

# Program Appendix C: Nonprofit Security Grant Program (NSGP)

As a reminder, while this appendix contains NSGP-specific information and requirements, the main content of this Manual (non-appendix information) contains important information relevant to **all** preparedness grant programs, including the NSGP. Please be sure to read the main content of this Manual in addition to the program-specific appendices.

NSGP grant recipients and subrecipients may only use NSGP grant funds for the purpose set forth in the grant award and must use funding in a way that is consistent with the statutory authority for the award. Grant funds may not be used for matching funds for other federal grants or cooperative agreements, lobbying, or intervention in federal regulatory or adjudicatory proceedings. In addition, federal funds may not be used to sue the Federal Government or any other government entity.

Pre-award costs are allowable only with the prior written approval of FEMA and if they are included in the award agreement. To request pre-award costs a written request must be included with the application, signed by the Authorized Organizational Representative (AOR) of the entity. The letter must outline what the pre-award costs are for, including a detailed budget break-out of pre-award costs from the post-award costs, and a justification for approval. The following information outlines general allowable and unallowable NSGP costs guidance.

## NSGP Funding Guidelines

Recipients and subrecipients must comply with all applicable requirements of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards located at 2 C.F.R. Part 200. In administering a NSGP grant award, recipients must comply with the following general requirements:

## NSGP Priorities

See the annual NSGP NOFO.

## Allowable Costs

### Management and Administration (M&A)

M&A costs are for activities directly related to the management and administration of the award. M&A activities are those defined as directly relating to the management and administration of NSGP funds, such as financial management and monitoring. M&A expenses must be based on actual expenses or known contractual costs. Requests that are simple percentages of the award, without supporting justification, will not be allowed or considered for reimbursement.

M&A costs are not operational costs, they are the necessary costs incurred in direct support of the grant or as a consequence of the grant and should be allocated across the entire lifecycle of the grant. Examples include preparing and submitting required programmatic and financial reports, establishing and/or maintaining equipment inventory, documenting operational and equipment expenditures for financial accounting purposes, and responding to official informational requests from state and federal oversight authorities. M&A costs include the following categories of activities:

- Hiring of full-time or part-time staff or contractors/consultants responsible for activities relating to the management and administration of NSGP funds. Hiring of contractors/consultants must follow the applicable federal procurement requirements at 2 C.F.R. §§ 200.317-200.327; and
- Meeting-related expenses directly related to M&A of NSGP funds.

M&A costs are allowed under this program as described below:

- **SAA (Recipient) for NSGP-Urban Area (NSGP-UA) and NSGP-State (NSGP-S) M&A:** SAAs may use and expend up to the percent noted in the relevant fiscal year (FY) NOFO for M&A purposes (5% for FY 2022) associated with their NSGP-UA and NSGP-S awards. SAAs must be able to separately account for M&A costs associated with the NSGP-UA award from those associated with the NSGP-S, and neither can exceed the percent noted in the relevant FY NOFO (5% of each award for FY 2022).
- **Nonprofit (Subrecipient) for NSGP-UA and NSGP-S, and Community Project Funding M&A:** Nonprofit organizations that receive a subaward under this program may use and expend up to the percent noted in the relevant fiscal year (FY) NOFO for M&A purposes associated with the subaward.

## Indirect (Facilities and Administrative [F&A]) Costs

Indirect costs are allowable under this program as described in 2 C.F.R. Part 200, including 2 C.F.R. § 200.414. Applicants with a current negotiated indirect cost rate agreement that desire to charge indirect costs to an award must provide a copy of their negotiated indirect cost rate agreement at the time of application. Not all applicants are required to have a current negotiated indirect cost rate agreement. Applicants that are not required by 2 C.F.R. Part 200 to have a negotiated indirect cost rate agreement but are required by 2 C.F.R. Part 200 to develop an indirect cost rate proposal must provide a copy of their proposal at the time of application. Applicants who do not have a current negotiated indirect cost rate agreement (including a provisional rate) and wish to charge the de minimis rate must reach out to the Grants Management Specialist for further instructions. Applicants who wish to use a cost allocation plan in lieu of an indirect cost rate must also reach out to the Grants Management Specialist for further instructions. Post-award requests to charge indirect costs will be considered on a case-by-case basis and based upon the submission of an agreement or proposal as discussed above or based upon the de minimis rate or cost allocation plan, as applicable.

## National Incident Management System (NIMS) Implementation

Recipients receiving NSGP funding are strongly encouraged to implement 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.

Incident management activities require carefully managed resources (personnel, teams, facilities, equipment, and supplies). NIMS defines a national, interoperable approach for sharing resources, coordinating, and managing incidents, and communicating information. Incident management refers to how incidents are managed across all homeland security activities, including prevention, protection, mitigation, response, and recovery.

Utilization of the standardized resource management concepts such as typing, credentialing, and inventorying promote a strong national mutual aid capability needed to support delivery of core

capabilities. Recipients should manage resources purchased or supported with FEMA grant funding according to NIMS resource management guidance.

Additional information on resource management and NIMS resource typing definitions and job titles/position qualifications is on FEMA's website at <https://www.fema.gov/emergency-managers/nims/components>. Additional information about NIMS in general is available at <https://www.fema.gov/emergency-managers/nims>.

## Allowable Direct Costs

### Planning

Funding may be used for security or emergency planning expenses and the materials required to conduct planning activities. Planning must be related to the protection of the facility and the people within the facility and should include consideration of access and functional needs considerations as well as those with limited English proficiency. Planning efforts can also include conducting risk and resilience assessments on increasingly connected cyber and physical systems, on which security depends, using the [Infrastructure Resilience Planning Framework](#) and related CISA resources. Examples of planning activities allowable under this program include:

- Development and enhancement of security plans and protocols;
- Development or further strengthening of security assessments;
- Emergency contingency plans;
- Evacuation/Shelter-in-place plans;
- Coordination and information sharing with fusion centers; and
- Other project planning activities with prior approval from FEMA.

### Equipment

Allowable costs are focused on target hardening and physical security enhancements. Funding can be used for the acquisition and installation of security equipment on real property (including buildings and improvements) owned or leased by the nonprofit organization, specifically in prevention of and/or protection against the risk of a terrorist attack. This equipment is **limited to select items in the following two sections** of items on the [Authorized Equipment List](#) (AEL):

- Physical Security Enhancement Equipment (Section 14); and
- Inspection and Screening Systems (Section 15).

In addition to the select items in Sections 14 and 15 listed above, the following equipment is also allowable:

- Notification and Warning Systems; and
- Radios and Public Warning Systems – Public Address, Handheld, or Mobile.

Unless otherwise stated, equipment must meet all mandatory statutory, regulatory, and FEMA-adopted standards to be eligible for purchase using these funds, including the Americans with Disabilities Act. In addition, recipients will be responsible for obtaining and maintaining all necessary certifications and licenses for the requested equipment, whether with NSGP funding or other sources of funds (see the Maintenance and Sustainment section below for more information). In addition, recipients that are using NSGP funds to support emergency communications equipment activities must comply with the SAFECOM Guidance on Emergency Communications Grants, including provisions on technical

standards that ensure and enhance interoperable communications. This SAFECOM Guidance can be found at <https://www.cisa.gov/safecom/funding>.

Recipients and subrecipients may purchase equipment not listed on the AEL, but **only** if they first seek and obtain **prior approval** from FEMA.

Applicants should analyze the cost benefits of purchasing versus leasing equipment, especially high-cost items and those subject to rapid technical advances. Large equipment purchases must be identified and explained. For more information regarding property management standards for equipment, please reference 2 C.F.R. Part 200, including but not limited to 2 C.F.R. §§ 200.310, 200.313, and 200.316. Also see 2 C.F.R. §§ 200.216, 200.471, and [FEMA Policy #405-143-1, Prohibitions on Expending FEMA Award Funds for Covered Telecommunications Equipment or Services](#), regarding prohibitions on covered telecommunications equipment or services.

The installation of certain equipment may trigger EHP requirements. Please reference the EHP sections in the NOFO and this Manual for more information. Additionally, some equipment installation may constitute construction or renovation. Please see the Construction and Renovation section of this appendix for additional information.

## Exercises

Funding may be used to conduct security-related exercises. This includes costs related to planning, meeting space and other meeting costs, facilitation costs, materials and supplies, and documentation. Exercises afford organizations the opportunity to validate plans and procedures, evaluate capabilities, and assess progress toward meeting capability targets in a controlled, low risk setting. All shortcomings or gaps—including those identified for children and individuals with access and functional needs—should be identified in an improvement plan. Improvement plans should be dynamic documents with corrective actions continually monitored and implemented as part of improving preparedness through the exercise cycle.

The Homeland Security Exercise and Evaluation Program (HSEEP) provides a set of guiding principles for exercise programs, as well as a common approach to exercise program management, design and development, conduct, evaluation, and improvement planning. For additional information on HSEEP, refer to <https://www.fema.gov/emergency-managers/national-preparedness/exercises/hseep>. In accordance with HSEEP guidance, subrecipients are reminded of the importance of implementing corrective actions iteratively throughout the progressive exercise cycle. This link provides access to a sample After Action Report (AAR)/Improvement Plan (IP) template: <https://preptoolkit.fema.gov/web/hseep-resources/improvement-planning>. Recipients are encouraged to enter their exercise data and AAR/IP in the [Preparedness Toolkit](#).

## Maintenance and Sustainment

The use of FEMA preparedness grant funds for maintenance contracts, warranties, repair or replacement costs, upgrades, and user fees are allowable under all active and future grant awards, unless otherwise noted. Preparedness grant funds may be used to purchase maintenance contracts or agreements, warranty coverage, licenses, and user fees. These contracts may exceed the period of performance if they are purchased incidental to the original purchase of the system or equipment as long as the original purchase of the system or equipment is consistent with that which is typically provided for, or available through, these types of agreements, warranties, or contracts. When purchasing a stand-alone warranty or extending an existing maintenance contract on an already-owned piece of equipment system, coverage purchased may not exceed the period of performance of the award used to purchase the maintenance agreement or warranty. As with warranties and maintenance agreements, this extends to licenses and user fees as well.

Grant funds are intended to support the National Preparedness Goal (the Goal) and fund projects that build and sustain the core capabilities necessary to prevent, protect against, mitigate the effects of, respond to, and recover from those threats that pose the greatest risk to the security of the Nation. In order to provide recipients the ability to meet this objective, the policy set forth in [IB 379: Guidance to State Administrative Agencies to Expedite the Expenditure of Certain DHS/FEMA Grant Funding](#) allows for the expansion of eligible maintenance and sustainment costs that must be in (1) direct support of existing capabilities, (2) must be an otherwise allowable expenditure under the applicable grant program, and (3) be tied to one of the core capabilities in the five mission areas outlined in the Goal. Additionally, eligible costs may also support equipment, training, and critical resources that have previously been purchased with either federal grant or any other source of funding other than FEMA preparedness grant program dollars.

### **Construction and Renovation**

NSGP funding may not be used for construction and renovation projects without prior written approval from FEMA. In some cases, the installation of equipment may constitute construction and/or renovation. If you have any questions regarding whether an equipment installation project could be considered construction or renovation, please contact your Preparedness Officer. All recipients of NSGP funds must request and receive prior approval from FEMA before any NSGP funds are used for any construction or renovation. Additionally, recipients are required to submit a SF-424C Budget and budget detail citing the project costs and an SF-424D Form for standard assurances for the construction project. The total cost of any construction or renovation paid for using NSGP funds may not exceed the greater amount of \$1 million or 15% of the NSGP award.

All construction and renovation projects require Environmental Planning and Historic Preservation (EHP) review. Recipients and subrecipients are encouraged to have completed as many steps as possible for a successful EHP review in support of their proposal for funding (e.g., coordination with their State Historic Preservation Office to identify potential historic preservation issues and to discuss the potential for project effects, compliance with all state and local EHP laws and requirements). Projects for which the recipient believes an Environmental Assessment (EA) may be needed, as defined in [DHS Instruction Manual 023-01-001-01, Revision 01, FEMA Directive 108-1, and FEMA Instruction 108-1-1](#), must also be identified to the FEMA HQ Preparedness Officer within six months of the award and completed EHP review materials must be submitted no later than 12 months before the end of the period of performance. Additional information on EHP policy and EHP review can be found online at <https://www.fema.gov/media-library/assets/documents/90195>. EHP review packets should be sent to [gpdehpinfo@fema.gov](mailto:gpdehpinfo@fema.gov).

NSGP recipients using funds for construction projects must comply with the *Davis-Bacon Act* (codified as amended at 40 U.S.C. §§ 3141 *et seq.*). See 6 U.S.C. § 609(b)(4)(B) (cross-referencing 42 U.S.C. § 5196(j)(9), which cross-references *Davis-Bacon*). Grant recipients 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 similar to 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 (DOL) wage determinations, is available from the following website: <https://www.dol.gov/whd/govcontracts/dbra.htm>.

### **Training**

Nonprofit organizations may use NSGP funds for the following training-related costs:

- Employed or volunteer security staff to attend security-related training within the United States;

- Employed or volunteer staff to attend security-related training within the United States with the intent of training other employees or members/congregants upon completing the training (i.e., “train-the-trainer” type courses); and
- Nonprofit organization’s employees, or members/congregants to receive on-site security training.

Allowable training-related costs under the NSGP are limited to attendance fees for training and related expenses, such as materials, supplies, and/or equipment. Overtime, backfill, and travel expenses are not allowable costs.

Allowable training topics are limited to the protection of critical infrastructure key resources, including physical and cybersecurity, target hardening, and terrorism awareness/employee preparedness such as Community Emergency Response Team (CERT) training, indicators and behaviors indicative of terrorist threats, Active Shooter training, and emergency first aid training. Additional examples of allowable training courses include: “Stop The Bleed” training, kits/equipment, and training aids; First Aid and other novice level “you are the help until help arrives” training, kits/equipment, and training aids; and Automatic External Defibrillator (AED) and AED/Basic Life Support training, kits/equipment, and training aids.

Training conducted using NSGP funds must address a specific threat and/or vulnerability, as identified in the nonprofit organization’s IJ. Training should provide the opportunity to demonstrate and validate skills learned as well as to identify any gaps in these skills. ***Proposed attendance at training courses and all associated costs using the NSGP must be included in the nonprofit organization’s Investment Justification (IJ).***

### **Contracted Security Personnel**

Contracted security personnel are allowed under this program only as described in the NOFO and Manual and comply with guidance set forth in [IB 421b](#) and [IB 441](#). NSGP funds may not be used to purchase equipment for contracted security. The recipient must be able to sustain this capability in future years without NSGP funding, and a sustainment plan will be required as part of the closeout package for any award funding this capability.

Additionally, NSGP recipients and subrecipients may not use more than 50 percent of their awards to pay for personnel activities unless a waiver is approved by FEMA. For more information on the 50 percent personnel cap and applicable procedures for seeking a waiver, please see [IB 421b, Clarification on the Personnel Reimbursement for Intelligence Cooperation and Enhancement of Homeland Security Act of 2008 \(Public Law 110-412 – the PRICE Act\)](#).

### **Unallowable Costs**

The following projects and costs are considered **ineligible** for award consideration:

- Organization costs, and operational overtime costs;
- Hiring of public safety personnel;
- General-use expenditures;
- Overtime and backfill;
- Initiatives that do not address the implementation of programs/initiatives to build prevention and protection-focused capabilities directed at identified facilities and/or the surrounding communities;
- The development of risk/vulnerability assessment models;
- Initiatives that fund risk or vulnerability security assessments or the development of the IJ;
- Initiatives in which federal agencies are the beneficiary or that enhance federal property;

- Initiatives which study technology development;
- Proof-of-concept initiatives;
- Initiatives that duplicate capabilities being provided by the Federal Government;
- Organizational operating expenses;
- Reimbursement of pre-award security expenses;
- Cameras for license plate readers/license plate reader software;
- Cameras for facial recognition software;
- Weapons or weapons-related training; and
- Knox boxes.

