



# Homeland Security Grant Program Administrative Guide

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**pennsylvania**

EMERGENCY MANAGEMENT AGENCY

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## **Chapter 1: The Homeland Security Grant Program (HSGP)**

### **1.1 Overview**

The Homeland Security Grant Program (HSGP) is a Department of Homeland Security (DHS) federal grant that assists state and local efforts to enhance their capacity to prevent, protect, mitigate, respond to and recover from terrorist attacks and all hazard events. This is accomplished through coordinated planning, exercises, training, and equipment acquisition activities.

The grant program supports the implementation of projects-based on the subrecipient's ability to address capability targets set in Urban Area, State and Regional Threat and Hazard Identification and Risk Assessments (THIRA). The capability targets are established during the THIRA process and assessed in the State Preparedness Report (SPR) and 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.

HSGP plays an important role in the implementation of the National Preparedness System by supporting the building, sustainment, and delivery of core capabilities essential to achieving the National Preparedness Goal (the Goal) of a secure and resilient Nation. The building, sustainment and delivery of these core capabilities is not exclusive to any single level of government, organization, or community, but rather require the combined effort of the whole community. HSGP supports core capabilities across the five mission areas of prevention, protection, mitigation, response, and recovery, and is based on allowable costs.

HSGP funding is congressionally appropriated and distributed across the states and territories based on DHS's risk methodologies and statutory minimums pursuant to the Homeland Security Act of 2002, as amended. THIRA/SPR results do not impact grant allocation or award.

Pennsylvania Emergency Management Agency (PEMA) role as the State Administrative Agency (SAA), is responsible to pass through HSGP funding to local Pennsylvania governments and ensuring that the HSGP applicable guidance is followed.

### **1.2 Grant Regulations and Guidance**

This guide incorporates grant information and regulations from Federal, State and other resources related to homeland security preparedness grant programs that are managed by PEMA acting as the SAA. This guide is not intended to supersede or replace any federal regulations or guidance. Subrecipients and their fiscal officers should ensure compliance with all state and federal requirements.

The requirements found within this guide are applicable to all grants provided by DHS, through FEMA, to the Commonwealth of Pennsylvania and subsequently to the Commonwealth's Subrecipients. The HSGP is comprised of the following three interconnected grant programs:

- SHSP – State Homeland Security Program
- UASI – Urban Area Security Initiative
- OPSG - Operation Stonegarden

### 1.2.1 National Incident Management System (NIMS)

NIMS guides all levels of government, nongovernmental organizations (NGO), and the private sector to work together to prevent, protect against, mitigate, respond to, and recover from incidents. NIMS provides stakeholders across the whole community with the shared vocabulary, systems, and processes to successfully deliver the capabilities described in the National Preparedness System.

The *NIMS Implementation Objectives for Local, State, Tribal, and Territorial Jurisdictions* clarify the NIMS implementation requirements in FEMA preparedness grant Notices of Funding Opportunities. As recipients and subrecipients of federal preparedness (non-disaster) grant awards, jurisdictions and organizations must achieve, or be actively working to achieve, all of the NIMS Implementation Objectives. The objectives can be found on the NIMS webpage at [www.fema.gov/emergency-managers/nims/implementation-training](http://www.fema.gov/emergency-managers/nims/implementation-training).

Subrecipient NIMS compliance will be measured annually, and strategies will be put into place to assist stakeholders in achieving success.

### 1.2.2 Administrative Guidance

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

- Relevant grant agreement and included terms and conditions between the Commonwealth of Pennsylvania and the Subrecipient
- 2 CFR PART 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
- Homeland Security Presidential Directive 5 and 8
- Information Bulletins (IB) can be found at: [www.fema.gov/grants/preparedness/about/informational-bulletins](http://www.fema.gov/grants/preparedness/about/informational-bulletins)
- Homeland Security Act of 2002, as amended by the Implementing the Recommendations of the 9/11 Commission Act of 2007

### 1.2.3 Environmental Historical Preservation (EHP) Compliance

FEMA is required to consider the effects of all HSGP funding projects on the environment and historic properties to ensure that all activities and programs funded by FEMA, including grant-funded projects, comply with federal EHP laws, Executive Orders, regulations, and policies, as applicable.

**Subrecipients proposing projects that have the potential to impact the environment, must participate in the FEMA EHP review process. The EHP review process involves the submission of a detailed project description along with any supporting documentation requested by FEMA in order to determine whether the proposed project has the potential to impact environmental resources or historic properties.**

In some cases, FEMA is required to consult with other regulatory agencies and the public in order to complete the review process. Federal law requires EHP review to be completed before federal funds are released to carry out proposed projects. FEMA may not be able to fund projects that are not in compliance with applicable EHP laws, Executive Orders, regulations, and policies. Subrecipients are encouraged to review Section 3.4.4, below, and leave adequate time for obtaining an EHP before undertaking projects/trainings that might have an environmental impact.

DHS and FEMA EHP policy is found in directives and instructions available on the [Environmental & Historic Preservation Grant Preparation Resources | FEMA.gov](#), the FEMA website page that includes documents regarding EHP responsibilities and program requirements, including implementation of the National Environmental Policy Act and other EHP regulations and Executive Orders.

All EHP screening forms and backup documentation should be submitted to EM, EHP Submission at [RA-EHPSubmission@pa.gov](mailto:RA-EHPSubmission@pa.gov).



## **Chapter 2: Application and Award Process**

### **2.1 Overview of the Application 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 task force Subrecipients of their allocation, any mandated projects and the corresponding minimum spend requirements and the deadline for application submission. Additional adjustments to the allocation may be made, as necessary, after FEMA releases the formal grant award.

#### **2.1.1 Period of Performance**

The grant period of performance (POP) is the time during which grant-funded activities are permitted. Activities performed outside of this period are not eligible for funding under the identified grant program. FEMA establishes the performance period for all awards issued to the Recipient. PEMA, as the Recipient, may set more restrictive performance periods for all Subrecipients.

#### **2.1.2 Application Submission Process**

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

An application that is not received by the deadline set by PEMA, is not filled out in the designated format or is improperly completed will not be accepted by PEMA.

For HSGP ESA Application Instructions, please refer to PEMA's website at [www.pema.pa.gov/Grants/HSGP/Pages/default.aspx](http://www.pema.pa.gov/Grants/HSGP/Pages/default.aspx).

#### **2.1.3 Application Review Process**

PEMA will review each application to ensure that it satisfies the goals and objectives outlined by HSGP. Projects and applications are evaluated based on the degree to which they:

- Comply with all applicable federal guidelines, including those contained in the Notice of Funding Opportunity (NOFO) and Preparedness Grants Manual;
- Are consistent with and supportive of the overall implementation of the State priorities, national priorities, core capabilities and THIRA/SPR;
- Assure that the funded project will achieve its goal(s), objective(s), performance measures and increase the core capabilities of the Subrecipient;
- Are complete and include all required information and supporting documentation required in the Electronic Single Application (ESA); and
- Satisfy federal requirements for high priority area projects (if mandated).

Applications are submitted in the ESA, reviewed for completeness and adherence to both federal and state requirements and reviewed for consistency with and support of the overall implementation of the THIRA/SPR. The review process encompasses both programmatic and fiscal aspects. During the review process, the Subrecipient may be required to correct or clarify items contained within the application. Should FEMA, following submission, require clarification or revision of a project, the Subrecipient will be responsible for making the needed changes. A single point of contact will be provided to PEMA by the Subrecipient for any application modifications.

## **2.2 Pre-Application Planning**

The Subrecipient should begin planning and selecting projects for the application several months in advance of the projected Notice of Funding Opportunity (NOFO). All projects should conform with the region's THIRA/SPR and the Subrecipient's multi-year training plans.

When preparing and completing an HSGP grant application, applicants must utilize the program guidance to determine allowable or unallowable costs. If specific questions arise, the HSGP applicant should contact their HSGP Grant Manager for solutions. PEMA will only approve projects in an application that are allowable per the federal guidance. For additional information on Allowability, refer to Allowable Costs, Section 3.2, and the applicable grant guidance for the relevant grant year.

As a reminder, all grant expenditures must be tied to an approved project in the completed application and address capabilities gaps identified in the THIRA. Applicants should also be aware that FEMA may designate funding priorities for HSGP grants and that such priorities will need to be incorporated into planned projects for grant year funding.

Subrecipients should be aware that some project expenditures may require prior approval by PEMA and/or FEMA. Subrecipients should allot sufficient time for their planning, submission, review, and approval of such expenditures. For specific examples where preapproval is needed, refer to Costs and Activities Requiring Prior Approval, Section 3.4.

PEMA staff are available to Subrecipients for assistance with pre-application planning, as needed.

## **2.3 Grant Agreements**

Grant agreements will be provided electronically to the Subrecipients for review and signature.

Expenditures may be incurred under a grant award at the start of the grant performance period. Reimbursements under a grant award may be submitted but payment cannot be issued until the grant agreement has been executed by all parties, including the Commonwealth.

A current Signatory Authority Form (DGM-02) must be on file with PEMA and either submitted annually (not necessarily as part of the application) or when a change in signatory authority occurs. A current organizational chart that includes the executive structure and all grant-funded positions must also be on file. Updated organizational chart and signatory authority forms reflecting changes should be sent to [RA-GrantProgram@pa.gov](mailto:RA-GrantProgram@pa.gov) as they occur.

## **2.4 During the Performance Period**

### **2.4.1 Subgranting of Funds**

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

### **2.4.2 Special Conditions and Assurances**

Subrecipients shall be aware of and adhere to all special conditions and assurances that are included or incorporated by reference in the applicable grant agreement.

### 2.4.3 Project Delays

All Subrecipients are required to identify milestones along with their start dates and completion dates for all projects as part of their grant application. When it becomes apparent by reviewing the Biannual Strategy Implementation Report (BSIR) that a project's completion is delayed such that it is in jeopardy of not being completed before the end of the period of performance, PEMA may request that the Subrecipient explain the delay and whether the project will be completed on time. PEMA will collaborate with the Subrecipient about the issues on a case-by-case basis.

If a project delay would cause the completion of a project to go beyond the grant performance period, under exceptional circumstances, an extension of the project performance period may be requested of FEMA. Refer to Grant Extensions, Section 2.4.5.

### 2.4.4 PEMA's Reallocation of Funds

HSGP funds that are not fully committed or expended by the end of a grant's period of performance will be reclaimed by the Federal Government. To avoid this from occurring, PEMA requires submission of the 120 Day Encumbrance Form (DGM-26) 120 days before the end of a grant period. Upon review of this form, PEMA can determine if a Task Force has funds that require deobligation and then reallocation to another Subrecipient. Deobligated funds may be reallocated at the discretion of PEMA.

Funds can also be reallocated at the request of a Subrecipient at any time during the period of performance. More information on deobligation of funds, refer to section 10.4, Deobligation of Funds and/or section 3.1.1, Expenditure of Grant Funds.

### 2.4.5 Grant Extensions

PEMA is the only entity that may request an extension of the grant period of performance from FEMA. PEMA submissions must be received by FEMA 120 days prior to the end of the POP. PEMA will obtain information from Subrecipients to support project extension requests. Extension requests are due to PEMA 160 days prior to the end of the POP. Those considering an extension should note that grant extensions are likely to be granted by FEMA only under exceptional circumstances, per Information Bulletin (IB) 379. If an extension request is unsuccessful, PEMA may cancel a project with deobligation of project funds.

### 2.4.6 Project Revisions and Reprioritizations

A Subrecipient may request the modification of a project. Project modifications are appropriate when circumstances require a project to be changed by the Subrecipient. The following are examples of circumstances prompting the need for a modification:

- A re-evaluation of priorities;
- An updated THIRA/SPR risk and needs assessment;
- The identification of a new core capability;
- A project undergoes a programmatic change such as the addition of a new sub-project or solution area; or
- A project undergoes a budgetary change while remaining programmatically consistent with the original project concepts.

**NOTE: Grant guidelines prohibit the addition of projects after the submission and FEMA's approval of Grant Applications.**

A change to a project may take the form of a “revision” or a “reprioritization”, with both using a Request for Project Revision Form (DGM-03) submission to PEMA.

A “**revision**” is required when the Subrecipient’s cumulative budgetary changes between projects to date are under ten (10%) percent of its total grant period award for a grant performance period. A “**reprioritization**” is required when there is a budgetary change after the Subrecipient’s cumulative budgetary changes between projects has exceeded ten (10%) percent for a grant performance period.

**NOTE: Monthly balance reports provided to Subrecipients include a DGM-03 Transfer Cap Table. This Table indicates the 10% transfer cap amount for each grant year. The table also identifies the total transferred between projects to date. The final column indicates either the amount of funding that may be transferred before reaching the 10% cap or the amount exceeding the 10% cap.**

The Request for Project Revision Form (DGM-03) includes the following information which is needed to approve a project modification:

- A revised project budget and implementation timeline, if applicable;
- Justification for the requested change including a description of the project change, what will be accomplished with the change, how the change fits into the overall project, and how the project supports one or more core capabilities contained within the National Preparedness Goal;
- Whether resources procured will be deployable and/or shareable;
- Environmental and Historical Preservation (EHP) documentation, if applicable;
- Assurances that the expenditure of federal funds will comply with Title VI and all federal civil rights laws and other regulations prohibiting discrimination by Recipients of federal funds; and
- Identification of training or equipment to be added with the modification.

The DGM-03 is submitted to the resource account at [RA-GrantProgram@pa.gov](mailto:RA-GrantProgram@pa.gov). All required information must be contained within the request to be considered complete.

The DGM-03 first receives programmatic review by the HSGP Grant Manager. Following a programmatic review, the request undergoes a financial review by PEMA’s Financial Operations Division. PEMA may request that the Subrecipient provide additional information in support of its submission.

FEMA has delegated discretion to PEMA to approve or disapprove project revisions. Finances permitting, revision DGM-03s will be approved, financial adjustments will be made and the DGM-03 will be returned to the Subrecipient.

FEMA must approve reprioritizations. Should PEMA approve the reprioritization, the documentation will be forwarded to FEMA for review. Once FEMA decides, notification will be provided to the Subrecipient via the approved/disapproved DGM-03, and financial adjustments will be made to the Subrecipient’s project budgets.

Should a modification be approved, whether by revision or reprioritization, the Subrecipient will need to incorporate changes in the next BSIR report. Refer to Biannual Strategy Implementation Report (BSIR), Section 8.1.2.

## Chapter 3: Fiscal Responsibility and Allowable Costs

### 3.1 Fiscal Overview

#### 3.1.1 Expenditure of Grant Funds

It is the responsibility of the Subrecipient to ensure that all grant funds are encumbered and expended within each grant's period of performance.

Grant funds are considered "encumbered" when expenses have been incurred, but not yet paid. Examples include the following circumstances:

- A contract or purchase order has been created against the funds or a procurement request has been submitted through either PEMA or Subrecipient procurement process.
- Funding is for salary for currently funded/filled positions, and encumbered amount must be based on current data.

Funding is for known operational expenditures, and encumbered amount must be based on historical activity.

Subrecipients must submit a 120-Day Encumbrance Verification (DGM-26) for all applicable grants, to the resource account at [RA-GrantProgram@pa.gov](mailto:RA-GrantProgram@pa.gov). This form is due on or around May 3<sup>rd</sup> of each year for any closing grants. This information provides PEMA with an up-to-date status on the Subrecipient's expenditure of grant funding and plans to expend any remaining grant funds before the end of the performance period. All grant funds not encumbered within 120 days of the end of the grant's period of performance are subject to deobligation and then reallocation at PEMA's discretion. More information on deobligation or reallocation of funds, refer to section 2.4.4, PEMA's Reallocation of Funds and section 10.4, Deobligation of Funds.

#### 3.1.2 Balance Reports

Subrecipients will receive a monthly copy of their balances and at other times, if requested. Subrecipients should confirm the accuracy of the information contained therein. Any discrepancies, along with supporting documentation, should be submitted within one week of receipt of the monthly balance report. Reconciliation of the monthly balance reports is incredibly important to ensure expenditures are coded correctly. Consistent review of these reports can prevent possible delays when processing future reimbursement requests or equipment requests.

### 3.2 Allowable Costs

Subrecipients must utilize applicable program guidance to determine allowable or unallowable costs. If questions arise, HSGP Subrecipients should contact the HSGP Grant Manager for solutions. PEMA will only approve expenditures that are allowable per the federal guidelines. All grant funded expenditures must directly support an approved project. PEMA will determine if expenditures directly support an approved project.

All projects must have an ascertainable nexus to terrorism prevention and/or preparedness, even if they have potential application to other all-hazard events or the dual-use capabilities of certain emergency response equipment. Dual-use does allow for utilization of equipment in other catastrophic events, if the focus of HSGP funding is not minimized.

### 3.2.1 Basic Allowable Items

#### *Personnel*

Personnel costs, as indicated in the applicable grant program guidance, are allowable. Copies of all position descriptions for personnel paid with federal grant funds must be on file with PEMA. The following are allowable direct personnel costs:

- Costs related to management and administration of the grant program including the salaries and fringe benefits of the program manager, equipment manager, financial manager, and administrative staff
- Costs related to planning, training and exercise activities of the grant program including the salaries and fringe benefits for personnel. This includes overtime or backfill costs for personnel to attend or participate in grant funded trainings or exercises
- Costs related to fusion analysts, including salary and fringe benefits

Positions proposed for funding with the HSGP should be submitted to the HSGP Grant Manager for review and programmatic approval before being finalized and staffed.

For additional information, refer to Chapter 5: Reimbursement Requests.

#### *Training*

Allowable training-related costs under HSGP include establishing, supporting, conducting, and attending training. This includes costs of supplies, meals, travel, lodging, rental of facilities, instructor fees and other items incidental to such trainings. Allowable training costs for applicable federal grants include, but are not limited to; establishment of Chemical, Biological, Radiological, Nuclear, and Explosives (CBRNE), Critical Infrastructure Protection (CIP), agricultural/food security, cyber security and geospatial training programs within existing training academies, universities or junior colleges. Training solution area funds may be utilized to purchase supplies in support of a training, including when the supplies are procured through PEMA.

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

#### *Exercises*

Exercises conducted with federal grant funding are to be managed and executed in accordance with Homeland Security Exercise and Evaluation (HSEEP). HSEEP guidance for exercise design, development, conduct, evaluation, and improvement planning is located at HSEEP Toolkit. Allowable exercise-related costs under HSGP 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.

#### *Equipment*

Eligible equipment and related expenses can be found on the Authorized Equipment List (AEL). The use of such equipment must support the SPR and core capabilities, as applicable per grant guidance. In addition, all equipment purchases must be related to a pre-approved project.



The AEL, published by FEMA, is used to determine equipment eligibility under multiple grant programs. The AEL has 21 sections detailing allowable prevention, protection, mitigation, response and recovery equipment categories and equipment standards. The list can be found in a web-based version of the AEL. Unless otherwise stated, equipment must meet all mandatory regulatory and/or DHS-adopted standards to be eligible for purchase using these funds.

In addition, Subrecipients will be responsible for obtaining and maintaining all necessary certifications and licenses for the requested equipment. Subrecipients are responsible for ensuring compliance with industry standards (i.e., National Fire Protection Association [NFPA], Occupational Safety and Health Administration [OSHA]) on equipment. Required compliance with industry standards for equipment will be identified in the AEL.

Effective August 13, 2020, HSGP subrecipients may not use HSGP funding to procure any telecommunication or video surveillance equipment produced by Huawei Technologies Company, ZTE Corporation, Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company. This restriction also applies to company subsidiary or affiliate of listed entities.

Prior to receiving programmatic approval, PEMA must receive documentation supporting that the requested telecommunication or surveillance equipment is not made by, or contains chips or components manufactured by, one of the prohibited manufacturers cited in 2 C.F.R. § 200.216, their subsidiaries or affiliates. This documentation is referred to as National Defense Authorization Act (NDAA) compliance documentation. PEMA considers this the responsibility of the subrecipient. The NDAA documentation must be six months or newer. If a Subrecipient is obtaining equipment by direct procurement, the NDAA compliance documentation must be submitted with a request for reimbursement.

Pharmaceuticals are included in the AEL and they require an inventory management plan to be in place prior to procurement. The budget must include the costs for the disposal of expired pharmaceuticals. Disposal costs cannot be carried over to another grant.

*Note: Not all categories listed in the AEL are allowable expenditures under all grant programs. Refer to FEMA Related Grant Programs and specific grant program guidelines for the equipment item Subrecipients plan to purchase. Adhere to applicable grant notes for equipment items requiring additional actions (i.e., written justifications, approved waivers from FEMA, etc.). Many vendors on the U.S. General Services Administration (GSA) vendor list use the Responder Knowledge Base (RKB) to advertise their products. The appearance on the RKB of these products does not denote allowability under federal grant programs.*

#### ***Maintenance and Service of Systems or Equipment***

The use of federal grant funds for maintenance contracts, warranties, repair or replacement costs, upgrades, licenses, and user fees for systems or equipment are allowable. Refer to FEMA Policy (FP) 205-402-125-1 ([www.fema.gov/media-library/assets/documents/32474](http://www.fema.gov/media-library/assets/documents/32474)) and applicable IBs for guidance.

- Maintenance plans, warranties and service contracts for equipment which are included with the original purchase (purchased at the same time and under the same grant award) of equipment may exceed the performance period
- When purchasing a stand-alone warranty, or extending an existing maintenance



contract on an already-owned piece of equipment or system, coverage purchased may not exceed the period of performance of the grant award used to purchase the maintenance agreement or warranty

IB 379 allows for maintenance and sustainment costs which are:

- In direct support of existing capabilities
- An otherwise allowable expenditure under the applicable grant program
- Tied to one of the core capabilities in the five mission areas contained within the Goal
- Shareable through the Emergency Management Assistance Compact

### *Planning*

Planning activities such as those associated with the development of the THIRA, SPR, and other planning activities that support the relevant strategy are allowable.

### *Office Expenses*

Office expenses, including office supplies and support services that directly support the approved grant project(s), are allowable under the appropriate solution area. Office expenses related to a project may be purchased as part of that project's activity. Office expenses not related to a project are considered an administrative expense.

### *Food and Beverages*

Food and beverages are eligible for grant funded training sessions, exercises, meetings or conferences under the following conditions:

- Cost is within GSA per diem rates
- Subject of a work-related event supported with an agenda listing topics and time
- Not directly related to entertainment and/or social events (no alcohol allowed)
- Requires two hours of work activity before and after the meal. No stand-alone working meals are allowed. Work activity for this purpose is defined as onsite activity supporting the purpose of the event. Hot breakfast does not meet this requirement.
- Coffee and pastry service is eligible

### *Travel*

Travel expenses for eligible grant related activities are allowable. For further information, refer to the applicable federal travel policy. Current per diem rates are found at [www.gsa.gov](http://www.gsa.gov).

- Mileage is reimbursed up to the GSA rate for a vehicle that was neither purchased with HSGP funds nor owned by a government entity
- Car rental fees and fuel for the rental vehicle are reimbursable; mileage is not reimbursed for rental vehicles as this is covered within the rental agreement
- Meals will be reimbursed up to the applicable per diem rate
- Lodging costs will only be reimbursed up to the applicable GSA rate. Exceptions may be granted for extraordinary circumstance, prior to travel only. Subrecipients must submit exception requests to PEMA for approval of costs exceeding the GSA rate. The request must include all relevant documentation justifying the need. Reimbursement requests for expenses that exceed the GSA rate, without prior approval, will be denied
- Costs of alternate modes of transportation may be permissible, if they are reasonable as determined by PEMA

Task Force personnel are responsible for educating and ensuring all travelers (to include contracted employees) are informed of Federal/State travel regulations and policies, including abiding by GSA rates.

International travel is not an allowable cost under this program, unless approved in advance by DHS/FEMA. See International Travel, Section 3.4.7 regarding how to obtain prior approval.

*Note: The applicable Subrecipient travel policy may be more stringent than those imposed by PEMA. If the Subrecipient policy is more restrictive than PEMA's, the Subrecipient's policy should be enforced.*

#### *Legal Fees*

Legal fees for writing and reviewing contracts directly related to the management and administration of the grant program are allowable.

#### *Meetings and Conferences*

Meetings and conferences with the primary purpose of disseminating technical information are allowable. Allowable costs include costs of meals, transportation, rental of facilities, speaker's fees, and other items incidental to such meetings or conferences.

#### *Other*

- Community education and outreach are allowable
- Painted or permanent decal signage on vehicles procured with federal funds are allowable

### **3.3 Unallowable Costs**

Generally prohibited costs include, but are not limited to, the following:

- Indirect costs unless preapproved by FEMA
- Supplanting (HSGP funds cannot be used to supersede and/or replace local funding for equipment, services or personnel)
- "Thank you" gifts/souvenirs/awards/dinner
- Vendor invoiced late payment fees
- Software, computers and related equipment made available for general office use (use other than HSGP planning or administrative activities)
- General use vehicles, licensing fees, vehicle registration fees and operational costs (reimbursement for mileage for vehicles purchased with federal grant funds or government vehicles)
- Class A & B firefighting foam (unless purchased initially with Chemical, Biological, Radiological, Nuclear, and Explosive (CBRNE) equipment)
- Fuel (Except as noted in Basic Allowable Items, Section 3.2.1, Travel)
- Weapons and ammunition
- Scope mounts
- Weapon accessories (excluding disruptors used for Improvised Explosive Device or IED and/or bomb detection purposes)
- Hiring of public safety personnel for traditional duties
- Overtime for public safety personnel for traditional duties
- All equipment and related expenses not expressly identified as allowable under the HSGP on the AEL (unless approved by FEMA through and Allowability Request

Log [ARL])

- Insurance policies falling outside those permitted by the CFR
- Program income, e.g., generating a profit because of the grant funded activities
- Recurring costs, unless allowable under 2 CFR Part 200
- Magnetic signage for vehicles
- Costs incurred to comply with local or state requirements, e.g., PA Right to Know Law requests. Please consult with PEMA
- Security deposits
- Background checks
- Satellite and cable television services
- Internet services
- Training expenses such as wear and tear costs of general use vehicles, medical supplies or response equipment
- Equipment purchased for permanent installation or use beyond the scope or end of the exercise.

### **3.4 Costs and Activities Requiring Prior Approval**

In accordance with the various AELs, and prior to obligating funds for these categories of equipment, Subrecipients must obtain prior approval in the form of a waiver from FEMA through PEMA. Requests can be submitted to PEMA via the resource account at [RA-GrantProgram@pa.gov](mailto:RA-GrantProgram@pa.gov). PEMA will forward a waiver request, along with a detailed justification provided by the Subrecipient and PEMA's recommendation, to FEMA for review. PEMA will notify the Subrecipient when a determination has been received from FEMA. Subrecipients should expect to wait three to six months before receiving a DHS response.

#### **3.4.1 Watercraft**

If requesting a watercraft, the detailed justification must address the following:

- The waterway(s) must be identified as a critical asset to the state through a vulnerability assessment.
- The State or Urban Area must identify this waterway(s) as a critical asset requiring state and/or local prevention and response capabilities.
- The location of watercraft storage.
- List the trainings in which the watercraft will be used and how often the training will occur.
- Watercraft specifics such as Manufacturer, size, motor equipment and cost.
- How the watercraft will be dispatched and who has the authority to dispatch.
- The navigable waterways, coverage area and critical infrastructure/Key resources supported by the watercraft.
- What grant year, project, milestones, regional strategy, and regional goal is supports the purchase of the watercraft
- Supporting quote

See AEL [17WC-00-BOAT - Watercraft, CBRNE Prevention and Response](#)

Licensing, registration fees, insurance and all ongoing operational expenses are the responsibility of the Subrecipient or the local units of government and are not allowable under the HSGP grant program.

### 3.4.2 Small Unmanned Aircraft Systems (sUAS)

If requesting a sUAS the detailed justification must address the following:

- Provide a complete description/specification(s) of the UAS to include, but not limited to, make, model, operating weight, and manufacturer's country of origin. Justify the need for the UAS and how the requested platform best meets that need as compared to other options.
- Explain how the requested UAS fits into the State/Urban Area's integrated operational plans.
- Explain the types of terrorism prevention and incident response equipment with which the requested UAS will be outfitted.
- Describe how this UAS will be used operationally, and which response assets will be deployed using the requested aircraft.
- Describe how this UAS will be utilized on a regular, non-emergency basis.
- Certify that you have reviewed and understand the DHS Cybersecurity and Infrastructure Security Agency (CSIA), Unmanned Aircraft Systems (UAS) Fact Sheets at [www.dhs.gov/publication/uas-fact-sheets](http://www.dhs.gov/publication/uas-fact-sheets) and DHS CISA, Chinese Manufactured Unmanned Aircraft Systems Industry Alert (updated and located on the Homeland Security Information Network (HSIN)).
- Provide the subrecipients policies and procedures safeguarding individuals. privacy, civil rights, and civil liberties. These policies and procedures **MUST** conform to the Presidential Memorandum found at Presidential Memorandum.
- Supporting quote

See AEL [03OE-07-SUAS - System, Small Unmanned Aircraft](#)

Licensing, registration fees, insurance and all ongoing operational expenses are the responsibility of the Subrecipient or the local units of government and are not allowable under the HSGP grant program.

### 3.4.3 Construction and Renovation Projects

Construction and renovation costs to achieve core capabilities related to preventing, preparing for, protecting against, or responding to acts of terrorism are an allowable expense under the HSGP program. A Subrecipient that wishes to undertake a construction project with HSGP funds must include it as a project in their application.

For construction or renovation projects to be allowed, they must be specifically approved by DHS/FEMA in writing prior to the use of any HSGP funds. This prior written approval in the form of a waiver is obtained from FEMA through PEMA.

The Subrecipient's request for prior written approval (a/k/a the "construction waiver" request) should be directed to PEMA in letter format and should provide the following background information:

- What the subrecipient plans to construct or renovate
- A detailed justification of the need for the construction/renovation and how undertaking the project best meets that need as compared to other options
- The mission areas and core capabilities identified in the Goal which the construction/renovation will impact

- How the construction/renovation project will help achieve core capabilities related to preventing, preparing for, protecting against or responding to acts of terrorism (what impact the constructing/renovation will have on terrorism incident response and prevention)
- The goals and objectives in your THIRA/SPR that the requested construction/renovation addresses

The following documentation must be included with a construction waiver request:

- Standard Form 424C Budget Details for the construction project
- Standard Form 424D Standard Assurances
- Milestones for completion of different phases of the construction project to confirm the project can be completed within the period of performance
- Documentation that the sub-recipient is currently moving forward with the submission of the EHP Review
- Approved Zoning ordinances, architectural plans and locally required planning permits

In addition to obtaining a construction waiver, before proceeding with the project, the Subrecipient must receive EHP approval for the construction. Refer to Environmental and Historic Preservation (EHP) Compliance, Section 3.4.4 for details.

Subrecipients should submit these materials to the PEMA resource account at: [RA-GrantProgram@pa.gov](mailto:RA-GrantProgram@pa.gov).

Once submitted, PEMA will review the background information and documentation provided and forward the construction waiver request and PEMA's recommendation in the form of a letter from the PEMA Director to FEMA for review.

PEMA will notify the Subrecipient when a determination has been received from FEMA. Subrecipients should allow a minimum of two to three months to receive a DHS response on a submitted waiver request.

To prepare the documentation that will need to be submitted, Subrecipients may request the use of HSGP funds to plan for construction or renovation projects from DHS/FEMA. These planning expenses may include the cost of hiring an architect, engineer, and staff to prepare budgetary and/or EHP documentation. Obtaining written approval to use HSGP funds for construction or renovation project planning may be accomplished by submitting a letter request through PEMA providing the project background information detailed above.

HSGP Program recipients using funds for construction projects must comply with the Davis-Bacon Act (40 U.S.C. 3141 et seq.). Subrecipients must ensure that their contractors or subcontractors for construction projects pay workers no less than the prevailing wages for laborers and mechanics employed on projects of a character like the contract work in the civil subdivision of the state in which the work is to be performed. Additional information regarding compliance with the Davis-Bacon Act, including Department of Labor wage determinations, is available from the following website: [Wage Determinations](#).

*Note: When planning a construction project, HSGP funding for construction may not exceed \$1,000,000 or 15 percent of the Subrecipient's grant award. For the purposes of the limitations on funding levels, communications towers are not considered construction.*

#### **3.4.4 Environmental and Historic Preservation (EHP) Compliance**

Projects involving installation of equipment, communication towers, physical security enhancements, new construction, renovation, modifications to buildings and structures or any ground disturbances, including trainings and exercises are required to meet federal EHP requirements for grants as outlined in Grant Programs Directorates, information bulletins and/or other policies. Classroom-based training, table-top exercises and functional exercises do not require the submission of an EHP. Timelines for the completion of the EHP review for each project will vary. The duration can be from 30 working days up to a year for projects that have a significant impact to the environment or historical properties.

According to FEMA Policy #108-023-1, released July 2018, Drills and full-scale exercises and trainings, held at locations that have received a previous EHP approval for the exact activity is considered approved for that identical activity for all subrecipients until the end of the approval year plus two additional calendar years. This approval does not extend to an EHP approval that contains special conditions in the original approval or in activities performed in bodies of water or any classroom training activity that involves the use of chemical/biological agents, explosives, fire, or other hazardous materials.

As with the above activities, if a building has received an EHP approval for an interior construction project and the building is less than forty-three years of age, that EHP approval is valid for that year plus two calendar years for following interior construction projects. This DOES NOT include exterior changes or any ground disturbing activity.

Once an EHP approval is received for a training/exercise activity being held at a fire, police or public safety training facility, that activity is approved for that specific location. No further EHP is required unless ground disturbance will occur, or equipment is being installed.

Failure to get a necessary EHP approval from FEMA in advance of construction or non-classroom training, drill or full-scale exercise event will prevent reimbursement.

Projects are also subject to the laws and regulations of the Commonwealth of Pennsylvania. Specific Commonwealth guidance on historical preservation is located on the Pennsylvania Historical and Museum Commission website at [www.phmc.pa.gov](http://www.phmc.pa.gov). Information related to environmental preservation is located on the Department of Environmental Protection website at [www.dep.pa.gov](http://www.dep.pa.gov). FEMA may coordinate with both as part of the approval process.

Subrecipients are strongly encouraged to refer to the Grant Program Directorates Information Bulletins 329, 345, 351, and 356 as well as the 108 series of FEMA Policy publications. These documents are available at [www.fema.gov/about/news-multimedia](http://www.fema.gov/about/news-multimedia). The EHP Screening Form is available from PEMA and contains instructions on completing the form and submitting required photographic documentation. Submit the EHP packet electronically via the resource account at [RA-EHPSubmission@pa.gov](mailto:RA-EHPSubmission@pa.gov).



An Environmental and Historic Preservation (EHP) review may take 60 to 90 working days for proposed activities having little potential to impact environmental resources and/or historic properties. A project that has the potential for significant impacts on EHP resources may take up to one year or more to review. Subrecipients should allot sufficient time for their projects' EHP reviews. PEMA will coordinate with FEMA and forward the approval to the Subrecipient.

Technical assistance on the EHP process is available upon request from PEMA, as it pertains to completing the form.

*Note: Project work cannot be started, and training and exercises cannot be held before written EHP approval is received from FEMA, if required.*

### **3.4.5 Equipment not Expressly Authorized under HSGP on the AEL**

Requested equipment that is not found on the AEL may only be purchased after receiving written approval from FEMA through PEMA. The federal Allowability Request Letter (ARL) form must be utilized for these requests. The ARL Form is on the HSGP website.

The completed form will be submitted to PEMA via the resource account at [RA-GrantProgram@pa.gov](mailto:RA-GrantProgram@pa.gov). After review and approval, PEMA will forward the request to FEMA for review. Should PEMA or FEMA deny permission to use grant funding for the purchase of the requested equipment or activity, no further action will be taken. If approved, the Subrecipient may proceed with the purchase. A copy of FEMA's ARL approval should be incorporated with the equipment request.

*Note: Even though the form is primarily for equipment, the ARL may also be used for any other activity (planning, training, exercise) that is not clearly deemed eligible under the HSGP program.*

### **3.4.6 Operational Overtime Expenses**

Operational overtime is an allowable cost for first responder personnel deemed eligible to receive overtime in accordance with their position and parent agency policies. This applies only to those programs under which operational overtime is cited as an existing approved cost. Examples of permitted overtime costs include:

- Overtime expenses consistent with the HSGP, including enhanced operations in support of Federal agencies, border security and border crossing enforcement
- Operational overtime costs resulting from a National Terrorism Advisory System (NTAS) alert (see IB 367)
- Costs in support of special event "surge" operations for law enforcement and other first responder disciplines
- Costs in support of increased security measures at critical infrastructure sites
- Operational overtime costs related to combating transnational crime organizations, costs must be associated with federally requested participation in federally-led task forces and investigations (i.e., Joint Terrorism Task Forces, Area Maritime Security Committees, etc.)

*Note: prior written approval from the FEMA administrator per the instructions in IB 379 is required.*

Special events are planned public events and include but are not limited to: Groundhog Day in Punxsutawney, the Little League World Series in Williamsport, the Pocono NASCAR race, Major League Baseball, and National Football League events.

For all permitted overtime costs, other than those resulting from a National Terrorism Advisory NTAS alert, prior permission from FEMA is required. Subrecipients must submit requests for operational overtime costs and justification to the Director's attention through the PEMA resource account at [RA-GrantProgram@pa.gov](mailto:RA-GrantProgram@pa.gov). PEMA will forward the request to FEMA for consideration.

The request may consist of a letter which addresses the following:

- The funding source, grant year and project name
- Statement regarding the nature of the event, including the dates
- Operational overtime estimate by category (EMS, law enforcement, etc.)
- Identification of the solution area (per grant guidance i.e., organization)

Subrecipient should also submit a budget document for the event which identifies positions, the estimated overtime period and the estimated overtime expense per position.

#### **3.4.7 International Travel**

As noted above, international travel is not an allowable cost under this program, unless approved in advance by DHS/FEMA. To obtain FEMA approval, the Subrecipient should direct a letter to PEMA identifying the nature of the travel requested, the purpose and potential benefit of the travel, the categories of expenses anticipated and total amount of those expenses and an assurance that expenses will remain within the foreign per diem rates set by the U.S. Department of State. If an international facility is being visited, an invitation letter from the facility should be provided. If a course is being attended, a syllabus of the course should be provided. Submissions should be sent to the resource account at [RA-GrantProgram@pa.gov](mailto:RA-GrantProgram@pa.gov).

#### **3.4.8 Service Agreements**

Subrecipients should use the local procurement procedure for the purchase of services that are completed through a statement of work, contract, or RFP. Purchases of services with HSGP funding must be programmatically compliant with HSGP funding opportunity guidelines. Subrecipients shall obtain prior written approval for the programmatic eligibility of any services, including professional, warranty and maintenance of systems or equipment. Failure to obtain prior written approval may result in a later denial of reimbursement.

Email submissions may take the form of a proposed statement of work, contract, or RFP. The accompanying email should detail the grant year, project name, the anticipated amount of the expenditure, nature of the service, what service will be performed and when the service will be completed under the contract.

Purchases of services that have only a quote or invoice should use the direct procurement procedure of being entered into the Equipment Request Tracker, please see Section 4.1 Procurement.



### **3.4.9 Direct Procurement**

Direct procurement of materials, supplies, or equipment require prior programmatic approval. Refer to Governmental/Direct Procurement, Section 4.1 Procurement.

### **3.5 Publications**

Subrecipients are required to submit a plan for publication and distribution of new self-authored commercial publications to PEMA before materials developed under an award are commercially published or distributed and paid for with federal funds. The publication and distribution plan must include a description of the materials and the rationale for commercial publication and distribution.

All materials produced publicizing or resulting from award activities shall contain an acknowledgement of the federal and state awarding agency funding assistance. If the federal awarding agency is DHS, all materials shall contain the following statement:

***“This document was prepared under a grant from the U.S. Department of Homeland Security and the Pennsylvania Emergency Management Agency. Points of view or opinions expressed in this document are those of the authors and do not necessarily represent the official position or policies of the U.S. Department of Homeland Security or the Commonwealth of Pennsylvania.”***

## Chapter 4: Procurement Policies

### 4.1 Procurement

Subrecipients may procure materials, supplies, and equipment by one of the following methods:

- PEMA Procurement
  - Submit Standard Procurement Request and supporting documentation (quote, specs, etc.) to PEMA via Equipment Request Tracker.
  - PEMA performs a programmatic review. Upon review and approval of the request this will be forwarded to the PEMA Financial Operations Division
  - PEMA procures the requested materials, supplies or equipment for the Subrecipient upon PEMA Financial Operations Division approval
  - Disapproved requests will be returned to the Subrecipient with comments in the Equipment Request Tracker.
  
- Subrecipient Direct Procurement
  - Submit Request, related supporting documentation (quotes, specs, etc.) to PEMA via Equipment Request Tracker.
  - PEMA performs a programmatic review. Upon review and approval of the request this will be forwarded for Grants Approval
  - Requests prior to 12/15/2022, please use the Tracker for approval documentation of status Approved for Direct Procurement. Requests approved after 12/15/2022 will receive a notification from the Equipment Request Tracker for Approved for Direct Procurement.
  - Subrecipient procures materials, supplies, controlled supplies, equipment, maintenance, or services following their own procurement policies after the request is Approved for Direct Procurement.
    - This is services with only an invoice or quote, please see Subrecipient Service(s) Procurement below for statement of work, contract, or RFP.
  - Initial reimbursement should be sought from the Subrecipient's fiduciary
  - Final reimbursement request should be submitted to PEMA with required documentation. (See Chapter 5 Reimbursement Requests)
  - If a third party is involved, additional forms may be required
  
- Subrecipient Service(s) Procurement
  - Submit Request for services with a statement of work, contract or RFP, and related supporting documentation (DGM-24, quotes, specs, etc.) to PEMA via [RA-GrantProgram@pa.gov](mailto:RA-GrantProgram@pa.gov)
  - PEMA performs a programmatic review. Upon review and approval of the request, PEMA forwards approval (via email) to the Subrecipient
  - Subrecipient procures primarily services following their own procurement policies
  - Initial reimbursement should be sought from the Subrecipient's fiduciary
  - Final reimbursement request should be submitted to PEMA with required documentation (See Chapter 5 Reimbursement Requests)

Unless otherwise specified, all required documentation should be routed through the Equipment Request Tracker or through the [RA-GrantProgram@pa.gov](mailto:RA-GrantProgram@pa.gov). If there any issues with a request, in the Equipment Request Tracker, the HSGP Grant Manager will enter comments and

send the request back to the Task Force as “Planner Returned” for updates/editing as requested. The originator of the request will be receiving the automated system notification email. There may be exceptions for very complex cases. Once any or all revisions have been completed by the Subrecipient and resubmitted using “In Review,” the request will be processed within PEMA.

For further information on the Commonwealth procurement process, please refer to [www.dgs.pa.gov/Pages/default.aspx](http://www.dgs.pa.gov/Pages/default.aspx).

PEMA’s review and approval is required prior to the start of any procurement activities. The required forms and documentation can be found on PEMA’s website located at [www.pema.pa.gov/Grants/HSGP/Pages/default.aspx](http://www.pema.pa.gov/Grants/HSGP/Pages/default.aspx).

#### **4.1.1 Competitive**

When conducting procurements, Subrecipients must comply with their applicable procurement codes while assuring that such codes are in line with applicable federal law and regulations. Federal procurement regulations can be found at 2 CFR 200.318-327. Where local procurement codes conflict with federal regulations or requirements, Subrecipients must adhere to the federal regulations or requirements if the Subrecipient plans to pursue reimbursement from the HSGP.

Subrecipients must comply with proper competitive bidding procedures articulated herein and pursuant to federal requirements. Refer to Grant Regulations and Guidance, Section 1.2 within this Guide for a listing of applicable federal regulations/requirements.

Upon request, Subrecipients must fully justify selection of other than the lowest bidder. All procurement transactions, whether negotiated (on state or federal contracts) or competitively bid and without regard to dollar value, will be conducted to provide maximum open and free competition.

#### **4.1.2 COSTARS**

COSTARS is the Commonwealth of Pennsylvania's cooperative purchasing program administered by The Department of General Services (DGS) Bureau of Procurement. The COSTARS Program enables registered local public procurement units, state affiliated entities (together known as “members”) and suppliers to find and do business with each other effectively using a contract established by DGS.

As a state agency, PEMA is not permitted to use COSTARS. PEMA is limited to using state contracts, GSA Schedule 70, or GSA Schedule 84 with approval from DGS for both 70 and 84.

For further information visit COSTARS at <http://www.dgs.pa.gov/COSTARS/pages/default.aspx>.

#### **4.1.3 Other Procurement Methods**

##### *GSA Purchases*

The GSA’s Cooperative Purchasing Program allows state, local and tribal governments to benefit from pre-vetted vendors on a variety of products and services offered through specific GSA Schedule contracts. When a product or service is to be purchased from GSA Schedule 70 (IT Schedule) or GSA Schedule 84 (Security System Management, Design & Support Services, Marine Craft & Waterfront Security Products & Services), and multiple suppliers are available on the same GSA Supply Schedule, the Subrecipient must obtain a minimum of three quotes per the

Commonwealth Procurement Handbook. Information on products or services that are on the GSA Schedule 70 or Schedule 84 may be found at [www.gsaadvantage.gov](http://www.gsaadvantage.gov).

*Note: The Subrecipient will incur a service charge levied by DGS to cover their cost of administering this program. The service charge is either four percent of the total transaction, or \$500, whichever amount is less. This fee is ineligible as a federal grant funding expenditure; the Subrecipient is responsible for paying these fees.*

### *Sole Source and Single Source Procurement*

Sole Source is defined as the “only known source” and is not available from another supplier or manufacturer. Use of sole source procurement is strongly discouraged. A request for sole source procurement requires the approval of PEMA for eligibility and DGS for sole source determination, as applicable. This review can be requested by completing the fields contained in the equipment tracker. DGS will make the final determination regarding sole source and single source procurement. This applies only to equipment. Equipment requests are submitted to PEMA through the Equipment Request Tracker.

Single source (material/repair/maintenance), for the purposes of this guide, is defined as purchases from one selected supplier, even though there are other suppliers that provide similar products, such as when a material or service must be compatible with existing equipment. Documentation must be provided to justify why single source is the only reasonable method of procurement. If the equipment is being submitted for PEMA to procure request must be submitted through the Equipment Request Tracker.

### *Professional Services:*

2 C.F.R. §200.320(c) limits when sole source, or non-competitive procurement with federal funding may be used.

There are specific circumstances where noncompetitive procurement can be used. Noncompetitive procurement can only be awarded if one or more of the following circumstances apply:

1. The acquisition of property or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (generally set at \$10,000.00, subject to exceptions, see 48 CFR 2.101 “Micro purchase threshold”);
2. The item is available only from a single source;
3. The public exigency or emergency for the requirement will not permit a delay resulting from publicizing a competitive solicitation;
4. The Federal awarding agency or pass-through entity expressly authorizes a noncompetitive procurement in response to a written request from the non-Federal entity; or
5. After solicitation of a number of sources, competition is determined inadequate.

Should a Subrecipient wish to explore the use of exemption number four (4) above, the Subrecipient must provide PEMA with a written request for authorization prior to any new procurement by noncompetitive proposal. In the written request, sufficient background justification for the noncompetitive proposal procurement must be provided. PEMA will inform the subrecipients of the final decision.

#### **4.1.4 Services and Maintenance**

Subrecipients may procure services, including maintenance contracts, using direct procurement procedures.

Subrecipients shall obtain written approval for eligibility prior to the procurement of any services, including maintenance services (i.e., Knowledge Center, WebEOC). Failure to obtain prior written approval may result in denial of reimbursement for any service.

When Subrecipients request equipment, materials, or supplies that require installation, costs for the first installation is allowable provided the cost of the equipment exceeds the cost of the installation.

All Subrecipient service contracts require a programmatic review by PEMA prior to execution. Subrecipients shall take note that the installation of equipment is considered a service, in instances where the installation cost exceeds the cost of equipment.

The 51 - 49 percent policy applies broadly to any Commonwealth procurement of equipment and services. Meaning, when costs of a service (ex. Installation, training) are 51 percent or more of the cost of the equipment, PEMA will only procure the equipment, not the service. In instances where the service exceeds 51 percent, Subrecipients have two options:

- Procure the equipment and service via local/direct procurement (whichever applies)
- Procure the service and have PEMA procure the equipment

In the case of installations that are considered construction items, e.g., security camera installation, Subrecipients shall procure such installation services. DGS does not have the authority to delegate approval to PEMA to contract for installation services in non-commonwealth property.

Maintenance, warranty and service contracts included in the original equipment purchase may exceed the performance period of the funding grant. Subsequent maintenance, warranty and service contracts not included with the original purchase are considered service type contracts and must be procured by the Subrecipient.

If the Subrecipient purchases maintenance, warranty, or service contracts without a programmatic review by PEMA and the contracts extend beyond the performance period, the Subrecipient will not be reimbursed for the portion of the contract that extends beyond the grant performance period.

#### **4.1.5 Software**

PEMA procurement will only process software requests, including license renewals, if the software is on a state contract with the Commonwealth. Subrecipients should contact their HSGP Grant Manager with their software request prior to its formal submission. The HSGP Grant Manager will confirm with the Procurement Division whether the software is on state contract. If it is, the Subrecipient may submit their software request package. If the software is not on state contract, the Subrecipient should proceed with their purchase by the direct procurement method. (Refer to Chapter 4: Procurement Policies)

#### **4.1.6 Vehicles**

All vehicle procurements made by PEMA will be coordinated with and conducted by DGS. The requesting Subrecipient will work with their respective PEMA Purchasing Agent who will coordinate with DGS Bureau of Procurement, Quality Assurance Division, and DGS Bureau of

Vehicle Management to proactively create a competitive generic specification for the PEMA approved vehicle. Refer to Part II, Chapter 18 of the Commonwealth Procurement Handbook for more details.

Subrecipients who accept a vehicle must assume the fiscal responsibility for title, license, registration, insurance, fuel, oil changes, inspection fees and service costs. All costs associated with maintenance, warranties, repair, replacement, upgrades, and service costs are limited by federal guidance (IB 336).

## Chapter 5: Reimbursement Requests

### 5.1 Process Overview

Allowable expenditures made by the Subrecipient may be submitted to PEMA for reimbursement. Subrecipients should refer to other portions of this Guide for preapproval requirements for specific expenditures.

Reimbursement requests should be submitted electronically via Partner Portal at <https://apps.dced.pa.gov/esa-partner/> with a notification email sent with a copy of the DGM-07 sent to [RA-GrantProgram@pa.gov](mailto:RA-GrantProgram@pa.gov).

Subrecipients can begin to incur expenses and request reimbursement at the start of the performance period. Reimbursement requests must be submitted *within 90 days* of the expenditure by the fiduciary and must also total more than \$100 to ensure timely and efficient processing. Items for reimbursement may be held until the reimbursement request packet total exceeds \$100, even if the 90-day timeframe is exceeded. Subrecipients should submit reimbursement requests with supporting documentation no more than once a month and no less than once a quarter per grant program, per grant year. Failure to submit reimbursements in a timely fashion will result in a reduction of performance measures. This may result in a reduction of a task force grant allocation.

The final reimbursement request is due 30 days after the end of the period of performance. Subrecipients failing to meet this requirement will not be reimbursed.

State agencies are required to place a cover letter, specifying grant year/program with the DGM-07 and required reimbursement documentation into the One Drive folder. Please email the [RA-GrantProgram@pa.gov](mailto:RA-GrantProgram@pa.gov) a notification, indicating that a reimbursement has been submitted into the One Drive folder.

#### 5.1.1 Required Documentation

A reimbursement request packet consists of the following:

- A completed DGM-07 submitted as an Excel document
- Invoices which correspond with the accompanying DGM-07
- Proof of payment for every invoice
- Supporting documentation

For invoices that will be submitted in multiple reimbursement requests or which span multiple programs/projects/years, the supporting documentation should be submitted with each reimbursement request. If a reimbursement request is being split between different grant years, projects or programs, please provide explanation in comments section of the DGM-07.

A properly completed DGM-07 will have separate line entries for each reimbursable item. The required DGM-07 fields will vary upon the type of reimbursement being requested.

Acceptable proofs of payment are:

- Copy of bank statement, or copy of cancelled check or;
- Printout from computer generated accounting system with costs annotated and highlighted

Acceptable supporting documentation varies depending on the reimbursable item. Such documentation may include:

- For personnel costs (one employee name per line on the DGM-07)
  - Payroll records
  - Employee Monthly Time Record (DGM-12) or similar document.
  - **Must be signed and approved**
  - Printout from electronic time system
- For travel (limitations for travel/subsistence expenses are found at [www.gsa.gov](http://www.gsa.gov))
  - Receipts for travel-related expenses as indicated in the applicable travel policy
  - Travel Expense Form (DGM-14), or Subrecipient travel form that contains the same information
- For meals served at meetings/trainings/exercises
  - Sign in sheet
  - Agenda with the addition of duration of the meeting/activity
  - Copy of approved PEMA Course Instruction Request (CIR)
- For training and conferences
  - Copy of approved PEMA CIR
  - FEMA EHP approval (for non-classroom-based training)
  - Sign in sheet (if meeting is being hosted by the Subrecipient)
  - Supporting Invoices
  - Name of Instructor
- For exercises (must meet guidelines found at <https://preptoolkit.fema.gov/web/hseep-resources/policy-and-guidance> Homeland Security Exercise and Evaluation Program (HSEEP) guidelines)
  - Copy of the After-Action Report or Improvement Plan from the Corrective Action Plan
  - PEMA Exercise Report (DGM-15)
  - Approved PEMA CIR
  - FEMA EHP approval (mandatory for full-scale exercises and drills)
  - Supporting Invoices
- For office expenses and support services
  - Copy of contract or purchase order
  - Purpose of the supplies
  - Supporting Invoices
- For equipment
  - DGM-08
  - Copy of Purchase Order
  - Approved for Direct Procurement
    - Prior to 12/15/2022 Programmatic Approval Email or Comments from Equipment Request Tracker
    - After 12/15/2022 Automatic Notification Email from Equipment Request Tracker or Programmatic Approval Email for statements of work, contracts, or RFPs
  - PEMA Equipment Request number
  - Supporting Invoices



## 5.2 Advances

Subrecipients may request one advance of funds as working capital per grant year. The advance will be in the amount of a percentage, as determined by the Commonwealth, of the eligible Subrecipient's grant allocation for use as working capital for, but not limited to, the purchase of services, payment of salaries, and other administrative costs. Advance funds received by a Subrecipient shall be deposited in an interest-bearing account. The advance funds must be tracked separately for each federal grant and program.

### *Advance Relief*

The Commonwealth of Pennsylvania will determine the method by which advance funds will be returned to the Commonwealth.

The Commonwealth will relieve the advance on each reimbursement request at the same percentage that the advance was initially paid out. For example, if the advance was 15 percent of the grant allocation, for a reimbursement request of \$100,000, the advance will be relieved by \$15,000 and \$85,000 will be paid to the fiduciary. The fiduciary agent may request the advance be relieved for a larger percentage.

When the grant for which advance funds have been received is within two calendar months of closing, reimbursement requests will be processed first against the advance.

### *Interest Earned on Advances*

Upon receipt of advance payment funds from PEMA, the funds must be promptly deposited into an interest-bearing account in a bank or other financial institution insured by the Federal Deposit Insurance Corporation (FDIC) or the Federal Savings and Loan Insurance Corporation (FSLIC). When the grant closes, Subrecipients are required to report on the full advance amount received from PEMA, any amount that has been returned, and total interest earned on the advance during the grant period of performance. The Subrecipient must return all earned interest to PEMA via a check payable to the Commonwealth of Pennsylvania sent to the attention of the PEMA Fiscal Officer. Interest is required to be returned at least once a year; however, it may be returned on a more frequent basis.

### *Return of Advance Funds at The End of The Grant Performance Period*

Advance funds more than actual allowable expenditures must be returned to PEMA within 30 days of the end of the grant period via a check, payable to the Commonwealth of Pennsylvania, sent to the attention of the PEMA Fiscal Officer to the following address: 1310 Elmerton Avenue, Harrisburg, PA 17110.

## Chapter 6: Training and Exercises

### 6.1 Training

Training conducted with federal funds must link to a core capability, align with the applicable SPR or UASI goals objectives, fit with a funded grant project, and relate to a gap or sustainment need identified in the respective Subrecipient's THIRA and/or The Integrated Preparedness Plan (IPP) in order to be programmatically allowable. 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 state and federal catalog require coordination with PEMA's Training and Exercise Division (TED). Please be aware that not all federally-offered courses are eligible under all federal grant programs. The National Training and Education Division is working with the PEMA TED to require entities to submit the Course Instruction Request (CIR) (or Exercise or Course Notification (ECN) when made available) when requesting a federally-offered course.

Law Enforcement Terrorism Prevention Activities (LETPA) funds may be used for a range of law enforcement terrorism prevention related training activities to enhance the capabilities of state and local personnel. These include, including building information sharing capacities; target hardening; facility security; addressing CBRNE threats; NIMS, surveillance, and counter-surveillance techniques; Critical Infrastructure Protection (CIP) plans; intelligence analysis; cyber security; multi-cultural undercover operations; language training; joint training with other homeland security entities; interoperable communications; Geospatial Information Systems (GIS); agricultural/food security and; citizen/volunteer awareness and participation in support of law enforcement activities.

Prior to expending federal funds for supporting attendance at and/or development of non-DHS approved training (including overtime and backfill), Subrecipients must seek approval of training via submission of a CIR form or entry into the online ECN system to the PEMA TED.

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

#### 6.1.1 The Training, Exercise and Conference Application Process

CIR/ECNs combine the information required by PEMA's TED into one form/submission. The information provided will facilitate the approval or disapproval of grant fund expenditures for training. CIRs should be submitted to [RA-EMTRAINING@pa.gov](mailto:RA-EMTRAINING@pa.gov). Once operational, the ECN system will be available online. PEMA's TED will forward pertinent information to the emergency management training community once the ECN is released.

Course information for all DHS and FEMA-approved courses is available on [www.firstrespondertraining.gov/](http://www.firstrespondertraining.gov/) under the respective category. Please note: In April 2022, FEMA is transitioning their application process to be fully online. Please pay attention when applying to courses. Applicants wishing to take National Training and Exercise Division-sponsored training at one of the consortium schools should read the information on applying for training carefully, including deadlines required when submitting and signatures or other approvals that may be required.

Note the TED may decline to accept a request for funding approval of a course for instruction if its CIR/ECN is not submitted in a timely manner prior to the earliest potential start date. Please note that consortium schools require applications to be submitted a minimum of 90 days in advance in most cases. For this reason, CIRs/ECNs for federal consortium schools should be submitted a minimum of 90 days in advance. CIR/ECNs for all other non-federal consortium school courses/exercises should be submitted a minimum of 30 days in advance. PEMA is not responsible for EMI or another consortium school denying an application should minimum application deadlines not be met.

All **exercises** require the submission of a CIR/ECN, which is particularly important if 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 on FEMA's website. 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 HSGP also require CIR submission and acceptance before costs can be incurred.*

## **6.2 Special Events Planning**

If a state or Urban Area will be hosting a special event (i.e., Super Bowl, G8 Summit), the special event planning should be considered a training or exercise activity according to the multi-year Training and Exercise Plan (TEP). States must include all confirmed or planned special events in the multi-year TEP. 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.

Hiring of personnel, overtime and backfill are permitted under HSGP to perform allowable HSGP planning, training, exercise and equipment activities.

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 the event receives CIR/ECN 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. Refer to Operational Overtime Expenses, Section 3.4.6, for approval procedures.

Planning for a special event may also be considered a training or exercise. Subrecipients may use HSGP 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.*

### **6.3 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, buildings, or vegetation or involve the building of temporary outdoor structures, they should be mindful that, an EHP review might be required.

Warning - If a training, drill or exercise takes place without the necessary EHP approval before it takes place, all expenses associated with the training, drill or exercise are not allowable HSGP expenses and reimbursement will be declined.

For additional information on EHPs, refer to the EHP Compliance, Section 3.4.4.

## Chapter 7: Equipment

### 7.1 Equipment Purchases

It is the Subrecipient's responsibility to have adequate controls and procedures in place to ensure that property is managed in accordance with 2 CFR 200 and PEMA requirements.

As noted in the National Incident Management System (NIMS), Section 1.2.1, the Commonwealth is committed to achieving full NIMS compliance. Subrecipients of federal grants funds are required to be NIMS compliant, and all equipment purchased with grant funds must be typed as described in NIMS guidance. At the time of the application, if a project supports a NIMS typed resource, the identification number and name of the resource will need to be obtained from the current Resource Type Library Tool(s).

#### 7.1.1 Definitions

**Equipment** – Tangible, non-expendable personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit.

**Supplies** – Tangible personal property, other than equipment, having a useful life of less than one year and an acquisition cost of less than \$5,000 per unit.

**Fair Market Value** - The per-unit price that a given item would sell for in the open market.

#### 7.1.2 Supporting Documentation

Subrecipients are required to maintain financial documentation that supports all equipment, and supply expenditures for seven years from the grant close-out date. Refer to the Records Maintenance Retention, Section 10.7.

#### 7.1.3 Items Purchased through PEMA

When a Subrecipient receives items purchased through PEMA, a completed DGM-08 form and packing slip must be submitted, via the resource account at [RA-GrantProgram@pa.gov](mailto:RA-GrantProgram@pa.gov), within 15 days of receipt of the items for payment to be issued to the vendor. All required information must be provided on the DGM-08, including the final location of the items.

Subrecipients are responsible for notifying member counties of equipment being purchased for entities within their jurisdiction. Counties need to maintain their record of equipment to be able to reconcile their single audit report from the Federal Audit Clearinghouse.

#### 7.1.4 Items Purchased Through Direct Procurement

When a Subrecipient purchases grant funded items through the direct procurement process, the completed DGM-08 form and paid invoice(s) must be submitted with the request for reimbursement.

#### 7.1.5 Title

Title of equipment acquired with grant funds will remain with the Subrecipient upon acquisition of the equipment. In accordance with procedures described in this Guide and applicable state laws, equipment and title may be transferred to other entities who would be an eligible recipient of federal grant funding.

### **7.1.6 Use**

Grant-funded equipment will be used by the Subrecipient in the program or project for which it was acquired as long as needed; whether or not the project or program continues to be supported by federal funds.

All HSGP funded equipment must have an ascertainable nexus to terrorism prevention and/or preparedness, even if they have potential application to other all-hazard events or the dual-use capabilities of certain emergency response equipment. Dual-use does allow for utilization of equipment in other catastrophic events, if the focus of HSGP funding is not minimized.

When no longer needed for the original program or project, PEMA may authorize the use of equipment in other federal activities or the Subrecipient should refer to the Disposition, Section 7.7 for guidance.

## **7.2 Inventory Control**

The following subsections provide a listing of procedures that Subrecipients must have in place for managing grant-funded property:

### **7.2.1 Equipment Records**

Subrecipients are required to maintain accurate equipment records. Equipment records must include:

- Description of the equipment (including make and model)
- Manufacturer's serial number or other identification number
- Vendor
- Purchase order number
- Title holder (if applicable)
- Acquisition date
- Cost of the equipment
- Percentage of federal participation in the cost of the equipment
- Physical address of the equipment (where item is currently located)
- Use and condition of the equipment
- Disposition data (date of disposal and sale price)

*\*NOTE: Equipment disposed of or sold may be deleted from the Subrecipient's inventory only after the date of disposal and sale price have been reported on the next inventory submission, following disposition.*

See 2 CFR 200 for further information.

A Subrecipient must inform PEMA within 30 days of equipment transfer, regardless of acquisition cost, from its original documented location to another location. Subrecipients must submit all such changes on the Equipment Transfer Form (DGM-10). This does not apply when equipment is deployed and returned to the original physical address.

### **7.2.2 Physical Equipment Inventory & Reporting**

To ensure the Subrecipient is maintaining proper equipment records in accordance with the CFR, PEMA policy requires Subrecipients to conduct an annual physical equipment inventory for ALL equipment (including supplies) purchased with HSGP funds, regardless of acquisition cost.

The results of the annual physical equipment inventory are to be reconciled with the Subrecipient's equipment records. Any discrepancies must be investigated.

Upon completion of the physical equipment inventory, a report similar to the DGM-08 with columns for "Condition of Equipment" and "Date of Disposal" must be submitted to PEMA by July 15 of each year. Subrecipients have the option to submit a complete item list OR a condensed version consisting of only equipment with an acquisition cost of \$5,000 or more. Equipment reports are required to be submitted to PEMA beyond the performance period of the grant agreement, continuing to the end of the equipment life cycle.

As stated above, items disposed of following submission of the annual report must be carried on and included with the next annual submission, as federal guidelines require date of disposal and sale price to be documented.

Subrecipients who have an inventory system in place may submit an electronic copy of the inventory report to PEMA in lieu of a DGM-08; however, the information on the Subrecipient's inventory report must correspond with all the information required by PEMA on the DGM-08 plus include columns for "Condition of Equipment" and "Date of Disposal".

### **7.2.3 Control System**

Subrecipients are responsible for the control of all equipment acquired under the federal grant program.

A control system must be in effect to ensure adequate safeguards to prevent loss, damage, or theft of grant funded equipment. Controls may vary by equipment type, location, end user, etc. and are at the discretion of the Subrecipient. Subrecipients are responsible for replacing or repairing equipment (with non-grant funds) that is willfully or negligently lost, stolen, damaged or destroyed. Any loss, theft, damage, or destruction of equipment must be investigated and fully documented. The investigation report and documentation shall be submitted to PEMA within 30 days of finalization.

Subrecipients must maintain mileage logs, usage logs, and maintenance records for vehicles procured with federal funds.

Subrecipients must provide end users with a directive that clearly provides the grant regulations related to equipment records, inventory, maintenance, and disposition. The format of the directive is at the discretion of the Subrecipient.

### **7.3 Equipment Receipt, Exchange, or Return**

Upon receipt of equipment, regardless of procurement method, the Subrecipient must immediately inspect the item(s) for damage, completeness, and functionality. Submission of the DGM-08 and packing slip by the Subrecipient to PEMA certifies that the item(s) received was undamaged, complete, and functional. Property found to be damaged, incomplete, non-functional, or incorrect is not to be listed by the Subrecipient on the DGM-08.

The Subrecipient must notify PEMA's purchasing agent when Commonwealth procured equipment



is received damaged, incomplete, non-functional, or incorrect upon completion of its inspection. PEMA will not authorize payment of any invoice for damaged equipment.

If the DGM-08 is submitted without proper inspection of property, then any damage of the property, and any subsequent repair or replacement costs, will be the fiscal responsibility of the Subrecipient and will not be reimbursable under the federal grant. This responsibility includes the original amount of the invoice and all incidental costs (shipping, handling, re-stocking and applicable taxes). If any funds are lost due to the Subrecipient's failure to inspect, then the SAA will take necessary actions to recover all costs from the Subrecipient (non-grant funds).

#### **7.4 Equipment Maintenance**

At a minimum, manufacturer's recommended maintenance procedures must be followed to keep grant funded property in fully operable condition. The maintenance requirement will be verified during site monitoring visits conducted by the Compliance Review Division.

Commonwealth law requires end users of equipment to insure, title and register their vehicles or other similar equipment. Federal funds cannot be utilized to pay for these expenses, as this is supplanting. HSGP funds may be utilized to pay maintenance and repair costs for equipment in accordance with IB 336 and FEMA Grant Programs Directorate Policy, Maintenance Contracts and Warranty Funded by Preparedness Grants.

#### **7.5 Readiness**

In addition to equipment accountability through inventory mechanisms, equipment readiness is just as important, as communities rely upon equipment use in response to state and local emergencies.

Subrecipient responsibilities for equipment include developing and implementing adequate maintenance procedures to ensure the equipment or property secured with grant funds are and remain in good, working condition and ready for deployment.

#### **7.6 Change in Ownership of Equipment**

##### **7.6.1 Repossession of Property**

PEMA will take possession of any equipment, controlled supplies or supplies purchased with any state or federal grant funds that PEMA has determined are not being used for the purposes set forth in applicable law, regulation, and grant guidance.

##### **7.6.2 Use or Transfer of Equipment by the State or Federal Government**

At any time, the state or federal government may direct any Subrecipient to transfer or loan any equipment, or supplies, including controlled supplies, to a third party for various preparedness, prevention, response, recovery, or mitigation purposes. Subrecipient agreement to such transfers or loans is a condition of the Subrecipient's receipt of a grant allocation and is part of the Subrecipient Grant Agreement.

#### **7.7 Disposition**

Disposition of equipment, or supplies which have been purchased with grant funds and are either



beyond their useful life or no longer support a federally funded project or program may occur if the following conditions are met:

- Equipment with a current per-unit fair market value of ***less than \$5,000*** may be sold or otherwise disposed of without obligation to return funds to PEMA if the following conditions are met:
  - Written request is submitted to PEMA
  - PEMA authorization is granted prior to disposition of the equipment
  
- Equipment with a current per-unit fair market value of \$5,000 or more may be sold if the following conditions are met:
  - Written request is submitted to PEMA
  - PEMA authorization is granted prior to disposition of the equipment
  - Documentation of the current fair market value from a qualified entity is obtained
  - Any proceeds are submitted to PEMA along with the proof of sale, unless used in the purchase of newer equipment
  
- Supplies with a current per-unit fair market value of less than \$5,000 may be sold or otherwise disposed of without obligation to return funds to PEMA if the following conditions are met:
  - Written request is submitted to PEMA
  - Documentation of the Fair Market Value is provided
  - PEMA authorization is granted prior to disposition of the equipment
  
- Supplies which remain unused upon termination or completion of a project or program and not needed in any other federal program, and which have an aggregate fair market value of ***\$5,000 or more*** may be either retained or sold if the following conditions are met:
  - Written request is submitted to PEMA
  - PEMA authorization is granted prior to disposition of the equipment
  - Proceeds are submitted to PEMA along with the proof of sale

*\*The written request (DGM-11) to dispose of equipment should be routed to the PEMA Resource Account [RA-GrantProgram@pa.gov](mailto:RA-GrantProgram@pa.gov).*

NOTE: Per 2 CFR 200.313, before disposing of equipment, Subrecipients are required to inquire whether other Subrecipient members have a use for such equipment. If no Subrecipient members have a use for the equipment to be disposed of, the Subrecipient is encouraged to inquire if other Federal awards from other Federal awarding agencies have use for the equipment.

If the equipment or supply item was only partially federally-funded due to additions or modifications made with non-federal grant funds after the initial purchase, the percentage of the disposition amount returned should match the percentage of federal funding.

When funds must be returned to PEMA, a check made payable to the Commonwealth of Pennsylvania in the amount of the disposition should be sent to the attention of PEMA's Fiscal Officer. Funds must be returned within 60 calendar days after disposition by sale. Payment should be accompanied by documentation of each item's fair market value and, if

applicable, proof of sale.

If equipment is transferred from one entity to another eligible federal grant recipient, such equipment is not being disposed of, then a DGM-10 (Equipment Transfer) form should be completed. Equipment may not be donated to another entity.

#### **7.7.1 Canine Retirement**

When a canine purchased with HSGP funds can no longer perform its intended duties due to death or retirement, animals being retired may be adopted by the handler. If the canine handler wishes to adopt the canine, he or she should make a request to the Subrecipient.

The Subrecipient, upon agreement with the request, will complete the DGM-06 a Transfer of Canine Ownership (retirement or death) signed by the Subrecipient and the adoptee, with the originals retained for their personal and programmatic file. The Subrecipient will send a copy of the signed form to PEMA along with a DGM-11 (Equipment Disposition) via the grants resource account at [RA-GrantProgram@pa.gov](mailto:RA-GrantProgram@pa.gov). The DGM-06 can be found on PEMA's website at [www.pema.pa.gov/Grants/HSGP/Pages/default.aspx](http://www.pema.pa.gov/Grants/HSGP/Pages/default.aspx).

In situations where the canine handler cannot adopt the animal or the Subrecipient is not in agreement with the adoption by the handler, the designated HSGP Grant Manager is to be contacted for instructions.

## Chapter 8: Subrecipient Reporting

### 8.1 Financial and Programmatic Reports

Subrecipients are required to submit financial and programmatic progress reports to ensure grant funds are expended timely and meet federal guidelines. PEMA reserves the right to withhold or offset grant funds for non-compliance with these reporting requirements.

#### 8.1.1 Financial Status Form (DGM-16)

The Financial Status Form (DGM-16) was modeled after the Federal Financial Report (FFR) form provided by FEMA. As of January 2022, submission of this form is only required when a grant is closing or at the discretion of PEMA. The latest version of this form can be found on the HSGP website. For more information, please refer to section 10.5, Final Financial Report.

#### 8.1.2 Biannual Strategic Implementation Report (BSIR)

FEMA developed a web-based grant reporting system entitled the Grants Reporting Tool (GRT). The GRT is designed to help SAAs meet all reporting requirements identified in HSGP grants. The BSIR is one of the reporting components of the GRT system. FEMA permits reporting information to be entered into the BSIR twice annually, generally in December and June (see chart below). It is accessed online at [www.reporting.odp.dhs.gov](http://www.reporting.odp.dhs.gov). If FEMA opens access to the BSIR late, extensions on submission will likely be granted.

The BSIR requires an update on the status of the Subrecipient's current obligations (planned expenses) for the grant year and project level expenditures that have been made within the reporting period. Subrecipients should update all required information, including the project status, if it has changed and any completed milestones should be indicated. Project details from the new grant applications must be entered and submitted at every December reporting period regardless of grant agreement execution. These submissions require all new project information to be entered for the new grant performance period.

If a DGM-03 has been approved since the last reporting period, the Subrecipients will need to reflect these changes with the addition of new projects and an update of the approved budgets by solution area, expense type and discipline.

The final BSIR is due when the GRT opens for the next reporting period. For grants that close between January 1 and June 30, the final BSIR is due the following July 15. For grants that close between July 1 and December 31, the final BSIR is due the following January 15.

A DGM-27 (Final BSIR Certification) form is required to be submitted in conjunction with the final BSIR. This form bridges the gap between the last BSIR submission and grant close-out, asserts that a local review and approval of the BSIR has occurred and ensures PEMA is meeting FEMA compliance requirements.

### 8.2 Reporting Schedules

HSGP Subrecipient reporting is federally required biannually on the Federal Grants Reporting Tool (GRT/BSIR), annually for inventory control (refer to section 7.2.2, Physical Equipment Inventory & Reporting), and when closing a grant.

<b>January 15</b>	<b>BSIR (Federal Grants Reporting Tool)</b>
<b>July 15</b>	BSIR (Federal Grants Reporting Tool), Annual Inventory Report (DGM-01)
<b>Grant Closeout</b>	Final DGM-16, Financial Status Report and final BSIR submission

## Chapter 9: Monitoring

### 9.1 Overview

#### 9.1.1 Federal

In accordance with the Office of Management and Budget (OMB) Circulars and program guidance, as a recipient of HSGP funds, PEMA is subject to programmatic and financial monitoring on an annual and as-needed basis by FEMA Region III Grants Management Branch staff. FEMA monitors its recipients to ensure that the project goals, objectives, performance requirements, timelines, milestone completion, budgets, and other related program criteria are being met. Monitoring may be accomplished through either a desk-based review or on-site monitoring visits or both; involves the review and analysis of the financial, programmatic, performance, compliance and administrative processes, policies, activities, and other attributes of each federal assistance award; and will identify areas where technical assistance, corrective actions and other support may be needed.

#### 9.1.2 State

In accordance with regulations cited in 2 CFR, PEMA, as the recipient is responsible for monitoring Subrecipients to ensure that all financial and programmatic responsibilities are fulfilled and in compliance with federal grant guidance, regulations, and 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 either a desk monitoring or a site monitoring for each Subrecipient every state fiscal year. The Subrecipient's activity will be monitored from award to close-out. Open, multi-year subgrants under the same program will be reviewed at the same time.

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

- Internal control policy
- Maintenance and sustainment policy
- Usage policy
- Training record
- Inventory system
- Accounting control system

Assessing project implementation, timelines, and the rate of expenditure of funds are also important aspects of the monitoring process.

## **9.2 Types of Monitoring**

As noted above, Subrecipient monitoring is carried out through both desk and site monitoring. Desk monitoring is a desk review performed remotely through phone and email communication. Site monitoring includes both a desk review and site visit, as the PEMA monitoring team physically visits a Subrecipient to assess accounting processes and to perform equipment inspections.

### **9.2.1 Desk Monitoring**

Desk monitoring consists of a financial and programmatic review. The majority of the monitoring is conducted by reviewing Subrecipient records maintained at PEMA. Subrecipients may be asked to submit additional items requiring review. If there are any deficiencies that require a Corrective Action Plan (CAP), a conference call will be scheduled with the Subrecipient to further discuss the issue.

### **9.2.2 Site Monitoring**

Site monitoring also consists of a financial and programmatic review, are conducted the same as desk monitoring, but include on-site financial reviews and equipment inspections.

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 Task Force agreement with the site visit dates, a letter describing monitoring procedures, requesting specific information and dates of the site visit is sent. Equipment inspection lists are also sent at least 30 days in advance, when possible, to allow ample time for Task Force personnel to review and voice any concerns.

## **9.3 Components of Monitoring**

### **9.3.1 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 Task Force created spreadsheets used to track grant spending
- Ensuring the Subrecipient's financial system meets the requirements as set forth in 2 CFR 200
- Examining a sample of reimbursement requests to verify that requests are complete, all required supporting documentation was provided, costs are eligible and that adequate internal controls have been implemented
- Verifying advanced funds are being relieved properly and that interest earned is being returned to PEMA
- Verifying the Subrecipient is tracking spending requirements as stated in the grant agreement, and that spending is in line with the requirements

### **9.3.2 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 and equipment 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 the Subrecipient's Records Maintenance and Retention policies
- Reviewing grant applications
- Reviewing and discussing selected projects with the Subrecipient to determine progress toward completing objectives, and to identify project inactivity or delays that may result in the return of grant funds; BSIR completion, project timelines, performance measures, and milestones are included as part of the project review
- 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
- Reviewing Subrecipient's equipment management policies and procedures to determine compliance with the regulations set forth in 2 CFR 200 and any applicable state requirements as discussed in Equipment, Chapter 7

### **9.3.3 Equipment Inspection (Site Monitoring)**

During site monitoring, PEMA physically inspects a selected sample of equipment purchased with grant funds to verify that equipment is being managed in compliance with the regulations set forth in 2 CFR 200 and any applicable state requirements. Prior to the site monitoring visit, the PEMA monitoring team selects equipment to be inspected and makes arrangements with the Subrecipient to visit the locations where the identified equipment is stored. The equipment will be inspected for proper markings, condition, mileage/usage logs, and safeguarding of assets.

## **9.4 Monitoring Reports**

PEMA will normally issue a written report within 30 days of performing its monitoring procedures. If any deficiencies are noted as "findings" in the report, the Subrecipient is required to prepare and submit a CAP within 45 days of final report issuance.

## **9.5 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(s). 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 must 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.

## Chapter 10: Grant Close-out

### 10.1 Overview

To officially close an award, the Subrecipient must be current on and have submitted all financial, performance, and other reports as required by the terms and conditions of the Federal award. This includes any backup documentation for purchases, a final Financial Report (DGM-16), and BSIR Certification Report (DGM-27). A Subrecipient grant is not considered officially closed until these documents have been received, refer to the applicable Grant Closeout Timeline for final documentation due dates (2 CFR §200.344 Closeout).

### 10.2 Grant Close-out Timeline

200 days prior	All EHP Documentation and purchase requests for motorized vehicles due
160 days prior	Grant Extension Requests must be submitted to PEMA.
130 days prior	All standard equipment requests and Allowability Request List Forms (ARL) due
120 days prior	DGM-26, 120 Day Encumbrance forms must be submitted. All funds must be encumbered, or they will be subject to deobligation.
35 days prior	Final purchase orders cut by PEMA-
<b>DAY 0</b>	<b>GRANT PERIOD ENDING DATE - GRANT CLOSSES NO NEW ACTIVITY: FINAL DATE FOR SERVICES</b>
20 days after	All equipment must be received by the Subrecipient.
30 days after	All reimbursement requests, and packing documentation must be received by PEMA
40 days after	Equipment not received must be moved or cancelled.
65 days after	Final DGM-20's and DGM-03's must be received by PEMA
80 days after	All expenditure adjustments completed and final Financial Report (DGM-16) and BSIR Certification Report (DGM-27) filed to close grant. Document retention period begins.

*Note: Timeline is subject to change due to holidays and/or weekends. Number of days prior is estimated and may be adjusted accordingly. Refer to relevant Grant Closing Timeline for more detail.*

### 10.3 Final Reimbursement Request

Final reimbursements will be processed after all reports and documentation are received and reviewed for compliance. The final DGM-07, all supporting documentation for the final reimbursement and the reconciliation of all outstanding advance funds are due within 30 days after the end of the grant performance period. Non-compliance with this 30-day requirement may affect future grant awards.

All final reports and documentation submitted to PEMA will be part of an internal review and analysis of the Subrecipient's grant file for compliance with state, federal and specific grant program guidelines and regulations.



For Subrecipients that receive advance funds, if a balance remains unrelieved at the close of the grant performance period, the remaining balance must be returned to the Commonwealth. The returned funds are due no later than 30 days after the end of the grant performance period. A cover letter accompanied by a check made payable to the Commonwealth of Pennsylvania is to be sent to the attention of the PEMA Fiscal Officer.

#### **10.4 Deobligation of Funds**

Grant funds which are not expected to be expended by the end of the performance period are subject to deobligation. This deobligation will occur once any outstanding reimbursement requests have been processed and the remaining purchase orders issued by PEMA have been closed. A final balance report showing the deobligation amount will be provided to the Subrecipient.

Grant funds may also be deobligated by a Subrecipient voluntarily, such as when a Subrecipient realizes it will not be able to fully utilize its funding before the close of the performance. To voluntarily have funds deobligated, a Subrecipient should make a request to PEMA in writing, as early as possible, to permit the potential re-allocation of funds to other Subrecipients at PEMA's discretion.

#### **10.5 Final Financial Report**

Subrecipients must use the DGM-16 to submit the final financial report via the resource account at [RA-GrantProgram@pa.gov](mailto:RA-GrantProgram@pa.gov). The final DGM-16 may not be submitted until all reimbursement requests have been paid and all equipment has been received, invoiced and paid.

The final balance report is generated by PEMA and is sent to the Subrecipient after all grant expenditures have been paid and cleared to Treasury. It is recommended that the final DGM-16 be submitted after the final Subrecipient balance report is issued.

#### **10.6 Funds Recovery**

The state, 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 funding from the subrecipient as a result of later refunds, corrections, or other transactions.

#### **10.7 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 documentation required is outlined below. All records must be kept for a minimum of seven years unless superseded by federal or state statute. The seven-year period begins the day that the Subrecipient submits their final DGM-16. This seven-year retention period may be extended until any audit findings, claims or litigations involving the records have been resolved and the final action taken. Equipment records must be maintained for the life of the equipment and for seven years



after disposition of the equipment.

*Minimum Requirements*

In addition to complying with generally accepted accounting principles, the Subrecipient must maintain an organized grant file with the following information:

- A copy of the official award packet (application, obligation letter, certifications, DGM-02, executed grant agreement, Memorandum of Understanding (MOU) or Notification of Subgrant (NOS) with all attachments)
- Copies of all purchase orders
- Copies of all Financial Status reports (DGM-16) submitted to PEMA
- Copies of all Reimbursement Requests (DGM-07) including copies of corresponding invoices, backup documentation and proof of payment documents submitted to PEMA
- Copies of all submitted equipment purchase requests, Equipment Control Forms (DGM- 08), Equipment Transfer Forms (DGM-10), and Equipment Disposal Request Forms (DGM-11) submitted to PEMA
- Copies of monitoring reports completed by PEMA and issued to the Subrecipient
- Copies of completed audits
- Copies of all grant-related correspondence and documentation
- Copies of all NIMS compliance records for all Recipients of federal grant funded activities

## **Appendix A: Roster of HSGP Grant Forms/Reports**

**DGM-01 Annual Inventory Report Form**

**DGM-02 Signatory Authority Form**

**DGM-03 Request for Project Revision**

**DGM-06 Transfer of Canine Ownership**

**DGM-07 Reimbursement Request**

**DGM-08 Equipment Control**

**DGM-10 Equipment Transfer Request**

**DGM-11 Equipment Disposal Request**

**DGM-12 Employee Monthly Time Record**

**DGM-13 Corrective Action Plan Template**

**DGM-14 Travel Expense Form**

**DGM-15 PEMA Exercise Report**

**DGM-16 Financial Status Report**

**DGM-20 Request for Transfer of Expenditures**

**DGM-24 Equipment Request Form**

**DGM-26 120 Day Encumbrance Verification**

**DGM-27 BSIR Certification Final Report**

**PEMA Course Instruction Request Form (CIR)**

**Direct Procurement Forms, A and B**

**FEMA EHP Screening Form**

## Appendix B: Abbreviations and Definitions

AEL	Authorized Equipment List
ARL	Allowability Request Letter
BSIR	Biannual Strategy Implementation Report
CAP	Corrective Action Plan
CBRNE	Chemical, Biological, Radiological, Nuclear and Explosive
CFR	Code of Federal Regulations
CIR	Course Instruction Request
COSTARS	Commonwealth of Pennsylvania's cooperative purchasing program
DGS	Department of General Services
DHS	Department of Homeland Security
EHP	Environmental Historical Preservation
ESA	Electronic Single Application
FDIC	Federal Deposit Insurance Corporation
FEMA	Federal Emergency Management Agency
FSLIC	Federal Savings and Loan Insurance Corporation
GPD	Grant Programs Directorate
GIS	Geospatial Information Systems
GRT	Grants Reporting Tool
GSA	General Services Administration
HSEEP	Homeland Security Exercise and Evaluation Program
HSGP	Homeland Security Grant Program
IB	Information Bulletin
IPP	Integrated Preparedness Plan
LETPA	Law Enforcement Terrorism Prevention Activities
MOU	Memorandum of Understanding
NEXS	National Exercise Schedule System
NGO	Nongovernmental Organization
NIMS	National Incident Management System
NTAS	National Terrorism Advisory System
NOS	Notification of Subgrant
NOFO	Notice of Funding Opportunity
OMB	Office of Management and Budget
OPSG	Operation Stonegarden
PEMA	Pennsylvania Emergency Management Agency
POP	Period of Performance
RKB	Responder Knowledge Base
SUAS	Small Unmanned Aircraft System
SAA	State Administrative Agency
SEAR	Special Event Assessment Rating
SHSP	State Homeland Security Program
SPR	Stakeholder Preparedness Review
TEP	Training and Exercise Plan
THIRA	Threat and Hazard Identification and Risk Assessment
TXD	Training and Exercise Division
UASI	Urban Areas Security Initiative

**All Hazards** – The appropriations language that funds the grant programs indicates the funds are to be used for Weapons of Mass Destruction preparedness and response activities - it has been broadened to “all hazards” to allow for building of the universally applicable capabilities, regardless of the type of hazard. When you look at the Target Capabilities list, there are only a handful of capabilities that are Weapons of Mass Destruction /terrorism specific, with the rest having applicability in the “all hazards” realm. But when using the term “all hazards”, it is inclusive of Weapons of Mass Destruction /Counter Terrorism scenarios and capabilities, not focusing on one hazard vs. another. So, when grant funding requests are reviewed, it’s with an eye as to whether there is a nexus with Weapons of Mass Destruction/Counter Terrorism. The grant funds were never intended for supporting inherent functions of the various disciplines.

**Backfill** – Costs incurred by temporarily assigning an employee to work the regularly scheduled shift of another employee who is participating in a grant funded training or exercise

**Equipment** – Tangible, non-expendable personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. Any item with an acquisition cost of \$5,000 or more per unit

**Extraordinary Vehicles** – A vehicle that does not fall within the definition of a vehicle on the current AEL list and would require an ARL approval by FEMA before purchase

**Fair Market Value** – The per-unit price that a given item would sell for in the open market. It is the price that would be agreed upon between a willing buyer and a willing seller, given that neither is required to act, and both have a reasonable knowledge of the relevant facts (i.e., there is no deliberate attempt to deceive the other party)

**Recipient** – The government to which a grant is awarded, and which is accountable for the use of the funds provided. PEMA, as the SAA, is considered the Recipient for purposes of the Homeland Security Grant Program

**Indirect costs** – Costs that have been incurred for common or joint purposes. These costs benefit more than one cost objective and cannot be readily identified with a final cost objective without effort disproportionate to the results achieved. After direct costs have been determined and assigned directly to federal awards and other activities, as appropriate, indirect costs are those remaining to be allocated to benefitted cost objectives. A cost may not be allocated to a federal award as an indirect cost if any other cost incurred for the same purpose, in like circumstances, has been assigned to a federal award as a direct cost

**Interoperable Communications** – The ability of emergency response agencies to talk across disciplines and jurisdictions via radio communications systems, to exchange voice and data with one another on demand, in real time, when needed and as authorized. (Source - SAFECOM, a program within the Department of Homeland Security)

**Local government** – A county, municipality, city, town, township, local public authority (including any public and Indian housing agency under the United States Housing Act of 1937) school district, special district, intrastate district, council of governments (whether or not incorporated as a nonprofit corporation under state law), any other regional or interstate government entity, or any agency or instrumentality of a local government

**Overtime** – These expenses are limited to the additional costs which result from personnel working over and above 40 hours of weekly work time as a direct result of grant funded activities

**Program income** – Gross income received by the Recipient or Subrecipient directly generated by a grant supported activity, or earned only because of the grant agreement during the grant period

**Real Property** – Something owned or possessed, including tangible personal property (equipment, supplies and controlled supplies) and real property (buildings, land, etc.)

**Solution Area** – Refers to one of the range of preparedness activities funded by HSGP grant programs; planning, organization, exercise, training, and equipment in addition to management and administration

**Subrecipient** – For the purposes of this guide, may be a complement of county government officials expressly authorized by a region's several counties to coordinate planning, training, preparedness, and response activities on behalf of the region's several counties (also known as a “Task Force”) as well as a state agency or any other entity which receives HSGP funding. A Subrecipient, when a subgrant has been awarded, is accountable to the Recipient for the use of the funds provided

**Supplanting** – The replacement of state or local funds with federal funds, including but not limited to the payment of licensing, permit, or insurance fees when such fees are required by state or local law

**Supplies** – Tangible personal property, other than equipment or controlled supplies, having a useful life of less than one year and an acquisition cost of less than \$5,000 per unit

**Vehicle** – Every device in, upon or by which any person or property is or may be transported or drawn upon a highway, except devices used exclusively upon rails or tracks

## **Appendix C: Homeland Security Grant Program Contact Information**

**Pennsylvania Emergency Management Agency  
1310 Elmerton Avenue  
Harrisburg, PA 17110  
RA-GrantProgram@pa.gov  
800-HBG-PEMA (800-424-7362)**