **2.2 Local Match**

EMPG requires a 50 percent match of the total cost of the approved projects. This includes any salary, training, or exercise expense. EMPG funds cannot be used to match other federal funds.

## **Chapter 3: Allowable Cost Categories**

Subrecipients are provided EMPG funds in support of expenditures for approved emergency management position salaries, training, and exercises.

### **3.1 Personnel Salary**

Approved/eligible emergency management positions include:

- Administrative Assistant
- Clerical Assistant
- Emergency Management Coordinator
- Emergency Management Executive
- Operations and/or Training Officer
- Planner

Emergency Management Coordinators (EMC), to include interim EMCs, who hold other county positions/duties shall be reimbursed only the percentage/hours that direct EMC duties are performed. Formal notification certifying partial funding percentage/hours shall be sent along with the quarterly reports (Chapter 5) to [RA-dgmhmgrants@pa.gov](mailto:RA-dgmhmgrants@pa.gov).

### **EMC Certification Requirement**

Salary expenditures will be reimbursed at a rate of 50% for all emergency management positions with exceptions related to the county EMC. The county EMC will be required to successfully complete specific certifications within an allotted timeframe to be considered certified. A new county EMC will be reimbursed at 50% and be required to obtain their Associate certification within 1 year of county appointment to the EMC position. If the county EMC fails to obtain their Associate certification within that timeframe, all future reimbursements for the county EMC position will be reduced to 25%. Additionally, all county EMCs will be required to obtain their Professional certification within 3 years of county appointment to the EMC position. If the county EMC fails to obtain their Professional certification within that timeframe, all future reimbursements for their position will be reduced to 25%. In summary, the county EMC certification process is a two (2) step process. Associate certification must be obtained within 1 year of appointment to the county EMC position. Professional certification must be obtained within 3 years of appointment to the county EMC position. Failure to meet either of these requirements will result in future reimbursements for the county EMC position to be reduced to 25%. Specifics of the county EMC certification process can be obtained from your respective Area Office Director or on PEMA's website at [Information for Government Partners](#).

## **Allowable vs. Prohibited Salary Expenditures**

Allowable salary expenditures include the following employer-paid expenses for approved emergency management positions:

- Gross earnings – no salary cap/maximum exists
- Federal Insurance Contributions Act (FICA)
- Retirement
- Workers’ Compensation
- Unemployment Compensation
- Health insurance
- Life insurance
- Dental insurance
- Vision insurance
- Prescription

Prohibited costs include, but are not limited to, the following:

- Any additional hours worked above and beyond the regular normal hours, including call time, additional hours/overtime paid at the straight or premium rate, and extra pay for hours worked on a scheduled day off or holiday.
- Leave payout
- Bonus
- Stipend
- Longevity
- Administrative fees
- Stop Loss Insurance
- Any elective contributions or donations
- Health Savings Account (HSA) Contributions (Employee Deductions or Employer Match)
- “Thank you” gifts/souvenirs/awards/dinner
- Vendor invoiced late payment fees
- Hiring of public safety personnel for traditional duties

## **Position Descriptions**

Copies of all position descriptions for personnel paid with federal EMPG grant funds must be on file with PEMA. A Subrecipient may request a change to a position classification. This classification or title change must remain eligible under the EMPG program. Any and all changes to position descriptions shall be emailed to [RA-dgmhmgrants@pa.gov](mailto:RA-dgmhmgrants@pa.gov).

## **Merit-Based vs Civil Service Hiring System**

Subrecipients must maintain a system of personnel administration for positions that are directly reimbursed/funded by the EMPG program. The system may be either a merit-based hiring system managed by the Subrecipient OR the Commonwealth’s Civil Service Commission program where the local entities contract directly with the Commissioner for those services. The federal government requires the Subrecipient to maintain a system of personnel administration in conformance with standards prescribed by the Office of Personnel Management (“OPM”) in accordance with Title 5 of the Code of Federal Regulations (“CFR”), Part 900, Subpart F, OPM Standards for a Merit System of Personnel Administration. It is the Subrecipient’s responsibility to ensure compliance

with this federal requirement; however, formal notification shall be sent to PEMA upon changing the system of personnel administration. Formal notification shall include the date of the change and the positions that follow the civil service or merit-based system respectively. Notifications shall be emailed to [RA-dgmhmgrants@pa.gov](mailto:RA-dgmhmgrants@pa.gov).

### **3.2 Training**

All EMPG program-funded personnel are expected to be trained emergency managers. For clarification, “trained emergency managers” means that the funded individual holds a position in the county Emergency Operations Center and has met the requisite training required for that position, as well as meets the grant-required training as outlined below:

- NIMS Training, Independent Study (IS)-100 (any version), IS-200 (any version), IS-700 (any version), and IS-800 (any version), AND;
- Professional Development Series (PDS) OR the Emergency Management Professionals Program (EMPP) Basic Academy listed below:

| <b>Professional Development Series or Basic Academy</b> |   |
|---|---|
| <b>PDS<br/>Professional Development Series</b>          | <b>Basic Academy<br/>Basic Academy Pre-requisites and Courses</b> |
| IS-120.c: An Introduction to Exercises                  | IS-29: Public Information Officer Awareness                       |
| IS-230.e: Fundamentals of Emergency Management          | IS-120: An Introduction to Exercises                              |
| IS-235.c: Emergency Planning                            | IS-230: Fundamentals of Emergency Management                      |
| IS-240.c: Leadership and Influence                      | IS-235: Emergency Planning  |
| IS-241.c: Decision Making and Problem Solving           | IS-240: Leadership and Influencing                                |
| IS-242.c: Effective Communication                       | IS-241: Decision Making   |
| IS-244.b: Developing and Managing Volunteers            | IS-242: Effective Communication                                   |
|   | IS-244: Developing and Managing Volunteers                        |
|   | E/L101: Foundations of Emergency Management                       |
|   | E/L102: Science of Disasters                                      |
|   | E/L103: Planning Emergency Operations                             |
|   | E/L105: Public Information Basics                                 |
|   | E/L 146: Homeland Security Exercise and Evaluation Program        |

Allowable training-related costs for EMPG Subrecipients can be applied to the following SAA priorities (subject to change as new gaps/sustainment needs are identified):

- Implement the PEMA Qualification System/National Qualification System (in state’s SPR).
- Close gaps identified in the EMPG recipient’s or task force’s Stakeholder Preparedness Review.
- Host Training or exercises that work towards certification under PEMA’s Certification Directive located on PEMA’s website at:[Information for Government Partners](#)

Eligible training costs consists of establishing, supporting, conducting, and attending training. This includes costs of supplies, meals, travel, lodging, rental of facilities, instructor fees and other directly related expenses to such trainings.

Course information for all DHS/FEMA-approved courses is available on [National Training and Education Division \(NTED\) \(firstrespondertraining.gov\)](http://firstrespondertraining.gov) under the respective category. Please keep in mind that not all federally provided courses are eligible under all federal grant programs.

Training or exercises conducted with federal funds must link to a core capability and align with an identified sustainment need or a gap identified in the respective Subrecipient's, Task Force's, or State's SPR. Please note, the Subrecipient can either complete their own SPR or include their local/county-level gaps/sustainment needs in their respective Regional Task Force's SPR. Training entities will need to submit the Course Instruction Request (CIR) ([Appendix A](#)) for any EMPG-funded trainings or exercises. The SPR must be on file with PEMA Planning Division for the EMPG-funded CIR to be approved and reimbursed. Training for citizens in preparedness, prevention, response skills and volunteer activities must be coordinated through local Citizen Corps Councils. Refer to applicable federal grant guidelines for allowable training costs, approved courses and reporting requirements. All training, including courses listed in the [National Training and Education Division Catalog](#), or state and federal catalog requires coordination with PEMA's Training and Exercise Division (TED).

Prior to using funds for supporting attendance at and/or development of non-DHS approved training (including overtime and backfill), Subrecipients must seek acceptance of training via the CIR from the PEMA Training and Exercise Division.

Please note: Non-DHS training approvals are coordinated through DHS.

### **3.3      Exercise**

Exercises conducted with federal grant funding are to be managed and executed in accordance with Homeland Security Exercise and Evaluation Program (HSEEP). HSEEP guidance for exercise design, development, conduct, evaluation and improvement planning is located at HSEEP Toolkit. Allowable exercise-related costs under EMPG include establishing, supporting, conducting and attending an exercise. This includes costs of supplies, meals, travel, lodging, rental of facilities, facilitator fees, and other items incidental to such exercises. Exercise solution area funds may be utilized to purchase supplies in support of an exercise, including when the supplies are procured through PEMA.

The TED may decline to accept a course for instruction if it does not meet lead times for federal courses or does not meet the EMPG allowable training/exercise categories as outlined above. The table below provides lead times based on type of course:

| <b>Document</b>                            |  | <b>Lead Time</b> |
|--|--|------------------|
| Individual Applications Federally Approved | Schools need additional time to ensure travel arrangements<br><br>Popular classes will fill up as much as three to six months prior to class dates<br><br>Some schools will cancel classes which have not reached minimum enrollment at least six weeks prior to course start  | 90 Days          |
| Individual Applications Non- Approved      | Additional time is needed by PEMA to verify the course and student eligibility<br><br>Popular classes will fill up as much as three to six months prior to class dates<br><br>Some schools will cancel classes that have not reached minimum enrollment at least six weeks prior to course start   | 90 Days          |
| EMI Applications                           | Attached prerequisites to the application<br><br>Popular classes will fill up as much as three to six months prior to class dates<br><br>EMI may cancel classes that have not reached minimum enrollment at least six weeks prior to course start  | 90 Days          |
| CIR: Federal and State-Sponsored Courses   | Courses can be found in the federal or state catalogs<br><br>The Training and Exercise Division will review and accept or decline the CIR<br><br>Accepted training should be entered in TRAIN PA   | 90 Days          |
| CIR-Non-Approved Course                    | Additional time is needed by PEMA to verify non-approved course content to determine its eligibility under the scope of EMPG<br><br>The Training and Exercise Division will review and accept or decline the CIR<br><br>The firstresponder.com receipt and a copy of the signed CIR will be forwarded to the requesting agency for their records | 90 Days          |
| Mobile Training Team (MTT) Requests        | Required by in-state planning, logistics, posting, and advertising for the training<br><br>Additional time is needed by PEMA to verify non-approved course content to determine its eligibility under the scope of EMPG<br><br>Accepted training should be entered in TRAIN PA   | 180 Days         |

All exercises require the submission of a CIR, which is particularly important if federal grant funds are being used to finance any portion of the exercise. Funds may be used in accordance with the appropriate grant year guidance for allowable exercise costs. Exercises must be executed in accordance with HSEEP manuals. HSEEP guidance can be found at:

[Homeland Security Exercise and Evaluation Program \(HSEEP\) \(fema.gov\)](https://www.fema.gov/hseep)

Subrecipients are encouraged to post exercises to the National Exercise Schedule System (NEXS) found on the HSEEP website and must use the HSEEP Tool Kit. PEMA staff is available to review exercise plans for programmatic eligibility, as needed.

Note: Conferences funded by EMPG will also require CIR submission and acceptance before costs can be incurred.

### **Environmental and Historic Preservation (EHP) Requirements for Training and Exercise**

When Subrecipients are planning a training session, drill or exercise, particularly those which might involve any type of disturbance to land, water, or vegetation or the building of temporary outdoor structures, they should be mindful that, except under limited circumstances, an EHP review might be required. Classroom training activities (i.e., tabletop-exercises, functional exercises, etc.) typically do not require a formal EHP review and EHP documentation would not need to be submitted; however, exceptions may include any classroom training activities that involve the use of chemical/biological agents, explosives, fire, or other hazardous materials.

An EHP review may take 60 to 90 working days for proposed activities having little potential to impact environmental resources and/or historic properties. More significant potential impacts on EHP resources may take up to one year or more. Subrecipients should allot sufficient time in the planning of trainings, drills, and/or exercises to complete the EHP review process. For additional information on EHPs and the EHP screening form ([Appendix B](#)), refer to <https://www.fema.gov/grants/preparedness/preparedness-grants-ehp-compliance>. Subrecipients shall submit completed EHP screening forms to [RA-dgmhmgrants@pa.gov](mailto:RA-dgmhmgrants@pa.gov) for review. PEMA will coordinate with FEMA and forward the approval to the Subrecipient.

### **Special Events Planning**

If a state or Urban Area will be hosting a special event (i.e., Super Bowl, G8 Summit, etc.), the special event planning should be considered a training or exercise activity according to the multi-year Integrated Preparedness Plan (IPP). States must include all confirmed or planned special events in the multi-year IPP. The state or Urban Area may plan to use SHSP or UASI funding to finance training and exercise activities in preparation for those events. States and Urban Areas should also consider exercises at major venues (i.e., arenas, convention centers) that focus on evacuations, communications, and command & control.

Participation in special events/planned events (i.e., National Special Security Event (NSSE), Special Event Assessment Rating (SEAR) events) can be considered for training or exercise if it receives CIR approval. Costs, other than operational overtime, which are directly related to training and exercises which are held in conjunction with a special event are allowable.

Planning for a special event may also be considered a training or exercise. Subrecipients may use EMPG funding to finance training and exercise activities.

Note: Funds cannot be used for costs directly related to the special event. Excluded costs include, but are not limited to gasoline, supplies, equipment and meals, to the extent that such expenses would be directly related to the special event and would be considered supplanting.

## **Chapter 4: The Annual Statement of Work (ASOW)**

The ASOW Checklist ([Appendix C](#)) contains program-specific information and requirements. The EMPG Program's allowable costs support efforts to build and sustain core capabilities across the Prevention, Protection, Mitigation, Response, and Recovery mission areas.

The ASOW lists the priority program deliverables identified to support core capabilities and Pennsylvania-specific preparedness and training requirements.

Quarterly updates to the ASOW shall be provided to the county's respective Area Office no later than 15 days following the end of each quarter.

Below is the ASOW submission schedule:

| <b>Due Date</b> | <b>Covered Period</b>    |
|-----------------|--------------------------|
| January 15      | October 1 to December 31 |
| April 15        | January 1 to March 31    |
| July 15         | April 1 to June 30       |
| October 15      | July 1 to September 30   |

## **Chapter 5: Subrecipient Quarterly Reporting**

Subrecipients are required to prepare and submit quarterly reports to PEMA, Bureau of Grants Management via email at [RA-dgmhmgrants@pa.gov](mailto:RA-dgmhmgrants@pa.gov). Quarterly reports are reviewed to determine reimbursement amounts based upon claims and adequate supporting documentation (see Chapter 7: Reimbursements). PEMA reserves the right to withhold or offset grant funds for non-compliance with this reporting requirement.

Quarterly reports are to reflect actual employer-paid expenses and must include the following:

- EMPG Quarterly Report Excel Workbook ([Appendix D](#)).
- System-generated payroll reports and/or pay stubs substantiating ALL amounts claimed in the EMPG Quarterly Report Excel Workbook (claims with no supporting documentation will not be reimbursed).

Below is the quarterly reporting schedule:

| <b>Due Date</b> | <b>Covered Period</b>    |
|-----------------|--------------------------|
| January 15      | October 1 to December 31 |
| April 15        | January 1 to March 31    |
| July 15         | April 1 to June 30       |
| October 15      | July 1 to September 30   |

## **Chapter 6: Reimbursements**

Reimbursements will be issued electronically via ACH. A Bank Account Verification Form-DGM-04 ([Appendix E](#)) is required when changing the bank account that the funds are to be deposited to.

### **6.1 Personnel**

Reimbursements will be processed after the Quarterly Reports and supporting documentation are received and reviewed for compliance. Expenditures can be incurred under the grant award at the start of the performance period and reimbursements submitted; however, payment cannot be issued until the grant agreement has been fully executed. The final Quarterly Report and all supporting documentation for the fourth quarter are due within 15 days after the end of the grant performance period (see the Quarterly Reporting Schedule in Chapter 5). Non-compliance with this 15-day requirement may affect future grant awards.

### **6.2 Training and Exercise**

Training reimbursement packets shall be prepared and submitted to PEMA no later than 45 days after the performance period ends. The packets shall be sent via email to the Bureau of Grants Management at [RA-dgmhmgrants@pa.gov](mailto:RA-dgmhmgrants@pa.gov). Reimbursement packets shall consist of the following:

- A cover letter requesting reimbursement to include the grant program, grant year, and the amount to be reimbursed.
- A completed EMPG Training and Exercise Reimbursement Request ([Appendix F](#)).
- Proof of payment
  - Copy of bank statement or copy of cancelled check showing proof of payment OR;
  - Printout from system generated accounting system with costs annotated and highlighted.
- Training reimbursement requests must also include a sign in sheet (if hosting).
- Exercise reimbursement requests must also include a copy of the After-Action Report or Improvement Plan.

## **Chapter 7: Grant Close-out**

### **7.1 Financial Status Form (DGM-16F)**

A DGM-16F ([Appendix G](#)) must be completed and submitted no later than 15 days upon receipt of the funds via email to [RA-DGMhmgrants@pa.gov](mailto:RA-DGMhmgrants@pa.gov).

### **7.2 De-obligation of Funds**

Grant funds not expended by the end of the performance period are subject to de-obligation. This de-obligation will occur after all submitted back up documentation for all projects have been approved and final reimbursement processed.

### **7.3 Funds Recovery**

COPA, FEMA, and the Comptroller General of the United States, or any of their authorized representatives, shall have the right of access to any books, documents, papers, or other records of

Recipients and Subrecipients which are pertinent to the grant, to make audits, examinations, excerpts, and transcripts.

The close-out of a grant does not affect the rights of either the federal awarding agency or the state to disallow costs or recover funds.

#### **7.4 Records Maintenance and Retention**

PEMA and Subrecipients must maintain accounting records in accordance with generally accepted accounting principles, to ensure that all funds are accounted for adequately. The minimum requirements for such records are explained below. All records must be kept for a minimum of seven years unless superseded by federal or state statute. For grants to which 44 CFR applies, this seven-year period begins the day that PEMA submits the final expenditure report. For grants to which 2 CFR 200 applies, this seven-year period begins the day the Subrecipient submits their final DGM-16. This seven-year period may be extended until any audit findings are closed.

## **Chapter 8: Monitoring**

In accordance with regulations cited in 2 CFR, PEMA is the recipient responsible for monitoring Subrecipients to ensure that all financial and programmatic responsibilities are fulfilled in compliance with federal grant guidance, regulations, as well as any applicable state requirements.

The objectives of PEMA's Subrecipient monitoring program are as follows:

- Verify compliance with all terms, conditions, and purposes of the grant
- Determine progress made toward achieving project goals and objectives
- Develop an understanding of the Subrecipient's operations and internal controls
- Seek opportunities for operational improvements and innovations

PEMA will conduct a desk monitoring or a site monitoring of a sample of Subrecipients every state fiscal year. The Subrecipient's activity will be monitored from award to close-out.

A review of financial and programmatic activity will be conducted during each monitoring session. Each Subrecipient must have the following:

- Internal control policy
- Records retention policy
- Training and exercise records
- Accounting control system

Assessing project implementation, completion of the ASOW, timelines of the EMPG application, and Quarterly Reports are also important aspects of the monitoring process.

#### **8.1 Types of Monitoring**

As noted above, Subrecipient monitoring is carried out through either a desk monitoring or site visit. A desk monitoring review is performed remotely with Subrecipients requested to submit required documentation through email communication. For a site visit, the PEMA monitoring team physically visits a Subrecipient to assess accounting processes and review relevant documentation.

## **Desk Monitoring**

Desk monitoring consists of a financial and programmatic review. Much of the monitoring is conducted by reviewing Subrecipient records maintained at PEMA. Subrecipients may be asked to submit additional items requiring review.

## **Site Monitoring**

Site monitoring also consists of a financial and programmatic review, conducted the same as desk monitoring.

The PEMA monitoring team strives to contact the Subrecipient via email at least 45 days in advance, when possible, to schedule site monitoring visits. Upon Subrecipient agreement with the site visit dates, a letter describing monitoring procedures, requesting specific information and dates of the site visit is sent.

### **8.2 Components of Monitoring**

#### **Financial Review**

The goals of the financial review are to ensure compliance with federal and state requirements and to seek opportunities for operational improvements and innovations. A review of the Subrecipient's accounting system capabilities, financial activity, and internal controls is completed to meet these goals.

The financial review includes, but is not limited to, the following:

- Reconciling general ledger reports with amounts on Subrecipient Quarterly Reports.
- Ensuring the Subrecipient's financial system meets the requirements as set forth in 2 CFR 200.
- Examining the Quarterly Reports to verify they are complete, all required supporting documentation was provided, costs are eligible and that adequate internal controls have been implemented.

#### **Programmatic Review**

The goal of the programmatic review is to determine the Subrecipient's progress, and any potential difficulties faced by the Subrecipient in implementing projects. A review of the Subrecipient's project management, as well as planning, training and exercise activity will be completed to meet this goal.

The programmatic review includes, but is not limited to, the following:

- Reviewing grant applications
- Determining if any special conditions are in place resulting in funds being withheld from the Subrecipient, and determine what the Subrecipient must do to resolve them

### **8.3 Monitoring Reports**

PEMA will normally issue a written report within 30 days of conclusion of the monitoring review. If any deficiencies are noted as "findings" in the report, the Subrecipient is required to prepare and submit a Corrective Action Plan (CAP) within 45 days of final report issuance.

#### **8.4 Corrective Action Plan and Finding Resolution**

The above-mentioned CAP should include:

- Detailed steps to resolve the finding and prevent future occurrences
- A timeline for the completion of each step
- Identification of the parties responsible for their completion

PEMA will inform the Subrecipient in writing of acceptance or rejection of the CAP. If accepted, PEMA will follow up with the Subrecipient on the status of the corrective actions after 90 days from the date of the notification of approval. If rejected, the Subrecipient shall submit a revised CAP within 30 days from the notification of rejection. Failure to submit a CAP or revised CAP when due could result in PEMA placing a hold on the Subrecipient's funding until the CAP is submitted and approved.