



NEVADA DIVISION OF EMERGENCY MANAGEMENT | HOMELAND SECURITY  
HELPING PEOPLE BEFORE, DURING, AND AFTER EMERGENCIES



**State of Nevada**  
**Office of The Military**  
**DIVISION OF EMERGENCY MANAGEMENT**  
**OFFICE OF HOMELAND SECURITY**  
**GRANT MANAGEMENT GUIDE**

Updated for FY 2025



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## **INTRODUCTION**

This Grant Management Guide assists all recipients of federal funds received by the Nevada Office of the Military, Division of Emergency Management (DEM) / Homeland Security. This guide is intended to assist direct subrecipients in meeting the financial and program grant management requirements that are conditions of receiving grant funds provided by the federal government through the DEM.

Due to the complexity of managing multiple federal programs and the related financial and programmatic requirements, this guide is intended to consolidate guidance and simplify grant requirements for all grants managed by this office

This is a living document and it will change by attachment every year due to new Federal Notices of Funding Opportunity (NOFO), Federal Grants Manual updates, and the federal and state assurances attached to the sub-awards. Recipients and sub-recipients must read each sub-grant award for specific requirements.

This document does not supplant any published guidance. In the event of conflict between the legal regulations, 2 CFR 200; NRS 332; NRS 333; OMB Regulations; and Information Bulletins, refer to the source document. All legal regulations must be satisfied when working with grants from the DEM. The most stringent set of guidelines must be used to satisfy our local, state, and federal partners.

## Record of Changes and Annual Review

<b>Change Number</b>	<b>Date of Change</b>	<b>Page or Section</b>	<b>Summary of Change</b>
1	10/23/2021	Base Plan	Inception of this Document
2	02/22/2023	Base Plan	Re-organization of Document
3	02/23/2023	Appendices	Additional Appendices
4	11/14/2023	Pages 53 – 57 and Appendix I	Procurement Policy change
5	03/04/2025	Page 76 and Appendix J	Deobligation / Reobligation process changes

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# 1. General Information

Federal grants provide an opportunity for subrecipients to build and sustain capabilities that:

- Prevent a threatened or an actual act of terrorism;
- Protect our citizens, residents, visitors, and assets against the greatest threats and hazards;
- Mitigate the loss of life and property by lessening the impact of future disasters;
- Respond quickly to save lives, protect property and the environment, and meet basic human needs in the aftermath of a catastrophic incident; or
- Recover through a focus on the timely restoration, strengthening, and revitalization of infrastructure, housing, and a sustainable economy, as well as the health, social, cultural, historic, and environmental fabric of communities affected by a catastrophic incident.

The primary objective of Federal Emergency Management Agency (FEMA) preparedness grants is to build capabilities that subrecipients otherwise would not be able to afford. They are not to replace (supplant) subrecipient costs with federal dollars.

While federal grants can provide immense benefits, they also involve significant responsibilities on the part of subrecipients. The upside is that grants are essentially “contracts” between the federal government, recipients (State of Nevada), and subrecipients. Therefore, they are governed by specific, documented requirements. The downside is that the requirements are laid out in numerous federal, state, and local laws, statutes, codes, and regulations. The intent of this manual is to provide subrecipients with the fundamental requirements of grants management in simplified and straightforward manner. Sub recipients must follow the most restrictive of federal, state, and local guidance. However, this manual does not relieve subrecipients of their responsibility for complying with all requirements - including those that are not specifically addressed in this document. Grants management can be confusing. If in doubt, simply ask DEM and we will collectively resolve all questions and issues together.

Federal agencies award numerous preparedness, mitigation, disaster, and recovery grant available from federal agencies. However, due to their prevalence in disaster preparedness in the State of Nevada, Appendices A-D have further detail on the following four common grants programs:

- EMPG – Emergency Management Performance Grant Program
  - o Funds to assist subrecipients in obtaining the resources required for implementation of the National Preparedness System (Section 1D) and the National Preparedness Goal

- o EMPG requires a 50% cost share
- HSGP – Homeland Security Grant Program
  - o Risk-based grants to assist subrecipients in preventing, preparing for, protecting against, and responding to acts of terrorism
- NSPG – Nonprofit Security Grant Program
  - o Funding for physical security enhancements and other security-related activities to nonprofit organizations that are at high risk of a terrorist attack through and integrated approach with state and subrecipient preparedness efforts
- EPWG – Emergency Preparedness Working Group
  - o Funding for specific counties that have DOE activities that may adversely affect public health.

While Appendices A-D have additional information for the four most common grant programs managed by DEM, there are other preparedness, mitigation, disaster, and recovery grants available. Subrecipients should contact DEM (DHSgrants@dem.nv.gov) with questions about applying for and managing those grant programs as well.

The common thread that runs through the EMPG, HSGP, and NSGP grants is that they are pre-disaster, preparedness grants intended to build and sustain capabilities across the five National Preparedness Goal (NPG) missions – Prevention, Protection, Mitigation, response, and Recovery. Subrecipients tie their grant-funded projects to improvements in one or more of the 32 core capabilities of the NPG.

This DEM Grant Management Guide (Manual) is intended to help subrecipients navigate and comply with the myriad federal and state requirements for grant management. Each section stands on its own so subrecipients do not have to read the Manual from start to finish. Simply go directly to the section that is pertinent to you in your phase of grants management. This section contains information that is relevant to all phases of grants. Follow-on sections then provide more details about the main grants that DEM manages with its subrecipients and requirements broken down by general phases in the lifecycle of grants:

- General SAA expectations and requirements that are pertinent to all phases of all grants
  - o DEM State Administrative Agency and its expectations
  - o National Incident Management System Requirements
- Pre-award
- Performance period
- Closeout



## ***A. DEM as the SAA/GAR***

As the Nevada State Administrative Agency (SAA), DEM is the only entity eligible to apply for and submit the application to FEMA for the Homeland Security Grant Program (HSGP) and its component programs — State Homeland Security Program (SHSP), Urban Area Security Initiative (UASI), and Nonprofit Security Grant Program (NSGP). The SAA is also the entity eligible to apply for the Emergency Management Performance Grant (EMPG). (2 CFR 200.331-332)<sup>1</sup>.

The Governor's authorized representative (GAR) is the person designated by the Nevada governor to execute all necessary documents for disaster assistance programs on behalf of the state of local grant recipients is the Chief of DEM (44 CFR 206.41(c)(d))<sup>2</sup>.

What this means is that during both preparedness and disaster grants, FEMA recognizes the DEM Chief as the spokesperson for the State of Nevada. While DEM has great responsibility in ensuring all grants are managed according to all laws and regulations, we do so in a collaborative fashion with our subgrantees so that we may collectively make the State of Nevada, its sub-jurisdictions, and tribal nations the most resilient in the nation.

## ***B. Applicant/Subrecipient General Responsibility***

Subrecipients of federal funds have been awarded the funds to carry out the goals and objectives identified in the grant. As recipients, we are all responsible for being good stewards of said grant(s) by ensuring the funds are used for their intended purpose and accounting for costs and justifying expenditures.

Subrecipients must keep detailed records of all transactions involving each grant and be able to trace each funding source for every cost and activity. Subrecipient responsibilities include but are not limited to the accounting of receipts and expenditures, cash management, maintaining adequate financial records, reporting unallowable costs charged to the award, refunding disallowed expenditures, other assessments and reviews, and ensuring overall compliance with the terms and conditions of the award or subaward, as applicable.

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<sup>1</sup>2 CFR 200.330.331, <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/subject-group-ECFR031321e29ac5bbd?toc=1>

<sup>2</sup> 44 CFR 206.41 (c) (d), <https://www.ecfr.gov/current/title-44/chapter-I/subchapter-D/part-206/subpart-B/section-206.41>

**Note:** If FEMA staff identify costs that are inconsistent with any of these requirements, these costs may be disallowed and FEMA may recover funds as appropriate, consistent with applicable laws, regulations, and policies.

### ***1) Affording a Nevada Grant***

While grants offer an opportunity to increase capabilities that would not be possible within local, tribal, and state budgets, there are significant programmatic and financial requirements required of grant recipients. One requirement of many grants that can seem prohibitive is the cost share or match. For example, per the Fiscal Year (FY) 2022 EMPG NOFO, eligible EMPG Program applicants shall agree to make available non-federal funds to carry out an EMPG Program award in an amount not less than 50% of the total project cost. In other words, the federal share applied toward the EMPG Program budget shall not exceed 50% of the total budget as submitted in the application and approved in the award (EMPG NOFO).<sup>3</sup> While a detailed discussion of matching funds is contained in Section 2,A,8) below, potential grant applicants should not be dissuaded from applying for grants due to the match requirements. There are multiple ways of meeting match requirement such as in-kind or donated matches.

### ***2) Grant Application Timeliness***

FEMA will not review applications that are received after the deadline, nor will it consider these late applications for funding. Grant submission deadlines are firm and submissions after federal/DEM deadlines will not be accepted unless applicants have been granted an extension due to extenuating circumstances beyond their control (i.e., the application system has failed). Applicants experiencing technical problems outside of their control must notify the respective FEMA Preparedness Officer or Program Manager as soon as possible and before the application deadline. FEMA's Non-Disaster (ND) Grants System has a date stamp that indicates when an application is submitted. Applicants will receive an electronic message confirming receipt of their submission. Due to the strict timing requirements, DEM establishes early deadlines for subrecipients to submit their applications so that the State can ensure the full application is complete on time.

### ***3) Subrecipient Policy Requirements***

Due to you the unique nature of local, tribal, and state communities, subrecipients should maintain their own policies to comply with state and federal guidance in the execution of their projects. For example, subrecipients may have unique policies and procedures for equipment

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<sup>3</sup> EMPG NOFO, <https://www.fema.gov/grants/preparedness/emergency-management-performance/fy-22-nofo>.

management, travel, and record keeping. Subrecipients must follow their own policy and procedures until a more stringent policy (state or federal) requires the subrecipient to adhere to these standard dealings with federal grant funds.

### ***C. NIMS Overview***

The National Incident Management System (NIMS) is a comprehensive national approach to incident management, applicable at all jurisdictional levels and across functional disciplines. NIMS provides a consistent nationwide approach for federal, state, tribal entities, local governments, and private and non-governmental organizations to work effectively and efficiently together to prepare for, respond to, and recover from domestic incidents, regardless of cause, size, or complexity.

There are four phases for NIMS Implementation. They are:

1. Staff Training
2. Evaluation of existing plans (exercise), policies, and procedures to identify aspects where NIMS needs to be integrated in them. In particular, Emergency Operations Plans (EOPs) must be evaluated for NIMS compliance.
3. Modification of existing plans, procedures, and policies to reflect NIMS adoption. This includes modification of any emergency response plans in support of the National Response Framework (NRF) and any internal emergency plans such as Continuity of Operations Plans (COOP) or Continuity of Government (COG) Plans.
4. Verification of achievement of the NIMS standards, including conducting training and exercises to demonstrate compliance with the standards.

An important component of NIMS implementation is the use of the Incident Command System (ICS) to provide a flexible and scalable, but consistent structure to organize response to emergencies and disasters. Many emergency response organizations have been using some form of ICS for many years. The ICS described in NIMS recognizes local ICS usages, and often what is used locally is acceptable for NIMS compliance, though sometimes some terminology or adaptations for ICS structure may be required.

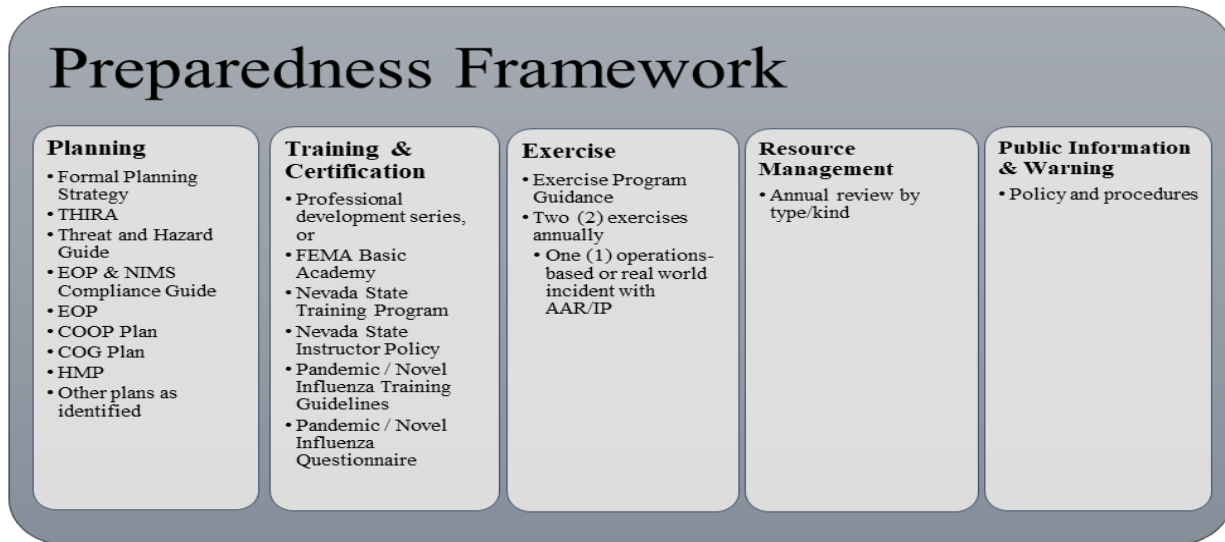
**Note:** ICS is only one element of NIMS; there are several emphasis elements.

All local, county, and tribal agencies – police, sheriff, fire, emergency medical services, emergency management, homeland security, public health, public works, and all others who have a duty to respond to emergencies – should work together on NIMS implementation. In many

counties, this activity is coordinated by the person designated as the lead for Emergency Management.

**Note:** While this section highlights the National Incident Management System (NIMS) requirements, the full implementation may be found in the “State of Nevada National Incident Management System / Preparedness Framework.”

### 1) *NIMS Preparedness Framework*



**Figure 1. State of Nevada NIMS/Preparedness Framework.**

### 2) *Planning*

The planning process is dynamic and involves an ongoing system of updating plans based on results of training, drills, exercises, responses, changes in local, state, and federal rule making, up-dated knowledge about hazards, and by incorporating changes based on best practices of other jurisdictions. With respect to grants, planning often leads jurisdictions to identify gaps between what the capabilities they desire to carry out in an ideal plan and the actual resources on hand. The planning process includes identifying resource requirements based on the threats to, and vulnerabilities of, the jurisdiction or organization. Planning also includes developing alternative strategies to obtain needed resources. Resource management personnel should consider resources necessary to support all mission areas (Prevention, Protection, Mitigation, Response, and Recover).

### ***3) Training and Certification***

Homeland Security Grant Recipients (HSGP) – including Emergency Management Performance grants (EMPG) - are required to be NIMS compliant. As of 2021, the Integrated Preparedness Plan (IPP) is the multi-year plan that defines the jurisdiction’s NIMS compliance efforts along the five POETE elements of Planning, Organizing, Equipping, Training, and Exercises. The NIMS training plan should include an identification of positions/personnel, training strategy, timeline, and documentation of training. Free training about NIMS, the NIMS component of the Incident Command System (ICS), the National Response Framework (NRF), and related topics are available from FEMA’s Emergency Management Institute (EMI). A complete list of all on-line, local, and in-resident EMI the EMI website and in the Federal Reference Materials in the References Section at the end of this document. The desired end state is for critical emergency management staff to be credentialed in FEMA’s National Qualification System (NQS). The NQS credentials will facilitate mutual aid across the state and the nation because they clearly identify each person’s qualifications.

### ***4) Exercises***

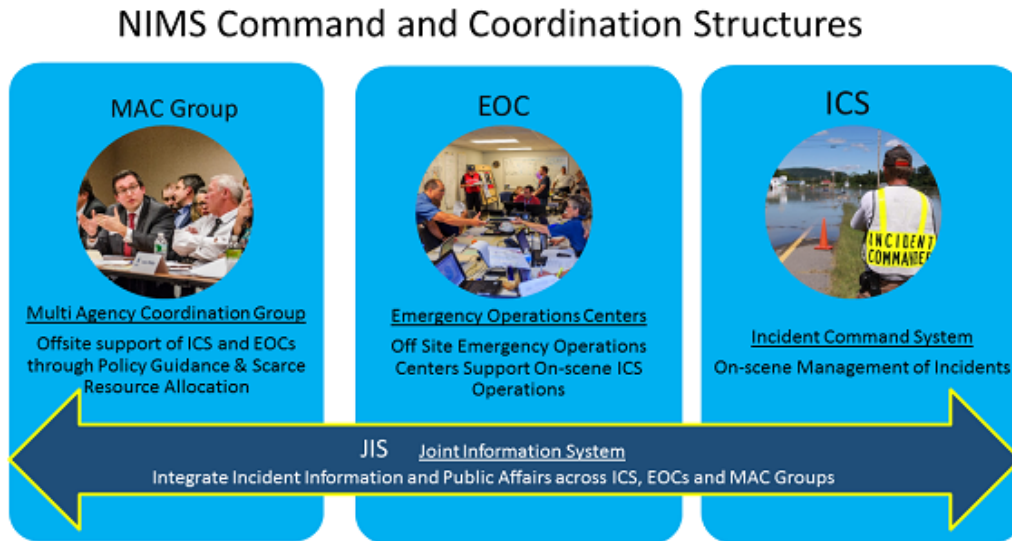
Exercises and drills are used to demonstrate proficiency in disaster and emergency response plans, and to provide qualitative and quantitative measurements on plan validation. In their NIMS compliance certification, HSGP recipients are required to conduct exercises using the Homeland Security Exercise and Evaluation Program (HSEEP) approach to all hazards exercises. When exercises are completed, NIMS calls for the development of an HSEEP-compliant After-Action Report (AAR) and incorporating corrective actions also called a Corrective Action Plan (CAP) or Improvement Plan (IP) from the AAR into preparedness and response plans and procedures. The resulting AAR for each exercise can be used to identify and where gaps exist or adjustments are needed.

### ***5) Resource Management***

Resource management under NIMS defines standardized mechanisms and establishes requirements for processes to describe, identify, inventory, mobilize, dispatch, track, and recover resources over the cycle of the incident. The resource typing system allows responders to keep track of all resources required and used for response. This is especially important when the county is receiving or providing mutual aid. Typed resources are easy to identify for replacement, upgrading, exchange or deployment.

## 6) *Public Information and Warning*

As seen in Figure 2, the Joint Information System (JIS) runs across and supports the other three NIMS Command and Coordination Structures – Multi Agency Coordination Group (MAC), Emergency Operations Center (EOC), and the Incident Command System (ICS).



**Figure 2. The Four NIMS Command and Coordination Structures.**

The JIS is responsible for:

- **Gathering** complete information for the public and other stakeholders
- **Verifying** information to ensure accuracy
- **Coordinating** information with other public information personnel who are part of the JIS to ensure consistency
- **Disseminating** consistent, coordinated, accurate, accessible, timely and complete information to the public and stakeholders

## 7) *NIMS Adoption*

The State of Nevada fully adopted NIMS and embraced its principles long before NIMS requirements were formally established in Homeland Security Presidential Directive-5 (HSPD-5). Jurisdictions at the STTL level face a diverse set of threats, hazards, and events of varying degrees of frequency, complexity, and scope that require close coordination and seamless integration to save lives, stabilize the incident, and protect property and the environment. Whether federal, state, tribal, or local governments support each other from nearby or across the

country, our success depends on a common, interoperable approach to sharing resources, coordinating and managing incidents, and communicating information. In addition, HSPD-5 requires federal departments and agencies to make adoption of the NIMS by STTL organizations a condition for Federal preparedness assistance through grants, contracts, or other activities. Quite simply, the State of Nevada has adopted NIMS because it is in the best interest of the whole community.

DEM has made it a requirement that all jurisdictions, tribes, agencies, and non-governmental organizations (NGO), receiving federal funds managed by DEM must include all of the NIMS elements in their Emergency Operations Plans (EOP) and participate in the State's annual NIMS Implementation Assessment that it reports via FEMA's Unified Reporting Tool.

DEM recognizes that it takes the whole community (volunteer, non-profit, faith and community-based organizations, the private sector, and the public, including survivors themselves) — not just the government — to effectively prepare for, protect against, respond to, recover from, and mitigate against any disaster. It is critical that emergency management works together to enable communities to develop collective, mutually supporting local capabilities to withstand the potential initial impacts of these events, respond quickly, and recover in a way that sustains or improves the community's overall well-being. How communities achieve this collective capacity calls for innovative approaches from across the full spectrum of community actors to expand and enhance existing practices, institutions, and organizations that help make local communities successful every day.

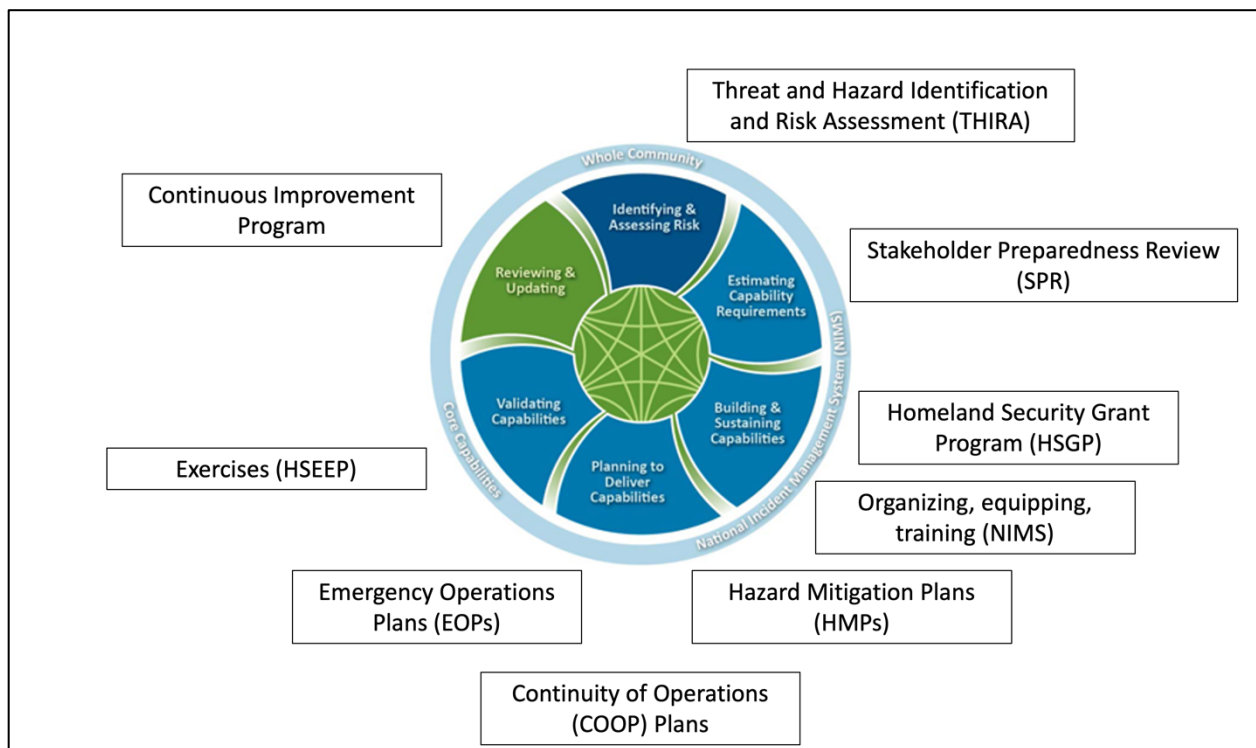
Building community resilience in this manner requires emergency managers to engage effectively with, and holistically plan for the needs of the whole community, realign emergency management practices to support local needs, and work to strengthen the institutions, assets, and networks that work well in communities on a daily basis. We can do this by greatly expanding the traditional emergency management team to include the full fabric of the community, increasing the capacity of all team members, broadening participation in all aspects of emergency management, and strengthening underlying economic, social, and environmental conditions.

One of the key requirements of NIMS compliance is for local jurisdictions which provide emergency management, public health, public works, emergency medical services, police, and/or fire response to adopt NIMS through executive order, proclamation, resolution, or legislation as the county's all-hazards, incident response system.

Jurisdictions are required to designate and maintain a single point of contact to serve as principal coordinator for NIMS implementation jurisdiction wide.

Federal agencies that provide emergency management grant funding require evidence of compliance with NIMS objectives as a condition of funding. NIMS compliance may also be included by audit and review agencies in all audits associated with federal emergency management/ preparedness awards.

### ***D. National Preparedness System (NPS) Overview***



***Figure 3. National Preparedness System.***

The State of Nevada maintains a robust, state-wide emergency management program in accordance with the Federal Emergency Management Agency’s (FEMA) National Preparedness System (NPS) as seen in Figure 3. The State of Nevada uses the National Preparedness System to build, sustain, and deliver core capabilities to achieve the National Preparedness Goal. As with the State of Nevada, sub-recipients will use the National Preparedness System to support their efforts to build, sustain, and deliver these core capabilities at their level of government. The components of the National Preparedness System are:

- Identifying and Assessing Risk
- Estimating Capability Requirements



- Building and Sustaining Capabilities
- Planning to Deliver Capabilities
- Validating Capabilities
- Reviewing and Updating.

The overall objective is to continually improve by closing core capability gaps. Therefore, grant applications must identify the core capability gaps that the projects will address. Grant recipients report on their progress toward closing capability gaps via several methods. As the recipient, DEM reports its progress in the Biannual Strategy Implementation Report (BSIR) as outlined in FEMA’s Preparedness Grants Manual. DEM must also demonstrate how the grant-funded project addressed the core capability gap associated with this project and identified in the Threat and Hazard Identification and Risk Analysis (THIRA) or Stakeholder Preparedness Review (SPR). The capability gap reduction must be addressed in the project description of the BSIR for each project. Accordingly, DEM requires subrecipients to also report their progress along the same POETE categories of planning, organization, equipment, training, and exercises.

### *1) National Preparedness Goal Mission Areas*

The National Preparedness Goal defines 32 core capabilities across five (5) mission areas – Prevention, Protection, Mitigation, Response, and Recovery. Each is defined as follows:

- **Prevention:** Prevent, avoid, or stop an imminent, threatened, or actual act of terrorism.
- **Protection:** Protect our citizens, residents, visitors, and assets against the greatest threats and hazards in a manner that allows our interests, aspirations, and way of life to thrive.
- **Mitigation:** Reduce the loss of life and property by lessening the impact of future disasters.
- **Response:** Respond quickly to save lives, protect property and the environment, and meet basic human needs in the aftermath of an incident.
- **Recovery:** Recover through a focus on the timely restoration, strengthening, and revitalization of infrastructure, housing, and a sustainable economy, as well as the health, the social, cultural, historic, and environmental fabric of communities affected by an incident.

Grant applicants identify how their projects will close core capability gaps by mission area.

### *a) National Preparedness Goal Core Capabilities*

The State of Nevada and its sub-jurisdictions contribute to the implementation of the National Preparedness System by supporting the building, sustaining, and delivery of the 32 core capabilities across five (5) mission areas (Table 1).

Prevention		Protection		Response		Recovery	
Planning							
Public Information & Warning							
Operational Coordination							
Intelligence & Information Sharing				Infrastructure Systems			
Interdiction & Disruption				Critical Transportation		Economic Recovery	
Screening, Search, & Detection				Environmental Response/Health & Safety		Health & Social Services	
Forensics & Attribution		Access Control & Identity Verification		Fatality Management Services		Housing	
		Cybersecurity		Fire Management & Suppression		Natural & Cultural Resources	
		Physical Protective Measures		Logistics & Supply Chain Management			
		Risk Management for Protection Programs & Activities		Mass Care Services			
		Supply Chain Integrity & Security		Mass Search & Rescue Operations			
				On-scene Security, Protection, & Law Enforcement			
				Operational Communications			
				Public Health, Healthcare, & Emergency Medical Services			
				Situational Assessment			

**Table 1. Prevention, Protection, Response, and Recovery Core Capabilities Addressed.**

DEM builds and maintains capabilities following FEMA’s core capabilities, in part, using federal grant funds. DEM prioritizes grant funds expenditures to close capability gaps or sustain capabilities identified in the Threat and Hazard Identification and Risk Assessment (THIRA)/Stakeholder Preparedness Review (SPR) process and other relevant information sources, such as:

- After-action reports (AARs) following exercises or real-world events
- Audit and monitoring findings
- Hazard Mitigation Plans
- Other deliberate planning products

The State of Nevada’s annual THIRA/SPR workshops are the venue for local, tribal, and state agencies to provide input to the gap-development process and ensure their efforts are aligned with the state’s.

## *2) Strategic Planning and the POETE Model*

Per Homeland Security Grant Program (HSGP) guidance, DEM annually updates its Integrated Preparedness Plan (IPP). The IPP is a strategic, multi-year plan that documents progress and outlines future efforts by priority across the five POETE elements:

- Planning – development of policies, plans, procedures, mutual aid agreements, strategies, and other publications; also involves the collection and analysis of intelligence and information
- Organization – individual teams, an overall organizational structure, and leadership at each level in the structure
- Equipment – equipment, supplies, and systems that comply with relevant standards
- Training – content and methods of delivery that comply with relevant training standards
- Exercises – exercises and actual incidents that provide an opportunity to demonstrate, evaluate, and improve the ability of core capabilities to perform assigned missions and tasks to standards

The State of Nevada, through the Hazards Mitigation Planning Subcommittee and the annual Threat and Hazards Identification and Risk Assessment (THIRA), identifies the natural and man-made threats and hazards that may impact the state. The process identifies, ranks, and assesses the capability of the state and local jurisdictions to mitigate against, protect against, respond to, and recover from threats and hazards. This process also allows the state to develop a gap analysis based on Planning, Organization, Equipment Training, Exercise and Evaluation (POETE) and from that develop a strategic emphasis on the development and revisions of plans. This strategic emphasis from the State Resiliency Commission drives planning priorities. Subrecipients should similarly prioritize their desired grant project along the States' priorities outlined in its annual IPP and State Resiliency Commission guidance.

## 2. Pre-Award

While pre-award activities and requirements vary by grant, there are common considerations and actions managed by DEM. In order for DEM to manage grant awards while maximizing the benefit effectively and efficiently to jurisdictions across the state, DEM requires prospective subrecipients to first submit an application outlining their intentions of the award via ZoomGrants unless otherwise stipulated. This section outlines DEM's methodology for standardizing grant applications so the merits of each application may be evaluated fairly.

### *A. Building a Budget*

A budget is nothing more than a document, typically a spreadsheet, that provides a detailed itemization of the intent for use of funds and may be summarized when acceptable. However, requirements for what must be included and/or considered must meet federal and state guidelines.

#### *1) Costs*

The bottom line is that subrecipients are responsible for the efficient and effective administration of federal grant funds through sound management practices and they are responsible for administering those funds in a manner consistent with underlying agreements, program objectives, and the terms and conditions of the federal award. Subrecipients have the primary responsibility for employing whatever form of sound organization and management techniques may be necessary to administer the grant award (2 CFR 200.400(a)-(c)).<sup>4</sup>

The Uniform Administrative Requirements, Cost Principles, and Audit Requirements are located in 2 CFR 200 Subpart E and (2 CFR, E 200)<sup>5</sup> and summarized in Information Bulletin (IB) 400 (IB 400).<sup>6</sup> Subrecipients will follow 2 CFR Subpart 200 guidance unless.

The Cost Principles establish standards for the allowability of costs, provide detailed guidance on the cost accounting treatment of costs as direct or administrative costs, and set forth allowability principles for selected items of cost. More specifically, except as otherwise stated in the applicable program appendix to the Manual or the program NOFO, costs charged to awards covered by this Manual must be consistent with the Cost Principles for Federal Awards located at 2 CFR 200, E. While staying in line with the many cost principles may seem daunting, DEM

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<sup>4</sup> 2 CFR 200.400(a)-(b), [https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-E/subject-group-ECFR1f52baf5ea70fff/section-200.400#p-200.400\(b\)](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-E/subject-group-ECFR1f52baf5ea70fff/section-200.400#p-200.400(b)).

<sup>5</sup> 2 CFR 200, E, <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200?toc=1>.

<sup>6</sup> IB 400, [https://www.fema.gov/sites/default/files/2020-08/InformationBulletin400\\_2CFRPart200.pdf](https://www.fema.gov/sites/default/files/2020-08/InformationBulletin400_2CFRPart200.pdf).

is here to help and ensure we all collectively succeed. If in doubt about any costs do not hesitate to contact us.

## **2) General Cost Principles**

Costs must be reasonable, allocable, and necessary to the project and comply with the federal and state requirements. A cost is reasonable if its nature and extent does not exceed that incurred by a reasonable person (2 CFR 200.404)<sup>7</sup>.

A cost is allocable to a particular federal award if the goods or services are chargeable or assignable with relative benefits received:

- Are incurred specifically for the grant
- Benefits can be distributed proportionally to both the federal award and the work of the non-federal entity
- Is necessary to the overall operations of the nonfederal entity (2 CFR 200.405).<sup>8</sup>

**Note:** Budget reporting may take several forms depending on the grant (i.e., in the form of P.O.E.T.E. for DEM management and reporting).

## **3) Allowable Costs**

Allowable costs are those costs identified in each of the grant programs' guidance respectively and in conjunction with the OMB circulars, as noted below. Except where otherwise authorized by statute, costs for federal awards must (2 CFR 200.403(a)):<sup>9</sup>

- Be necessary and reasonable for the performance of the Federal Award
- Conform to any limitations or exclusions set forth in these principles or in the federal award.
- Be consistent with federal, state, and local policies and procedures
- Be consistent with treatment of costs
- Be determined in accordance with generally accepted accounting principles (GAAP), except, for state and local governments and Indian tribes only, as otherwise provided for in this part.

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<sup>7</sup> 2 CFR 200.404, <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-E/subject-group-ECFRea20080eff2ea53/section-200.404>.

<sup>8</sup> 2 CFR 200.405, <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-E/subject-group-ECFRea20080eff2ea53/section-200.405>

<sup>9</sup> 2 CFR 200.403(a), <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-E/subject-group-ECFRea20080eff2ea53/section-200.403#p-200.403>.

- Not be included as a cost or used to meet cost sharing or matching requirements of any other federally financed program in either the current or a prior period (2 CFR 200.306(b)).<sup>10</sup>
- Be adequately documented (2 CFR 200.300-200.309)<sup>11</sup>.
- Cost must be incurred during the approved budget period (2 CFR 200.308)<sup>12</sup>.

All costs charged to awards covered by FEMA Preparedness Grants Manual must comply with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements at 2 CFR 200, unless otherwise indicated in this Manual, the applicable program NOFO, or the terms and conditions of the award. For more information on FEMA's implementation of 2 CFR 200, see Information Bulletin (IB) No. 400.<sup>13</sup>

#### ***4) Management and Administration (M&A) Costs***

Management and administration (M&A) costs are allowed per guidance for each grant in the FEMA Preparedness Grants Manual and specific NOFO. Recipients may use a maximum of 5% of HSGP funds awarded for their M&A, and any funds retained are to be used solely for M&A purposes associated with the HSGP award.

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, responding to official informational requests from state and federal oversight authorities, including completing the Civil Rights Evaluation Tool as required by DHS, and grant performance measurement or evaluation activities. (FEMA FY 2022 Preparedness Grants Manual)<sup>14</sup>

#### ***5) Indirect Costs***

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

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<sup>10</sup> 2 CFR 200.306(b), [https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/section-200.306#p-200.306\(b\)](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/section-200.306#p-200.306(b)).

<sup>11</sup> 2 CFR 200.300-200.309, <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D?toc=1>.

<sup>12</sup> 2 CFR 200.308, <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/section-200.308>.

<sup>13</sup> FEMA Grant Programs Directorate Information Bulletin No. 400, 12/23/14,

[https://www.fema.gov/sites/default/files/2020-08/InformationBulletin400\\_2CFRPart200.pdf](https://www.fema.gov/sites/default/files/2020-08/InformationBulletin400_2CFRPart200.pdf).

<sup>14</sup> FEMA FY 2022 Preparedness Grants Manual, H-16.

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 (FEMA FY 2022 Preparedness Grants Manual)<sup>15</sup>. 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 instruction.

### **6) Planning Costs**

Planning costs are allowed for EMPG, HSGP, NSGP and EPWG. Planning projects are typically encouraged in grant NOFOs. However, each grant program has a specific focus so reference the respective NOFO and grant section in this Manual for the type of planning costs that are allowed.

### **7) Organization Costs**

Organization costs are allowed in EMPG and HSGP grants. Similar to planning, the types of costs allowed vary in scope and focus for each grant so reference the respective NOFO and grant section in this Manual for the type of planning costs that are allowed.

Salary and fringe benefits for services during the PoP are allowable costs under 2 CFR 200 (2 CFR 200.430(a)).<sup>16</sup> Contact DEM (DHSgrants@dem.nv.gov ) with any questions about allowable costs and refer to 2 CFR 200.430 for more details (2 CFR 200.430(a)).<sup>17</sup> The total compensation for individual employees must:

1. Be reasonable for the services rendered and conforms to the established written policy of the subrecipient consistently applied to both federal and subrecipient activities;
2. Follow an appointment made in accordance with a subrecipient's laws and/or rules or written policies and meets the requirements of federal statute, where applicable; and
3. Be determined and supported in part:
  - a. Must be based on records that accurately reflect the work performed
  - b. Charges for the salaries and wages of nonexempt employees must also be supported by records indicating the total number of hours worked each day

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<sup>15</sup> FEMA FY 2022 Preparedness Grants Manual, H-16.

<sup>16</sup> 2 CFR 200.430(a), [https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-E/subject-group-ECFRRed1f39f9b3d4e72/section-200.430#p-200.430\(a\)](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-E/subject-group-ECFRRed1f39f9b3d4e72/section-200.430#p-200.430(a)).

<sup>17</sup> 2 CFR 200.430(a), [https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-E/subject-group-ECFRRed1f39f9b3d4e72/section-200.430#p-200.430\(a\)](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-E/subject-group-ECFRRed1f39f9b3d4e72/section-200.430#p-200.430(a)).

- c. Salaries and wages of employees used in meeting cost sharing or matching requirements on federal awards must be supported in the same manner as salaries and wages claimed for reimbursement from federal awards
- d. Substitute processes or systems for allocating salaries and wages to federal awards may be used approved by the cognizant agency for indirect cost. Such systems may include, but are not limited to, random moment sampling, “rolling” time studies, case counts, or other quantifiable measures of work performed (2 CFR 200.430(i)(5)).<sup>18</sup>
- e. Overtime and Backfill Costs: Please reference the fiscal year-specific grant NOFO and FEMA Preparedness Grants Manual. Clarifications can be determined by emailing DHSgrants@dem.nv.gov.

### **8) Equipment Costs**

Equipment is tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the State of Nevada for financial statement purposes, or \$5,000 (2 CFR 200.1 “Equipment”).<sup>19</sup> Subrecipients shall use the State of Nevada threshold for equipment of \$5,000 and establish equipment/asset management internal controls/policies and procedures.

**Note:** Large equipment purchases must be identified and explained (FEMA FY 2022 Preparedness Grants Manual).<sup>20</sup>

#### **a) General Equipment Guidelines**

Recipients should analyze the costs and benefits of purchasing versus leasing equipment, especially high-cost items and those subject to rapid technical advances. Subrecipients must do the following as outlined by 2 CFR 200.313(a):<sup>21</sup>

- Use the equipment for the authorized purposes of the project during the period of performance, or until the property is no longer needed for the purposes of the project

<sup>18</sup> 2 CFR 200.430(i)(5), [https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-E/subject-group-ECFRed1f39f9b3d4e72/section-200.430#p-200.430\(i\)\(5\)\(i\)](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-E/subject-group-ECFRed1f39f9b3d4e72/section-200.430#p-200.430(i)(5)(i)).

<sup>19</sup> 2 CFR 200.1 “Equipment”, [https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200#p-200.1\(Equipment\)](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200#p-200.1(Equipment)).

<sup>20</sup> FEMA FY Fiscal 2022 Preparedness Grants Manual, H-21, [https://www.fema.gov/sites/default/files/documents/fema\\_fy-2022-preparedness-grants-manual.pdf](https://www.fema.gov/sites/default/files/documents/fema_fy-2022-preparedness-grants-manual.pdf).

<sup>21</sup> 2 CFR 200.313(a), [https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/subject-group-ECFR8feb98c2e3e5ad2#p-200.313\(a\)](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/subject-group-ECFR8feb98c2e3e5ad2#p-200.313(a)).



- Not encumber the property without approval of the Federal awarding agency or pass-through entity
- Use and dispose of the property in accordance with 2 CFR 200.313 (b), (c), and (e).<sup>22</sup>

***b) Authorized Equipment List***

The 21 allowable equipment categories and equipment standards listed on the web-based version of the Authorized Equipment List (AEL) are available at <https://www.fema.gov/authorized-equipment-list>. Unless otherwise stated, equipment must meet all mandatory regulatory requirements of procurement to be eligible for purchase using grant funds. Subrecipients are responsible for obtaining and maintaining all necessary certifications and licenses for the requested equipment.

The AEL list includes the following categories for searching and/or determining allowability for subrecipients to acquire them:

- AEL code: i.e., OIAR-01-SAR
- Item title: i.e., Respirator, supplied air
- Item description: i.e., A positive-pressure respiratory protective device, etc.
- FEMA Related Grant Programs – EMPG, UASI, SHSP, etc.
  - Note - the grant you are attempting to procure for must be included in this list.
- Grants notes: Read all notes regarding referrals to AEL codes, etc., to ensure eligibilities and appropriateness of items to be purchased towards particular grants

**Note:** All equipment invoices must have the AEL number written on each invoice with brief clarifying information as to what the purchased equipment is and how it is related to the project.

Equipment costs are allowed for EMPG, HSGP, NSGP and EPWG. Inform the grants team at DEM (DHSgrants@dem.nv.gov) to request such items in an application to ensure the proper AEL's are utilized.

***c) Capital Expenditures for Special Purpose Equipment***

Capital expenditures for special purpose equipment are allowable as direct costs, provided that items with a unit cost of \$5,000 or more have the prior written approval of the federal awarding agency or pass-through entity (2 CFR 200.439(b)(2)).<sup>23</sup>

<sup>22</sup> 2 CFR 200.313, [https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/subject-group-ECFR8feb98c2e3e5ad2/section-200.313#p-200.313\(a\)](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/subject-group-ECFR8feb98c2e3e5ad2/section-200.313#p-200.313(a)).

<sup>23</sup> 2 CFR 200.439(b)(2), [https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-E/subject-group-ECFRed1f39f9b3d4e72/section-200.439#p-200.439\(b\)\(2\)](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-E/subject-group-ECFRed1f39f9b3d4e72/section-200.439#p-200.439(b)(2)).

Costs for equipment and other capital expenditures are unallowable as indirect costs (2 CFR 200.439(b)(7)).<sup>24</sup>

See the respective sections in this Manual for EMPG, HSGP, NSGP, and EPWG allowable equipment costs. Common restrictions across EMPG, HSGP, and NSGP are as follows:

- Large equipment purchases must be identified and explained
- Communications equipment must comply with SAFECOM guidance (SAFECOM)<sup>25</sup>

***d) Critical Emergency Supplies***

Critical emergency supplies – shelf stable products, water, and basic medical supplies are allowable under EMPG and HSGP (FEMA Preparedness Grants Manual).<sup>26</sup>

***e) Fixed or Rotary Wing Aircraft***

Purchase of fixed or rotary wing aircraft (AEL #18AC-00-ACFT - Aircraft, CBRNE ) will continue to require a waiver from FEMA by consulting the appropriate FEMA Program Analyst, providing a detailed justification for obligating funds in this category, and receiving approval to obligate funds. A detailed justification must address the following: (IB-426)<sup>27</sup>

- The need for the aircraft and how the requested platform best meets that need as compared to other options;
- How the requested aircraft fits into the State/Urban Area's integrated operational plans;
- Types of terrorism incident response and prevention equipment with which the requested aircraft will be outfitted, if purchased using HSGP funds;
- How the aircraft will be used operationally and which response assets will be deployed using the requested aircraft; and
- How the aircraft will be utilized on a regular, non-emergency basis.

Licensing, registration fees, insurance, and all ongoing operational expenses will continue to be the responsibility of the grantee or the local units of government and are not allowable under the grant.

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<sup>24</sup> 2 CFR 200.439(b)(7), [https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-E/subject-group-ECFRd1f39f9b3d4e72/section-200.439#p-200.439\(b\)\(7\)](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-E/subject-group-ECFRd1f39f9b3d4e72/section-200.439#p-200.439(b)(7)).

<sup>25</sup> SAFECOM, <https://www.cisa.gov/safecom/funding>

<sup>26</sup> FEMA Preparedness Grants Manual, P. B-12, H-6.

<sup>27</sup> Information Bulletin IB-426, [https://www.fema.gov/sites/default/files/2020-08/ib\\_426\\_controlled\\_equipment\\_recission\\_11-1-17.pdf](https://www.fema.gov/sites/default/files/2020-08/ib_426_controlled_equipment_recission_11-1-17.pdf).

***f) Small Unmanned Aircraft Systems (SUAS)***

1. Small Unmanned Aircraft Systems (AEL #03OE-07-SUAS - System, Small Unmanned Aircraft) are considered aircraft and may not have weapons of any kind (including firearms, grenade launchers, bayonets); ammunition; and weaponized aircraft, vessels, and vehicles of any kind remain unallowable expenses under any FEMA preparedness grant program. In addition, all requests to purchase SUAS with FEMA grant funding must also include copies of the policies and procedures in place to safeguard individuals' privacy, civil rights, and civil liberties of the jurisdiction that will purchase, take title to, or otherwise use the SUAS equipment, see Presidential Memorandum: Promoting Economic Competitiveness While Safeguarding Privacy, Civil Rights, and Civil Liberties, in Domestic Use of Unmanned Aircraft Systems, issued February 20, 2015. (IB 426)<sup>28</sup>
2. Counter UAS (counter drone) projects need to seek advice of counsel experienced with both federal and state criminal, surveillance, and communications laws as FEMA does not have the authority to approve non-federal public or private use of UAS detection or mitigation capabilities (Counter UAS Mitigation).<sup>29</sup>

***g) Communications Equipment***

Communications equipment and services cost area allowable for EMPG, HSGP, NSGP, and EPWG grants. Due to the security risks inherent in the use of communications systems, there are specific additional requirements when purchasing communications equipment and services. Subrecipients are responsible for obtaining and maintaining all necessary certifications and licenses for the requested equipment. Investments in emergency communications systems and equipment must meet applicable SAFECOM Guidance recommendations. Such investments must be coordinated with the SWIC and the State Interoperability Governing Body (SIGB) to ensure interoperability and long-term compatibility (SAFECOM).<sup>30</sup>

***h) Communication Towers Construction***

All construction of communication towers requires EHP review (PL 89-665).<sup>31</sup> Subrecipients must submit evidence that the Federal Communication Commission's Section 106 review

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<sup>28</sup> IB 426, [https://www.fema.gov/sites/default/files/2020-08/ib\\_426\\_controlled\\_equipment\\_recission\\_\\_11-1-17.pdf](https://www.fema.gov/sites/default/files/2020-08/ib_426_controlled_equipment_recission__11-1-17.pdf)

<sup>29</sup> Advisory on the Application of Federal Laws to the Acquisition and Use of Technology to Detect and Mitigate Unmanned Aircraft Systems, <https://www.dhs.gov/publication/interagency-legal-advisory-uas-detection-and-mitigation-technologies>

<sup>30</sup> SAFECOM, <https://www.cisa.gov/safecom/funding>.

<sup>31</sup> PL 89-665, <https://www.govinfo.gov/content/pkg/STATUTE-80/pdf/STATUTE-80-Pg915.pdf#page=1>.

process has been completed and submit all documentation resulting from that review to FEMA with the GPD Environmental and Historic Preservation forms for review<sup>32</sup>.

### ***9) Warranty Costs, Subscriptions, and Maintenance and Sustainment Agreements***

See the respective sections in this Manual for EMPG, HSGP, NSGP, and EPWG allowable equipment costs. Common restrictions across EMPG, HSGP, and NSGP are as follows:

#### ***a) EMPG, HSGP, and NSGP Maintenance and Sustainment Costs Incidental to the Original Purchase***

Maintenance and sustainment costs are allowable for EMPG, SHSP and UASI, and NSGP. Subrecipients may use preparedness grant funds for maintenance contracts, warranties, repair or replacement costs, upgrades, and user fees are allowable under all active grant awards, unless otherwise noted (IB 379).<sup>33</sup> Maintenance and sustainment costs must be (IB 379):<sup>34</sup>

1. In direct support of existing capabilities;
2. An otherwise allowable expenditure under the applicable grant program;
3. Tied to one of the core capabilities in the five mission areas contained within the Goal, and;
4. Shareable through the EMAC.

In addition, Subrecipients may also use grant funds for eligible costs for equipment, training, and critical resources that have previously been purchased with non-FEMA preparedness grant program dollars.

Relevant to the grant funded purchase of maintenance agreements or extended warranties, IB #379 updated the policy outlined in IB #336, no longer requiring the equipment or systems for which the maintenance is being purchased to have been originally purchased with DHS/FEMA preparedness grant funds. Subject to one limited exception, the length or term of the maintenance agreement purchased may not exceed the period of performance of the grant funding with which the maintenance agreement is being purchased. For example, a maintenance agreement purchased with FY 2012 grant funding may not provide maintenance or warranty

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<sup>32</sup> 6U.S.C.609(b)(4)(B) 420.S.C.5196(j)(9)

<sup>33</sup> [https://www.fema.gov/sites/default/files/2020-08/IB\\_379\\_guidance\\_state\\_admin\\_agencies\\_expedite\\_expenditure\\_certain\\_dhs-fema\\_funding.pdf](https://www.fema.gov/sites/default/files/2020-08/IB_379_guidance_state_admin_agencies_expedite_expenditure_certain_dhs-fema_funding.pdf)

<sup>34</sup> IB 379, [https://www.fema.gov/sites/default/files/2020-08/IB\\_379\\_guidance\\_state\\_admin\\_agencies\\_expedite\\_expenditure\\_certain\\_dhs-fema\\_funding.pdf](https://www.fema.gov/sites/default/files/2020-08/IB_379_guidance_state_admin_agencies_expedite_expenditure_certain_dhs-fema_funding.pdf)

coverage beyond the expiration of the period of performance for your FY 2012 grant (FP 205-402-125-1).<sup>35</sup>

The exception to the requirement is that if the maintenance contract or extended warranty is purchased incidental to (i.e., at the same time and under the same grant award as) the original purchase of the system or equipment, coverage may exceed the period of performance, as long as the coverage purchased 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 or 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 policy extends to licenses and user fees as well (FP 205-402-125-1).<sup>36</sup>

If the Invoice looks like this, you do not have to prorate the warranty:

- 1 – Radio with a five-year warranty = \$4,000

The cost of an equipment maintenance agreement may extend beyond the PoP because the warranty is incidental to the purchase of the radio assuming it is consistent with a typical warranty.

Except for maintenance plans or extended warranties purchased incidental to the original purchase of the equipment, the period covered by maintenance or warranty plan must not exceed the PoP of the specific grant funds used to purchase the plan or warranty. 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, and it may only cover equipment purchased with HSGP funds or for equipment dedicated for HSGP-related purposes. As with warranties and maintenance agreements, this extends to licenses and user fees as well.

***b) Warranty, Subscription, or Maintenance Costs Not Incidental to the Original Purpose***

The cost associated with the warranty, subscription, or maintenance agreement, may only be paid for the amount of time in the performance period of the grant and if the cost is not incidental to the original purpose. An example would be if the sub-recipient purchased a radio and a five-year warranty outside of the original purchase price of the radio. If the warranty was purchased after the initial purchase, proration applies.

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<sup>35</sup> FP 205-402-125-1, [https://www.fema.gov/sites/default/files/2020-08/fema\\_gpd\\_maintenance-policy.pdf](https://www.fema.gov/sites/default/files/2020-08/fema_gpd_maintenance-policy.pdf).

<sup>36</sup> FP 205-402-125-1, [https://www.fema.gov/sites/default/files/2020-08/fema\\_gpd\\_maintenance-policy.pdf](https://www.fema.gov/sites/default/files/2020-08/fema_gpd_maintenance-policy.pdf).

The Invoice would look similar to this:

- 1 – Radio - \$3,000
- 2 – Five-year warranty for one radio- \$1,000
- 3 – Total Invoice \$4,000

The prorated amount for the warranty is 60 months at the cost of \$16.66 per month for five years. Let's say we only have 14 months left on the performance period from the date of purchase, =  $14 \times 16.66 = \$233.24$ ; only \$233.24 can be charged to this grant. However, if the item is an allowable expense in the following year's grant guidance, additional warranty costs may be charged against that grant award within its respective period of performance. If the additional warranty is not in the following year's grant allowance, the agency will pay for it themselves. Do not break this invoice up in quarters; pay it one time in the grant.

### ***10) Training Costs***

The cost of training and education provided for employee development is allowable (2 CFR 200.473).<sup>37</sup> Training costs are allowed for EMPG, HSGP, NSGP and EPWG. However, each grant program has a specific focus so see the respective NOFO and grant section in the FEMA Preparedness Grant Manual for the type of training costs that are allowed.

### ***11) Exercise Costs***

Exercise costs are allowed for EMPG, HSGP, NSGP and EPWG. However, each grant program has a specific focus so see the respective NOFO and grant section in the FEMA Preparedness Grant Manual for the type of planning costs that are allowed. Subrecipients should first contact DEM/Preparedness Section for exercise resources. EMPG, HSGP, and NSGP subrecipients should manage and conduct exercises per the Homeland Security Exercise and Evaluation Program (HSEEP).<sup>38</sup> Although not required by the Department of Energy (DOE), subrecipients of EPWG are also highly encouraged to also use HSEEP to manage and conduct their exercises.

Some exercise activities require EHP review, including exercises, drills or trainings that require any type of land, water, or vegetation disturbance or building of temporary structures or that are not located at facilities designed to conduct training and exercises (EHP Guidance).<sup>39</sup>

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<sup>37</sup> 2 CFR 200.473, <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-E/subject-group-ECFRred1f39f9b3d4e72/section-200.473>.

<sup>38</sup> HSEEP, <https://www.fema.gov/emergency-managers/national-preparedness/exercises/hseep>.

<sup>39</sup> EHP Guidance, <https://www.fema.gov/grants/guidance-tools/environmental-historic> .

## ***12) Construction and Renovation***

Construction and Renovation costs are allowable for EMPG, HSGP, and NSGP grants. They must be pre-approved by FEMA in writing prior to NSGP grants. Construction and renovation projects for a subrecipient government's principal Emergency Operations Center (EOC), as defined by the SAA are allowable under the EMPG Program. Other facilities such as for the storage and distribution of critical emergency supplies and/or to serve as a staging area may also be authorized. However, FEMA must provide written approval prior to the use of any EMPG Program funds for construction or renovation (Preparedness Grants Manual).<sup>40</sup>

Project construction using HSGP/SHSP and UASI funds may not exceed the greater of \$1 million or 15% of the grant award. For the purposes of the limitations on funding levels, communications towers are not considered construction. See guidance on communication towers below. The additional Construction and Renovation guidance is the same as EMPG.

### ***a) Davis-Bacon Act Compliance***

Subrecipients using funds for construction projects must comply with the *Davis-Bacon Act* and subsequent legislation (40 U.S.C. §§ 3141 *et seq.*).<sup>41</sup> Information on these acts can be found on the Department of Labor's website at <http://www.dol.gov/whd/govcontracts/dbra.htm>.<sup>42</sup>

### ***b) Accessibility Compliance***

Preparedness grant subrecipients using funds to build or alter buildings must comply with accessibility requirements under the Rehabilitation Act of 1973 and Architectural Barriers Act of 1968 (ABA), as well as the Americans with Disabilities Act (ADA).<sup>43</sup>

## ***13) Acquisition and Leasing of Real Property***

EMPG Subrecipients may acquire real property if it is needed to support other allowable program costs or activities (IB 458a).<sup>44</sup> However, just as with construction and renovation, subrecipients must obtain advanced approval through DEM to the cognizant FEMA Regional

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<sup>40</sup> Preparedness Grants Manual, C-5, H-25, [https://www.fema.gov/sites/default/files/documents/fema\\_fy-2022-preparedness-grants-manual.pdf](https://www.fema.gov/sites/default/files/documents/fema_fy-2022-preparedness-grants-manual.pdf).

<sup>41</sup> 40 u.s.c. § 3141 *et seq*

<sup>42</sup> <http://www.dol.gov/whd/govcontracts/dbra.htm>

<sup>43</sup> <https://www.access-board.gov/ada/guides/chapter-1-using-the-ada-standards/#differences-between-the-aba-and-ada-standards>

<sup>44</sup> IB 458a, [https://www.fema.gov/sites/default/files/documents/fema\\_ib458a-clarifying-guidance.pdf](https://www.fema.gov/sites/default/files/documents/fema_ib458a-clarifying-guidance.pdf).



Administrator prior to obligating funds towards the property and must report on the status of the acquired property on an annual basis using SF-429-A.<sup>45</sup>

EMPG subrecipients may also lease real property but must also expend the funds for the lease within the period of performance of the associated award(s).

Refer to 2 CFR 200.449 for guidance on the allowability of interest costs.<sup>46</sup>

***a) Use and Disposition of Real Property***

Refer to FEMA Grant Preparedness Manual, (2 CFR 200.31) or 1B458a for requirements.

***14) Unallowable Costs***

Refer to the program guidelines, including the NOFO and FEMA Preparedness Grants Manual, to determine what program costs are not allowed for the specific program and funding stream. Costs that are unallowable under one grant program may be allowed under another. In addition, NOFO guidance can change each year so it is important to understand the NOFO for each award. Subrecipients should refer to 2 CFR 200, Subpart E for Cost Principles and contact DEM with any questions (2 CFR 200, E).<sup>47</sup>

While the following is not an exhaustive list, these common costs are costs unallowable under federal grants without specific authorization:

- Land Acquisition
- Compensation of federal employees' salary payments, consulting fees, or other compensation of full-time federal employees.
- Travel of federal employees' costs of transportation, lodging, subsistence, and related travel expenses, unless otherwise approved by the federal partner.
- Bonuses or commissions
- Lobbying (2 CFR 200.450)<sup>48</sup>
- Entertainment (2 CFR 200.438)<sup>49</sup>

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<sup>45</sup> SF-429-A, <https://www.neh.gov/sites/default/files/inline-files/SF429A-Form.pdf>.

<sup>46</sup> 2 CFR 200.449, <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-E/subject-group-ECFRred1f39f9b3d4e72/section-200.449>.

<sup>47</sup> 2 CFR 200, E, <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-E>.

<sup>48</sup> 2 CFR 200.450, [https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-E/subject-group-ECFRred1f39f9b3d4e72/section-200.450#p-200.450\(a\)](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-E/subject-group-ECFRred1f39f9b3d4e72/section-200.450#p-200.450(a)).

<sup>49</sup> 2 CFR 200.438, <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-E/subject-group-ECFRred1f39f9b3d4e72/section-200.438>.



- Alcoholic beverages (2 CFR 200.423)<sup>50</sup>
- Credit card fees
- Using rental cars for personal use

Grant funds may not be used for the following (FEMA FY 2022 Preparedness Grants Manual):<sup>51</sup>

- Unallowable Equipment - grant funds must may not be used for the purchase of firearms, ammunition, grenade launchers, bayonets, or weaponized aircraft, vessels, or vehicles of any kind with weapons installed (IB 426).<sup>52</sup>
- Expenditures for weapons systems, accessories, and ammunition
- EMPG costs associated with hiring, equipping, training, etc. sworn public safety officers whose **primary** job responsibilities include fulfilling traditional public safety duties such as law enforcement, firefighting, emergency medical services, or other first responder duties
- Costs that supplant traditional public safety positions and responsibilities
- Activities and projects unrelated to the completion and implementation of the grant program

Unallowable Costs per to NSGP, pg. C-6

- Organizational costs and operational overtime costs
- Hiring of public safety personal
- 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 the technology development
- Proof-of-concept initiatives

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<sup>50</sup> 2 CFR 200.423, [https://www.fema.gov/sites/default/files/documents/fema\\_fy-2022-preparedness-grants-manual.pdf](https://www.fema.gov/sites/default/files/documents/fema_fy-2022-preparedness-grants-manual.pdf).

<sup>51</sup> FEMA FY 2022 Preparedness Grants Manual, H-27, [https://www.fema.gov/sites/default/files/documents/fema\\_fy-2022-preparedness-grants-manual.pdf](https://www.fema.gov/sites/default/files/documents/fema_fy-2022-preparedness-grants-manual.pdf).

<sup>52</sup> IB 426, [https://www.fema.gov/sites/default/files/2020-08/ib\\_426\\_controlled\\_equipment\\_recission\\_11-1-17.pdf](https://www.fema.gov/sites/default/files/2020-08/ib_426_controlled_equipment_recission_11-1-17.pdf).

- 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
- Weapons or weapons-related training
- Knox boxes

Unallowable costs per HSGP, pg. A-18

- Per FEMA policy, the purchase of weapons and weapons accessories, including ammunition, is not allowed with HSGP funds;
- Grant funds may not be used for the purchase of equipment not approved by FEMA. Grant funds must comply with IB 426 and may not be used for the purchase of the following equipment: firearms; ammunition; grenade launchers; bayonets; or weaponized aircraft, vessels, or vehicles of any kind with weapons installed;
- Unauthorized exercise-related costs include:
  - Reimbursement for the maintenance or wear and tear costs of general use vehicles (e.g., construction vehicles), medical supplies, and emergency response apparatus (e.g., firetrucks, ambulances); and
  - Equipment that is purchased for permanent installation and/or use, beyond the scope of the conclusion of the exercise (e.g., electronic messaging sign).

Unallowable costs per EMPG, pg. H-24

- Unallowable Equipment: Grant funds must comply with IB 426 and may not be used for the purchase of firearms, ammunition, grenade launchers, bayonets, or weaponized aircraft, vessels, or vehicles of any kind with weapons installed
- Expenditures for weapons systems and ammunition
- Costs to support hiring sworn public safety officers for the purposes of fulfilling traditional public safety duties or to supplant traditional public safety positions and responsibilities
- Activities and projects unrelated to the completion and implementation of the EMPG Program

Subrecipients should contact DEM with questions about costs that do not clearly meet the allowable expense criteria established in this Manual and the EMPG Program NOFO.

## **Food and Beverages**

Food and beverages are not allowable expenses unless they are provided to participants at training sessions, meetings, or conferences that are allowable activities under the grant program guidelines. Expenses incurred for food and/or beverages at training sessions, meetings, or conferences must satisfy the following tests:

- The cost of the food and/or beverages provided is considered to be reasonable (use the GSA rate for food and beverages, including location and meal provided)
- The food and/or beverages provided are subject of a work-related event
- Participation by all participants is mandatory
- The food and/or beverages provided are not related directly to amusement and/or social events. (Any event where alcohol is being served is considered a social event; costs associated with that event are not allowable)
- A sign-in sheet listing the names of all attendees
- Alcoholic Beverages are not allowed<sup>53</sup>

**Note:** In the event food/meal(s) are being provided, the amount charged for per diem must be reduced accordingly.

### *a) State & Local Taxes*

State and local sales taxes are allowable costs unless the tax is levied solely on federal programs or federal funding. Whenever possible, the taxes should not be charged to the grant.

### *15) Costs Requiring Prior Approval*

Subrecipients should refer to 2 CFR 200.407 for a list of costs requiring prior approval and contact DEM (DHSgrants@dem.nv.gov) with any question.

Common items that require prior approval include (2 CFR 200.407):<sup>54</sup>

- Construction (i.e., any ground disturbance or erecting of internal walls)
- Pre-agreement costs
- Proposal costs
- Audit costs

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<sup>53</sup> 2 CFR 200.423

<sup>54</sup> 2 CFR 200.407, <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-E>.

- Interest expense
- Foreign travel
- Environmental Historical Preservation (EHP)
- Travel costs in excess of the federal per diem (GSA rates)

Costs of entertainment, including amusement, diversion, and social activities and any associated costs are unallowable, except where specific costs that might otherwise be considered entertainment have a programmatic purpose and are authorized either in the approved budget for the Federal award or with prior written approval of the Federal awarding agency.<sup>55</sup>

### ***16) Supplanting***

The purpose of federal grants is to increase the resources available to any grant-funded organization and not to replace subrecipient's funds with federal funds – supplanting. Grant funds will be used to **supplement** existing funds and will **not replace** (supplant) funds that have been appropriated for the same purpose. Recipients must ensure that they do not reduce the current overall level of funding support to preparedness missions simply due to receiving federal grant funds. For example, if a subrecipient pays the salaries of an intelligence analyst from the subrecipient's general funds, it cannot begin to pay the salary with federal grant funding. It could, however, hire an additional analyst with grant funding to increase capability.

Potential supplanting will be the subject of pre-award review, post-award monitoring, quarterly financial renewals, and audit. If there is a potential presence of supplanting, the applicant or subrecipient will be required to supply documentation demonstrating that the reduction in non-federal resources occurred for reasons other than the receipt or expected receipt of federal funds.

### ***17) Duplication of Benefits***

Subrecipients may not use federal funds where funding has already been used for the entirety of that particular cost or activity, or in excess of the amount needed for that specific eligible cost. This is sometimes referred to as a prohibition on duplication of benefits (DOB), or “double-dipping.” Duplication of effort occurs when a subrecipient receives (i.e., draws down/takes possession of) multiple sources of federal funding assistance or outside funding (e.g., insurance), for a specific eligible cost or activity.

Subrecipients need to refer to the program guidelines to determine what program costs are allowable for that specific program.

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<sup>55</sup> 2 CFR 200.438

**Note:** Costs that are allowable under one grant program may be specifically prohibited under another. Allowable items may change from one fiscal year to another, so it is important to verify allowable costs with program guidance specific to the fiscal year funding. Contact DEM for any necessary clarifications prior to spending.

### ***18) Commingling of Funds***

While federal agencies cannot require physical segregation of cash deposits or the establishment of any eligibility requirements for funds that are provided to a subrecipient, subrecipients must ensure their accounting systems that funds from one federal agency are not commingled with funds from other awards or other federal agencies. Each award must be accounted for separately. Subrecipients are prohibited from commingling funds on a program-by-program basis without prior written approval of the awarding agency (6 CFR 19.10).<sup>56</sup>

### ***19) Determining Match***

Funds provided for a match must be used to support a federally funded project and must be in addition to funds that would otherwise be made available for the stated program purpose. The use of matching funds must adhere to the same allowability rules as for the federal funds. While subrecipients must use the match within the grant's period of performance, they may determine the amount and timing for the expenditure. Subrecipients do not need to match contributions at the same time or in the same proportion as when they obligate federal funds for a specific project. Sources of the match can either be a cash match or an in-kind match unless specified in the program guidance, regulation, or statute (2 CFR 200.306).<sup>57</sup> Each is explained in Sections 2.A.a)-d) below.

As part of requirements, grant recipients/subrecipients may only use federal funds or funds applied to a cost-share for the purposes set forth in the FEMA Preparedness Grants Manual, applicable NOFOs, and the terms and conditions of the award and must be consistent with the statutory authority for the award.

Award funds may not be used for matching funds for other federal grants/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.

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<sup>56</sup> 6 CFR 19.10, <https://www.ecfr.gov/current/title-6/chapter-I/part-19/section-19.10>.

<sup>57</sup> 2 CFR 200.306, <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200>.

**Note:** Prior written approval from DEM is required for any reduction to the amount of non-federal cost share (match). This may result in a corresponding reduction to the amount of federal funds under the award based on the federal/non-federal cost sharing ratio.

EMPG unrecovered indirect costs, including indirect costs on cost sharing or matching may be included as part of cost sharing or matching only with the prior approval of the Federal awarding agency. Unrecovered indirect cost means the difference between the amount charged to the Federal award and the amount which could have been charged to the Federal award under the non-Federal entity's approved negotiated indirect cost rate (2 CFR 200.306.(c))<sup>58</sup>.

***a) Cash Match (Hard Match)***

Cash match includes cash spent for project-related costs. Allowable cash match must include those costs that are allowable with federal funds. Cash match may be applied from the following sources:

- Funds from states and local units of government that have a binding commitment of matching funds for programs projects
- Program income and the related interest earned on that program income generated from projects, provided they are identified and approved before making an award
- Funds earned from seized assets and forfeitures (adjudicated by a state court, as state law permits)
- Funds appropriated by Congress for the activities of any agency of a Tribal government or the Bureau of Indian Affairs performing law enforcement functions on Tribal lands, or
- Sources otherwise authorized by law.

Except as noted above, Federal funds may not be used for match purposes.

***b) In-Kind Match (Soft Match)***

If in-kind match is permitted by law, then the value of donations and/or services could be used to comply with the match requirement. In-kind is the value of something received or provided that does not have a cost associated with it. For example, if permitted by the grant, subrecipients may use the fair market value of supplies, equipment, facility space, or the regular rate for services to satisfy the match requirement.<sup>59</sup> The recipient may also use the value of the services instead of cash

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<sup>58</sup> 2 CFR 200.306(c), [https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/section-200.306#p-200.306\(c\)](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/section-200.306#p-200.306(c)).

<sup>59</sup> The Office of Justice Programs Territorial Financial Support Center (OJP TFSC), "Matching or Cost Sharing Requirements Guide Sheet," September 22, 2022, [https://www.ojp.gov/sites/g/files/xyckuh241/files/media/document/TFSC\\_Matching%20or%20Cost%20Sharing%20Requirements%20Guide%20Sheet\\_508.pdf](https://www.ojp.gov/sites/g/files/xyckuh241/files/media/document/TFSC_Matching%20or%20Cost%20Sharing%20Requirements%20Guide%20Sheet_508.pdf).

to fulfill their match requirement. If a federal awarding agency authorizes the subrecipient to donate buildings or land for construction/facilities acquisition projects or long-term use, the value of the donated property for cost sharing or matching must be the lesser of:

- The value of the remaining life of the property recorded in the subrecipient's accounting records at the time of donation.
- The current fair market value. However, when there is sufficient justification, the federal awarding agency may approve the use of the current fair market value of the donated property, even if it exceeds the value of the remaining life at the time of donation.<sup>60</sup>

### ***c) Third-Party Contributions and Donations***

Subrecipients may use contributions and donations to fulfill their match requirements (2 CFR 200.434).<sup>61</sup> The costs of donations and rates of services must be based on fair market values as defined in 2 CFR 200.306.<sup>62</sup> Services may be offered by professional and technical personnel, consultants, and other skilled and unskilled labor. Donated items may include buildings, equipment, office supplies, laboratory supplies, or workshop and classroom supplies. Subrecipients need to have a thorough understanding of third-party contributions, donations, and donated volunteer time and how to value them correctly. Third-party contributions and donations may be used to meet matching requirements under uniform guidance, as appropriate to 2 CFR 200.306. The provisions make clear that applicants need to charge fair market values for any donated services and items. If funds or services are to be provided by a third party for in-kind match, a dated letter of commitment is required to document the donation.<sup>63</sup>

If a State, local, or Tribal government is required to contribute matching funds to supplement a Federally supported activity, the matching funds are considered commingled with the Federal assistance and therefore subject to the requirements of this part.<sup>64</sup>

### ***d) Valuing Volunteer Rates for Match***

Documentation is essential to demonstrate the value of volunteer rates for the match. To value volunteer rates, the subrecipient must have proof of donation, such as sign-in sheets and declarations, that another organization does not pay the donation and it not from a federal source.

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<sup>60</sup> 2 CFR 200.306(d), [https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D#p-200.306\(d\)](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D#p-200.306(d)).

<sup>61</sup> 2 CFR § 200.434, <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-E>.

<sup>62</sup> 2 CFR § 200.306, <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/section-200.306>.

<sup>63</sup> FEMA Grants Preparedness Directorate, "FEMA Manual (FM) 207-22-001, Fiscal Year 2022 Preparedness Grants Manual, Version 3, May 2022," page H-32.

<sup>64</sup> 6 CFR 10.19 ©

Subrecipients should be mindful of audit requirements when including match or cost-sharing in proposals, particularly if they are valued. Subrecipients must include valued mandatory cost-sharing on the budget form. For voluntary cost-sharing, applicants need to weigh the risks and benefits of including valuations and should avoid valuations on a budget form unless fully prepared to face the audit burden.

Rates for third-party volunteer services must be consistent with those paid for similar work by the subrecipient's employees (2 CFR 434).<sup>65</sup> In those instances in which the required skills are not found in the subrecipient's staff, rates must be consistent with those paid for similar work in the labor market in which the subrecipient competes for the kind of services involved. In either case, paid fringe benefits that are reasonable, necessary, allocable, and otherwise allowable may be included in the valuation.<sup>66</sup>

Matches may be claimed two ways:

- When submitting for reimbursement, the document may be noted as a 50/50 split, or;
- Additional documents may be submitted and noted as a match.

Overmatch donations do not affect the subgrantee; the permission should be in writing.

***e) Commingling of Federal Assistance***

The following guidance from 2 CFR 19.10 applies to commingling funds.<sup>67</sup>

- If a State, local, or Tribal government voluntarily contributes its own funds to supplement Federally supported activities, the State, local, or Tribal government has the option to segregate the Federal assistance or commingle it.
- If the State, local, or Tribal government chooses to commingle its own and Federal funds, the requirements of this part apply to all of the commingled funds.
- If a State, local, or Tribal government is required to contribute matching funds to supplement a Federally supported activity, the matching funds are considered commingled with the Federal assistance and therefore subject to the requirements of this part.

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<sup>65</sup> 2 CFR 434, <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-E/subject-group-ECFRed1f39f9b3d4e72/section-200.434>.

<sup>66</sup> 2 CFR 200.306(e), [https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D#p-200.306\(e\)](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D#p-200.306(e)).

<sup>67</sup> 2 CFR 19.10, <https://www.ecfr.gov/current/title-6/chapter-I/part-19/section-19.10>.



## ***B. Environmental Planning and Historic Preservation (EHP) Compliance***

Federal grant recipients are required to consider the effects of actions on the environment and historic properties to ensure that all programs comply with federal Environmental Planning and Historic Preservation (EHP) regulations, laws, and Executive Orders, as applicable. All subrecipients will follow the EHP requirements set forth by the Federal granting agency.

Subrecipients proposing projects that have the potential to impact the environment, including, but not limited to the following must participate in the FEMA EHP review process:

- Construction of communication towers and related equipment, equipment shelters
- Modification or renovation of existing buildings, structures, and facilities (which includes drywall, paint, carpet, or any modifications to existing structure etc.)
- New construction or new additions, including replacement of facilities
- Ground disturbance
- Purchase of sonar equipment
- Physical Security Enhancements
- Some training activities

The EHP review process involves the submission of a detailed project description along with any supporting documentation requested in order to determine whether the proposed project has the potential to impact environmental resources or historic properties. An EHP screening form must be obtained from DEM, completed and returned to DEM. DEM will submit it for review by DHS GPD. EHP must be approved before any work can start on a project that requires EHP review. Subrecipients must comply with all conditions placed on the project as a result of the EHP review. Any change to the approved project scope of work will require a re-evaluation for compliance with these EHP requirements.

Any construction or renovation activities defined by the SAA that have been initiated without the necessary EHP review and approval will result in a non-compliance funding and will not be eligible for Federal funding.

Some exercise activities require EHP review, including exercises, drills or trainings that require any type of land, water, or vegetation disturbance or building of temporary structures or that are not located at facilities designed to conduct training and exercises (EHP Guidance).<sup>68</sup>

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<sup>68</sup> EHP Guidance, <https://www.fema.gov/grants/guidance-tools/environmental-historic> .

The EHP review process must be completed before funds are released to carry out the proposed project; otherwise, FEMA may not be able to fund the project due to noncompliance with EHP laws, Executive Orders, regulations, and policies.

DHS and FEMA EHP policy is found in directives and instructions available on Environmental and Historic Preservation Guidance for FEMA Grant Applications, 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.

Additionally, all recipients under this funding opportunity are required to comply with the FEMA GPD EHP Policy Guidance, FEMA Policy #108-023-1, *Grant Programs Directorate Environmental and Historic Preservation Policy Guidance* (July 28, 2018), available at <https://www.fema.gov/media-library/assets/documents/85376>.

**Note:** A federally approved EHP must be received prior to any work or purchases towards the project.

### 3. Performance Period

Subrecipients may only spend federal funds for allowable costs incurred during the period of performance. The Period of Performance (PoP) is the total estimated time interval between the start of an initial federal award and the planned end date, which may include one or more funded portions, or budget periods (2 CFR 200.1).<sup>69</sup> Financial Obligations are a subrecipient's orders placed for property and services, contracts and subawards made, and similar transactions that require payment (2 CFR 200.1).<sup>70</sup>

#### *A. Purchasing Guidelines*

The vision for the Federal Acquisition System is to deliver on a timely basis the best value product or service to the customer, while maintaining the public's trust and fulfilling public policy objectives. By following acquisition guidelines, subrecipients can help ensure that purchases:

- Optimize cost, quality, and timeliness of the delivered product or service
  - Maximize the use of commercial products and commercial services
  - Use contractors who have a track record of successful past performance or who demonstrate a current superior ability to perform
  - Promote competition
- Minimize administrative operating costs
- Conduct business with integrity, fairness, and openness
- Fulfill public policy objectives

All procurement must meet the strictest laws under the local, state, and federal laws. The following policies and principles form the foundation of acceptable procurement under the Office of Management and Budget's uniform guidance.

**Note:** Beyond a non-optimal outcome if procurement requirements are not met, the source selection could inadvertently result in a sole source. Sole source purchases are not allowed without SAA prior written approval and the recipient will be responsible for reimbursing DEM and FEMA for improper acquisitions.

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<sup>69</sup> 2 CFR 200.1 "Period of performance", [https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200#p-200.1\(Period%20of%20performance\)](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200#p-200.1(Period%20of%20performance)).

<sup>70</sup> 2 CFR 200.1 "Financial obligations", [https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200#p-200.1\(Financial%20obligations\)](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200#p-200.1(Financial%20obligations))

### ***1) Open and Free Competitive Competition***

Subrecipients must support maximum open and free competition for every purchase regardless of the dollar value or the article or service they are buying (2 CFR 200.319).<sup>71</sup> This statement is not to imply that competition is obtained for each procurement. There are simply some situations when no competition exists, or when it is not prudent to obtain it (e.g., micro-purchase procurements).

### ***2) Excluded Parties List (Debarment)***

All subrecipients of federal funds must, prior to purchasing or contracting with any entity or agency, check to ensure the vendor is not suspended or debarred from doing business with the federal government.

Excluded parties suspensions may be based on indictments, information, or adequate evidence involving crimes, contract fraud, embezzlement, theft, forgery, bribery, poor performance, non-performance, or false statements. It is a temporary action that may last up to one year and is effective immediately.

- Suspension and debarment are an administrative tool used to protect the subrecipient's interests and to protect the integrity of federal programs. It ensures federal programs (including subrecipients of those program awards) conduct business only with responsible companies and persons. Exclusions of companies or individuals from participating in federal contracts are listed in the
- Itemized Invoice
- Copy of contract
- Documentation of the procurement process

#### **AND**

- Proof of payment:
  - Check and check stub with detail
  - Accounts payable system download
  - PCard statement

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<sup>71</sup> 2 CFR 200.319(b), [https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/subject-group-ECFR45ddd4419ad436d/section-200.319#p-200.319\(a\)](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/subject-group-ECFR45ddd4419ad436d/section-200.319#p-200.319(a)).

.<sup>72</sup> If a company is suspended or debarred, then it may not bid on or receive any federally funded contracts, grants, cooperative agreements, scholarships, fellowships, contracts of assistance, loans, loan guarantees, subsidies, or insurance, unless an exception is granted the federal granting agency.

***a) How to determine if an entity is suspended or debarred***

The names and addresses of all entities suspended or debarred are entered in the System for Award Management (SAM), an electronic database (SAM.gov).<sup>73</sup> SAM registration is free and required for subrecipients. Simply go to SAM.gov and search the exclusions database.

**Note:** Subrecipients must provide proof to performing the suspension and debarment checks prior to purchase through policy. Both DEM and FEMA will request proof at monitoring.

***3) DEM Purchasing Policy for Grants Administered by Nevada Division of Emergency Management***

The myriad purchasing policies and procedures at the local, state, and federal levels can be daunting to navigate. Therefore, DEM has consolidated the guidance into the Division of Emergency Management / Homeland Security Procurement Policy. The DEM Procurement Policy governs *all* procurements under federal grants regardless of dollar amount, and is provided here as Appendix I. Contact DEM Staff via email ([DHSGrants@dem.nv.gov](mailto:DHSGrants@dem.nv.gov)) with any questions or concerns.

Subrecipients must maintain records sufficient to detail the history of procurement (2 CFR 200.318(i)).<sup>74</sup> “These records will include, but are not necessarily limited to, the following:

- Rationale for the method of procurement,
- selection of contract type,
- contractor selection or rejection, and
- the basis for the contract price (2 CFR 200.318(i)).”<sup>75</sup>

***a) Additional Guidance for Purchases with a Dollar Threshold Greater Than \$100,000***

Conduct a competitive solicitation/Request for Proposal (RFP) and enter a formal contract. For a competitive solicitation/RFP:

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<sup>72</sup> SAM.gov, <https://sam.gov/content/exclusions>.

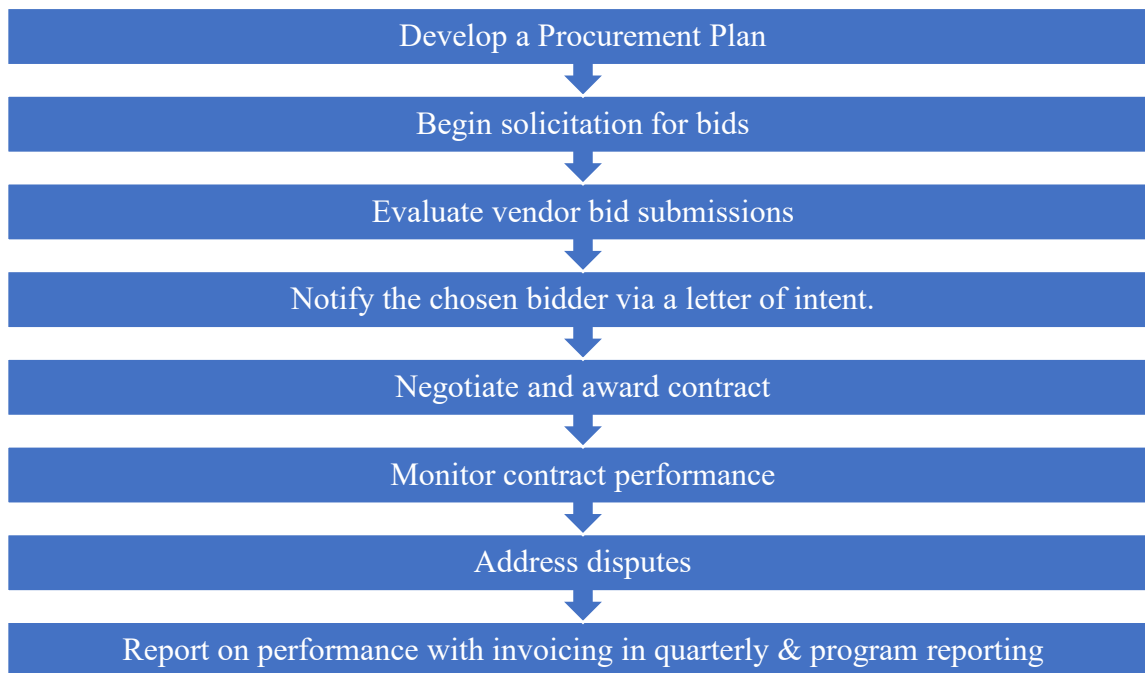
<sup>73</sup> SAM.gov, <https://sam.gov/content/exclusions>.

<sup>74</sup> 2 CFR 200.318(i), [https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D#p-200.318\(i\)](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D#p-200.318(i)).

<sup>75</sup> 2 CFR 200.318(i), [https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D#p-200.318\(i\)](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D#p-200.318(i)).

- Subrecipients must formally solicit no fewer than 3 vendors and demonstrate full and open competition when procuring goods. DEM Staff can and will assist with the process if needed.
- The solicitation must include the project overview, goals and objectives, scope of work/deliverables, grant specific terms and conditions, and cost schedules.
- Before solicitation is sent out you must send DEM staff a scoring sheet of how you will be scoring your vendor submissions.
- Vendor responses must be submitted with supporting documentation for your grant reimbursement request.
- Resulting contract must include the Contract Provisions for Subrecipient Contracts Under Federal Awards.

The flow chart in Figure 4 is intended to assist in understanding the competitive solicitation process - Request for Proposals (RFP's).



**Figure 4. Competitive Procurement Process Flow.**

**Note:** If Subrecipients choose to join an already existing contract, they must be able to prove that the contract they are joining has conducted an adequate RFP process compliant with the above criteria. The contract they choose must also meet the specific terms and conditions set forth in the grant award agreement with DEM and include the Contract Provisions for Subrecipient

Contracts Under Federal Awards. See “Joinders” in Section 3, A, 14 below for guidance on one entity joining another’s contract.

#### ***4) Conflict of Interest***

In the interest of open and fair competition, it is essential to avoid real or apparent conflicts of interest. To avoid conflicts of interest, refer to the applicable section in the NOFOs. To eliminate and reduce the impact of conflicts of interest in the subaward process, recipients and pass-through entities must follow their own policies and procedures regarding the elimination or reduction of conflicts of interest in sub-awards recipients and pass-through entities are also required to follow any applicable federal, state statutes or regulations governing conflicts of interest in sub-awards.

#### ***5) Socially or Economically Disadvantage Business***

The procurement process often is used to support social and economic programs. Subrecipients must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible (2 CFR 200.321(a)).<sup>76</sup>

Affirmative steps must include:

- Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
- Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
- Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;
- Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;
- Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
- Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in the bullets in this section.

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<sup>76</sup> 2 CFR 200.321(a), [https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/subject-group-ECFR45ddd4419ad436d/section-200.321#p-200.321\(a\)](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/subject-group-ECFR45ddd4419ad436d/section-200.321#p-200.321(a)).

### **6) Contract Language and Contract Assurances/Provisions**

Subrecipients must include contract assurances as described in Appendix E per 2 C.F.R. Part 200 and NRS 332 and 333. Additionally, contract procedures must comply with the standards imposed by Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200), Nevada Revised Statutes (NRS), Nevada Administrative Code (NAC) and State Administrative Code (SAM) as applicable.

### **7) Telecommunications Services**

Due to national security concerns, subrecipients are prohibited from acquiring or extending contracts for covered telecommunications equipment or services (2 CFR 200.216(a)).<sup>77</sup> As described in [Public Law 115-232](#), section 889, covered telecommunications equipment is telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities). Refer to the NOFO, FEMA Preparedness Grants Manual, and Authorized Equipment List (AEL) for the grant for the latest information on covered telecommunications.<sup>78 79</sup>

### **8) Statewide Contract vs. Independent Contracts**

In an effort to simplify the ordering process for State Agencies, the Purchasing Division is encouraging agencies to use the existing Statewide Contracts that are in place whenever possible. By doing so, jurisdictions may receive goods and services in an efficient and effective manner at rate that have already been negotiated. The Purchasing Division website has a list of statewide contracts and points of contact for each (<https://purchasing.nv.gov/Contracts/>). DEM recommends only pursuing independent contracts if the statewide contracts do not suit a recipient's needs.

Nevada EPro may be used to manage the purchase (<https://nevadaepro.com/bsa/>). The following images are visuals to assist with navigation of the Nevada EPro site.

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<sup>77</sup> 2 CFR 200.216(a), [https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-C/section-200.216#p-200.216\(a\)](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-C/section-200.216#p-200.216(a)).

<sup>78</sup> FEMA FY 2022 Preparedness Grants Manual, 19, <https://www.fema.gov/grants/preparedness/manual>,

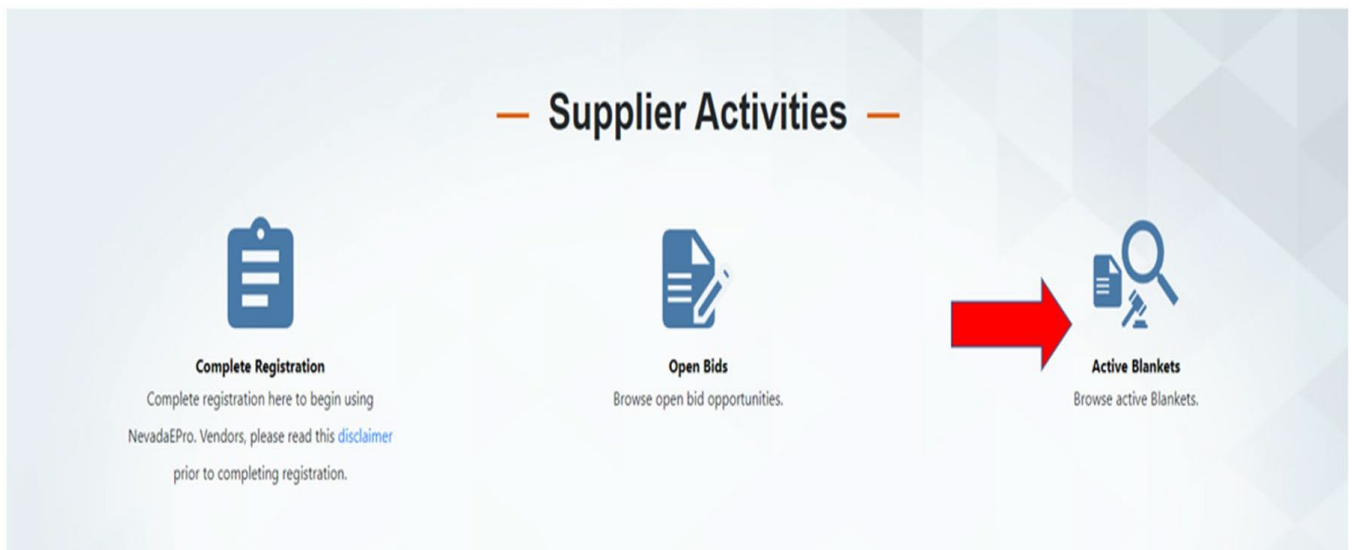
<sup>79</sup> Authorized Equipment List, September, <https://www.fema.gov/grants/tools/authorized-equipment-list>.





CAUTION: Nevada EPro has many vendors. Only those under the Active Blankets/Statewide Contracts relieve you of competitive bidding procurement responsibilities

Click on Active Blankets to select from active blanket statewide contracts.



Click on the drop down menu for Organization and choose STATEWIDE CONTRACTS; then click Search.

Advanced Search

Document Type: Blankets

Match Criteria: All

Blanket #

Vendor Name

Buyer

Include Expired

Type Code

NIGP Class

Alternate ID

Organization: Statewide Contracts

Bid Number

Expiration Date From

Item Description

NIGP Class Item

Description

Department

Catalog

Expiration Date To

Category

Search Clear

Commodities or Services can be searched through the Category drop down menu or a specific Vendor Name can be checked for a Statewide Contract; then click Search.

Advanced Search

Document Type: Blankets

Match Criteria: All

Blanket #

Vendor Name

Buyer

Include Expired

Type Code

NIGP Class

Alternate ID

Organization: Statewide Contracts

Bid Number

Expiration Date From

Item Description

NIGP Class Item

Description

Department

Catalog

Expiration Date To

Category

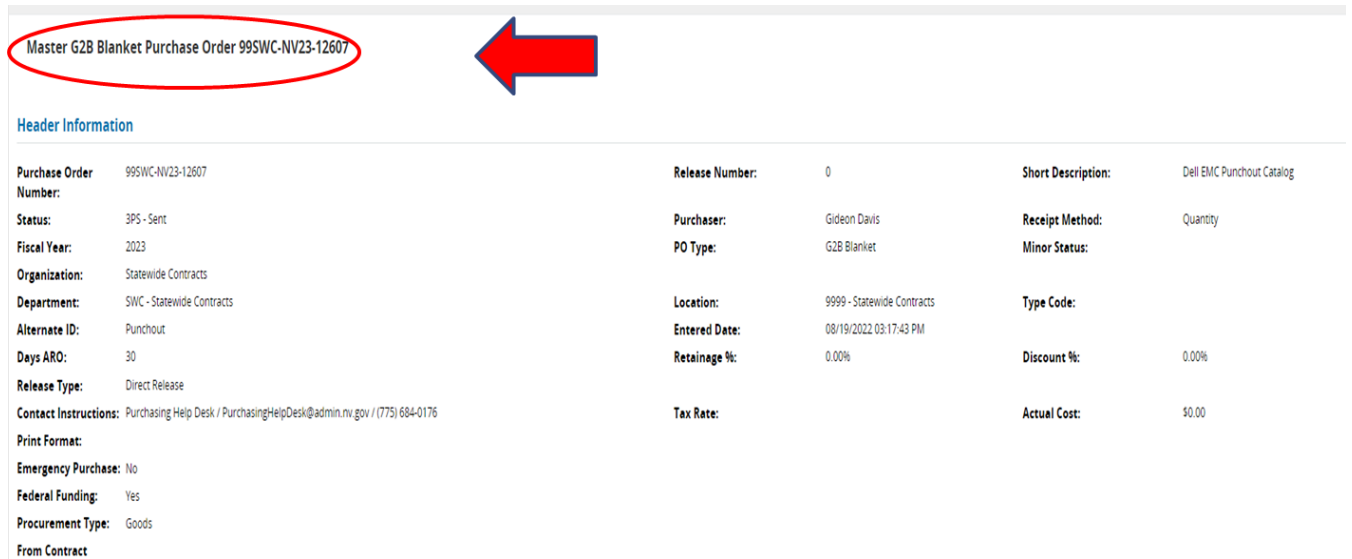
Search Clear

Once you have chosen your Vendor, click on the Contract/Blanket link (see example in screenshot below)

1-25 of 702 << < 1 2 3 4 5 6 7 8 9 10 > >>									
Contract / Blanket #	Bid #	Description	Vendor	Type Code	Dollars Spent to Date	Organization	Status	Begin Date	End Date
995WC-NV23-13057		SHI International Corp Punchout Catalog	SHI International Corp		\$1,403.69	Statewide Contracts	3PS - Sent	10/03/2022	04/24/2024
995WC-NV23-12771		Software Value Added Reseller (SVAR) (NASPO ValuePoint - Arizona)	SHI International Corp		\$0.00	Statewide Contracts	3PS - Sent	09/30/2022	04/24/2027
995WC-NV23-12693		Procurement Acquisition Support Services (PASS) (2019-2024) (NASPO ValuePoint - Hawaii)	Civic Initiatives, LLC		\$0.00	Statewide Contracts	3PS - Sent	09/02/2022	06/05/2023
995WC-NV23-12615		Furniture, Installation and Related Products and Services (OMNIA Partners)	Exemplis LLC		\$0.00	Statewide Contracts	3PS - Sent	07/28/2022	12/31/2024
995WC-NV23-12607		Dell EMC Punchout Catalog	Dell Marketing LP, LLC dba Dell EMC		\$225,782.06	Statewide Contracts	3PS - Sent	08/21/2022	02/28/2023

When contacting the vendor, be sure to inform them that you would like to purchase through the Nevada Statewide Contract.

The **Contract Number** (or Master Blanket Purchase Order) is at the top left above the header information. This Contract Number should be on Invoices under the contract.



Master G2B Blanket Purchase Order 99SWC-NV23-12607

**Header Information**

<b>Purchase Order Number:</b> 99SWC-NV23-12607	<b>Release Number:</b> 0	<b>Short Description:</b> Dell EMC Punchout Catalog
<b>Status:</b> 3PS - Sent	<b>Purchaser:</b> Gideon Davis	<b>Receipt Method:</b> Quantity
<b>Fiscal Year:</b> 2023	<b>PO Type:</b> G2B Blanket	<b>Minor Status:</b>
<b>Organization:</b> Statewide Contracts	<b>Location:</b> 9999 - Statewide Contracts	<b>Type Code:</b>
<b>Department:</b> SWC - Statewide Contracts	<b>Entered Date:</b> 08/19/2022 03:17:43 PM	<b>Discount %:</b> 0.00%
<b>Alternate ID:</b> Punchout	<b>Retainage %:</b> 0.00%	<b>Actual Cost:</b> \$0.00
<b>Days ARO:</b> 30	<b>Tax Rate:</b>	
<b>Release Type:</b> Direct Release		
<b>Contact Instructions:</b> Purchasing Help Desk / PurchasingHelpDesk@admin.nv.gov / (775) 684-0176		
<b>Print Format:</b>		
<b>Emergency Purchase:</b> No		
<b>Federal Funding:</b> Yes		
<b>Procurement Type:</b> Goods		
<b>From Contract</b>		

Subrecipients should consider using a cooperative purchasing agreement, joinder, or U.S. General Services Administration (GSA) contract before conducting an independent contract because it can provide similar efficiencies and economies of scale that are afforded under a statewide contract. See Section 3.A.14).c) for information about GSA contracts and DEM restrictions about their use.

### 9) *Cooperative Purchasing Agreements*

If there are no statewide contracts, a subrecipients may consider a cooperative purchasing program is a cooperative arrangement for acquiring goods or services that involves aggregating the demand of two or more entities in an effort to obtain a more economical purchase.

Subrecipients typically sign up to use cooperative purchasing programs through a cooperative purchasing agreement. The State of Nevada has cooperative agreement templates. Program membership may provide entities with access to lists of agreements or contracts for goods and services at pre-negotiated rates or prices. Typically, the member then purchases the goods or services by negotiating with participating vendors and placing purchase orders or entering into contracts based on the rates or prices listed in the cooperative purchasing program's agreements or contracts with vendors.

A subrecipient that decides to use a cooperative purchasing program must document and explain how its use of the program complied with all federal procurement standards and applicable state, tribal, and local procurement rules and policies.

Vendors found from the below sites, must be vetted by DEM/State Purchasing to ensure they meet most stringent Procurement/Contract requirements.

Naspo: <https://www.naspo.valuepoint.org/portfolios/>

Sourcewell: <https://www.sourcewell-mn.gov/>

GSA Advantage:

[https://www.gsaadvantage.gov/advantage/ws/main/start\\_page?store=ADVANTAGE](https://www.gsaadvantage.gov/advantage/ws/main/start_page?store=ADVANTAGE)

### ***10) Joinders***

A joinder is intended to be a simple document whose sole effect is to add an additional person or entity as a party to the original agreement and bind them to the terms of that agreement in their entirety.

State agencies have several ways of entering into a contract with a prospective supplier. One method is to join on to a contract of another government agency inside or out of Nevada. Also referred to as a joinder per NRS 332.195.<sup>80</sup>

The original agreement to be joined must have been the result of an open and competitive selection process like the process outlined in NRS 333<sup>81</sup> and NAC 333.<sup>82</sup>

To simplify the joinder process State Purchasing has developed the joinder checklist.<sup>83</sup> This checklist sets forth the documentation that must be provided to the Purchasing Division for approval. An approved joinder checklist must also be submitted in the contract packet to Governor's Finance Office (GFO) for Board of Examiners (BOE) approval. Joinder contracts submitted to GFO without an approved joinder checklist will not be included on the BOE agenda

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<sup>80</sup> NRS 332.195, <https://www.leg.state.nv.us/nrs/nrs-332.html#NRS332Sec195>.

<sup>81</sup> NRS 333, <https://www.leg.state.nv.us/nrs/nrs-333.html>.

<sup>82</sup> NAC 333, <https://www.leg.state.nv.us/nac/nac-333.html>.

<sup>83</sup> Joinder Checklist,

[http://purchasing.nv.gov/uploadedFiles/purchasingnv.gov/content/Contracts/Joinder\\_Checklist.pdf](http://purchasing.nv.gov/uploadedFiles/purchasingnv.gov/content/Contracts/Joinder_Checklist.pdf).

for approval. The new joinder contracting checklist may be found on the Purchasing Division website at:

***a) GSA Contracts and GSA Schedule***

Similar to statewide contracts the General Service Agreements (GSA) negotiates with prospective vendors to pre-qualify them for federal contracts. Purchasing off of the GSA schedule can greatly simplify and expedite the acquisition process. The GSA Schedule, also known as Federal Supply Schedule, and Multiple Award Schedule (MAS), is a long-term governmentwide contract with commercial companies that provide access to many commercial products and services for which GSA has already negotiated terms and conditions. However, NRS may have stricter standards than GSA, therefore always ask that the DEM review these contracts *prior to use* for eligibility using federal grant funds. Contact the DEM at [DHSgrants@DEM.nv.gov](mailto:DHSgrants@DEM.nv.gov).

***11) Amending a Contract***

Since it is impossible to anticipate all circumstance that may arise, subrecipients may find that the contract in place no longer suits their requirements. Before requesting an amendment, subrecipients should first confirm that the original contract is no longer suitable and if any of the provisions apply. The State of Nevada, Department of Administration has resources in a toolbox for amendments on its website, including forms.<sup>84</sup> Subrecipients are encouraged to contact DEM ([DHSgrants@DEM.nv.gov](mailto:DHSgrants@DEM.nv.gov)) and the State Purchasing Division for assistance with contract amendments.

***a) Warranties***

See Section 2.A.2).g) and NOFOs regarding warranties on equipment.

***b) Policy on Use of FEMA Grant Awards to Purchase Certain Equipment Items***

See Section 2.A.1).f) and NOFOs regarding restrictions on types of equipment purchases.

***c) Inventorying Equipment***

Effective control and accountability must be maintained for all equipment acquired with federal funds. The subrecipient must adequately safeguard all such equipment and must assure that it is used solely for authorized purposes as described in the guidance. The subrecipient will use,

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<sup>84</sup> Contracts Toolbox, <https://purchasing.nv.gov/Contracts/ToolBox/#Forms/Templates>.

manage, and dispose of such property in accordance with 2 CFR 200.313 (c)-(e):<sup>85</sup> (2 CFR 200.313(c), (e)).

#### General Guidelines:

- As described above, subrecipients will use, manage, and dispose of equipment with a state-mandated \$5,000 per unit threshold cost
- Capital expenditures for special purpose equipment are allowable as direct costs, provided that items with a unit cost of \$5,000 or more have the prior written approval of the federal awarding agency or DEM (2 CFR 200.439(b)(2)).<sup>86</sup>
- It is important to safeguard all equipment, and subrecipients have the policy to safeguard items that cost below \$5,000, which would be considered “high risk” for personnel use or theft. These items may include computer equipment, cell phones, iPad or items that may be assigned to an employee.
- Accurate records must be maintained on all acquisitions and dispositions of property acquired with Federal awards (2 CFR 200.313(a)-(e)).<sup>87</sup>
- Federally funded equipment records must contain a description (including AEL number, serial number or other identifiable numbers (VIN)), source, who holds the title, acquisition date, and cost, percentage of federal participation in the cost, location, condition, and disposition data (2 CFR 200.313(d)(1)).<sup>88</sup>
- A physical inventory of the federally funded property must be taken and reconciled with the property records per the subrecipients inventory procedures or at least once every two years in accordance with or by jurisdictional regulation or guidance (2 CFR 200.313(d)(2)).<sup>89</sup> The certified inventory is required to be sent to DEM electronically for review as requested, usually associated with a monitoring site visit.

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<sup>85</sup> 2 CFR 200.313 (e), [https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/subject-group-ECFR8feb98c2e3e5ad2#p-200.313\(e\)](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/subject-group-ECFR8feb98c2e3e5ad2#p-200.313(e)).

<sup>86</sup> 2 CFR 200.439(b)(2), [https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-E#p-200.439\(b\)\(3\)](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-E#p-200.439(b)(3)).

<sup>87</sup> 2 CFR 200.313(a)-(e), <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/subject-group-ECFR8feb98c2e3e5ad2/section-200.313>.

<sup>88</sup> 2 CFR 200.313(d)(1), <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/subject-group-ECFR8feb98c2e3e5ad2/section-200.313>.

<sup>89</sup> 2 CFR 200.313(d)(2), [https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/subject-group-ECFR8feb98c2e3e5ad2/section-200.313#p-200.313\(d\)\(2\)](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/subject-group-ECFR8feb98c2e3e5ad2/section-200.313#p-200.313(d)(2)).



#### *d) Disposition of Equipment*

When subrecipients no longer need the original or replacement equipment acquired under a federal award, they will contact DEM for disposition instructions, request a Property Disposition Report (PDR), and will dispose of equipment as follows (2 CFR 200.313(e)):

- Items of equipment with a current per-unit fair market value of less than \$5,000 may be retained, sold, or otherwise disposed of with no further obligation to the Federal awarding agency; however, whenever possible, the equipment should be retained and used or transferred to be used within the same general scope of work which it was originally paid under.
- Items of equipment with a current per-unit fair market value in excess of \$5,000 may be retained or sold, and the Federal awarding agency shall have a right to an amount calculated by multiplying the current market value or proceeds from sale by the Federal awarding agency's share (the Federal percentage of participation) of the equipment.
- Subrecipients may transfer title to the property to the Federal Government or to an eligible third party provided that, in such cases, the subrecipient must be entitled to compensation for its attributable percentage of the current fair market value of the property

**Note:** In cases where a subrecipients fails to take appropriate disposition actions, the federal awarding agency may direct the subrecipient to take disposition actions

#### *12) Travel, Lodging, and Sustenance Costs*

Travel costs are the expenses for transportation, lodging, subsistence, and related items incurred by employees who are in travel status on the official business of the subrecipient. Such costs may be charged on an actual cost basis, on a per diem or mileage basis in lieu of actual costs incurred, or on a combination of the two, provided the method used is applied to an entire trip and not to selected days of the trip, and results in charges consistent with those normally allowed in like circumstances in the subrecipient's non-federally funded activities and in accordance with subrecipient's written travel reimbursement policies, state, and federal requirements.

Subrecipient will use General Services Administration (GSA) rates to determine travel, lodging, and subsistence rates (2 CFR 200.475(d)).<sup>90</sup>

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<sup>90</sup> 2 CFR 200.475(d), [https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-E/subject-group-ECFRred1f39f9b3d4e72/section-200.475#p-200.475\(c\)\(1\)](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-E/subject-group-ECFRred1f39f9b3d4e72/section-200.475#p-200.475(c)(1)).



When authorized and approved by your agency, your transportation expenses in the performance of official travel are reimbursable for the usual fare plus tip for use of a taxi, Transportation Network Company) TNC, innovative mobility technology company, shuttle service or other courtesy transportation (if charges result).<sup>91</sup> Travelers may claim actual expenses incurred for parking or vehicles storage fees for private automobiles and commercial transportation costs (i.e., taxi, shuttle, etc.). Receipts are required (State Administrative Manual (SAM) 0218)<sup>92</sup>.

**Note:** Travel expenditures must be reasonable, allocable, consistently treated, and allowable.

**Note:** Foreign travel is only permitted with pre-approval from the SAA and federal partner that awarded the grant funds. Per the Fly America Act (49 U.S.C. 40118), authorized international travelers will use a U.S. flag air carrier service whenever possible (49 USC § 40118).<sup>93</sup>

The information required in the justification for foreign travel shall include:

- Authorization from the SAA
- Destination
- Traveler information
- Cost
- Complete justification
- What capability will be obtained
- How the capability will be shared with their jurisdiction
- Complete agenda and invitation.

**a) *What is needed to Travel***

In order to ensure cost-effective travel:

1. Rental cars will only be considered with documented justification. For example, the venue is located offsite, and it would cost more for taxi, shuttle, etc., a rental car is allowable. Rental cars are to be used solely for business travel. Mileage on rental cars will be reviewed.
2. Travel must be accomplished by the least expensive mode practicable; DEM may request additional information if not provided at the time of submission for reimbursement.

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<sup>91</sup> 41 CFR 301 10.420(a), [https://www.ecfr.gov/current/title-41/subtitle-F/chapter-301/subchapter-B/part-301-10#p-301-10.420\(a\)](https://www.ecfr.gov/current/title-41/subtitle-F/chapter-301/subchapter-B/part-301-10#p-301-10.420(a)).

<sup>92</sup> SAM 0218,

<https://budget.nv.gov/uploadedFiles/budgetnv.gov/content/IAudits/Forms/StateAdministrativeManual.pdf>.

<sup>93</sup> 49 USC § 40118, <https://www.gsa.gov/policy-regulations/policy/travel-management-policy/fly-america-act>.

3. Cancellation fees will not be reimbursed unless a justification is submitted to DEM for review and approval.

**b) GSA Rates**

For purposes of reimbursement, travel should not exceed the GSA rate (gsa.gov).<sup>94</sup> DEM will reimburse the maximum lodging rates with a receipt and the prorated taxes on that amount only. Prior approval or approved explanation will be required if the travel reimbursement amount exceeds the GSA rate. Please see Nevada Revised Statute for the waiver process (NRS 281.160).<sup>95</sup>

**c) Per Diem**

Per diem is an allowance for lodging, meals, and incidental expenses. The GSA establishes the per diem reimbursement rates that federal agencies use to reimburse their employees for subsistence expenses incurred while on official travel within the continental U.S. (CONUS), which includes the 48 contiguous states and the District of Columbia. The restrictions on per diem claims include:

- The cost of meals provided by conference fees or other means such as invitational travel must be deducted from meals provided from the per diem rate. This includes Emergency Management Institute (EMI) - DEM will only reimburse for the Meal Ticket cost and travel days to and from EMI.
- Traveler will only be allowed 75% of the per diem for the first and last day of travel unless the subrecipient submits a more practical and approved process.
- Travelers must travel at a minimum of a 50-mile radius outside of their duty station or their home/departure whichever is closer to their destination, to be reimbursed for per diem and lodging. Travelers may request mileage and parking if they are within the 50-mile radius of their duty station.
- Subrecipients may provide food to participants only when necessary for the continuity of training, exercises, or meetings. In order to provide food for participants, the trainings, exercises, or meetings must be over 6 hours in length, must stay within the per diem set forth by GSA, must be stated on the agenda “working lunch,” and must notify the attendees that they may not claim the per diem elsewhere. **Programs must submit justification for each request outside the line-item detail budget approval and must**

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<sup>94</sup> Gsa.gov, [www.gsa.gov](http://www.gsa.gov).

<sup>95</sup> NRS 281.160, <https://www.leg.state.nv.us/nrs/nrs-281.html>.

**have prior written approval by the SAA to provide food.** The pre-approval must be submitted with each monthly or quarterly report for reimbursement.

**Note:** A copy of the sign-in sheet must be submitted in order to verify the count for lunch reimbursement.

***d) Tipping***

The GSA meals and incidental expense (M&IE) rate includes taxes and tips in the rate, so travelers will not be reimbursed separately for those items.<sup>96</sup> Incidental expenses include fees and tips given to porters, baggage carriers, hotel staff, and staff on ships.<sup>97</sup>

Tips may be added to a ride and may not exceed \$2.00 or 20% of the allowable ride costs – whichever is greater. All tips are billed to a personal payment method and may be submitted for reimbursement (DEM).

***e) Travel Reimbursement***

With respect to travel and per diem rates subrecipients must know and adhere to the most restrictive of the Nevada Revised Statute (NRS), the United States General Services Administration (GSA) codes, or their own established policies.

Travel reimbursement claims will include:

- Reimbursement request signed by the traveler
- Subrecipient authorization
- All receipts such as GSA rates, hotel, parking, shuttle, taxi, rental car to include additional fuel cost
- Conference fee invoice
- Flight invoice
- Internet search map for mileage reimbursement
- Formal or informal agenda from the inviting agency
- Naming Convention for Communicating about Grants (Section 3.A.16.f))

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<sup>96</sup> <https://www.gsa.gov/travel/plan-book/per-diem-rates/frequently-asked-questions-per-diem>.

<sup>97</sup> 2 CFR 300.3.1, [https://www.ecfr.gov/current/title-41/subtitle-F/chapter-300/subchapter-A/part-300-3#p-300-3.1\(Per%20diem%20allowance\)](https://www.ecfr.gov/current/title-41/subtitle-F/chapter-300/subchapter-A/part-300-3#p-300-3.1(Per%20diem%20allowance)).

## ***B. Performance & Financial Monitoring & Reporting***

Monitoring activities will be performed to identify best practices and mitigate risk by ensuring the required agency policies are effective in their overall compliance with the terms and conditions of the award as applicable, including the terms of 2 CFR 200.328.<sup>98</sup>

DEM requires subrecipients to report financial and programmatic performance quarterly. These reports are used to meet federal reporting and performance obligations. The non-federal entity is responsible for oversight of the operations of the federal award and supported activities to ensure compliance and performance requirements are met.

### ***1) Financial Management & Internal Control***

Each state must expend and account for the Federal award in accordance with state laws and procedures for expending and accounting for the state's own funds. In addition, the state's and the other non-Federal entity's financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the Federal award, must be sufficient to permit the preparation of reports required by general and program-specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award.<sup>99</sup>

The non-federal entity must:

- Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.
- These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States or the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).<sup>100</sup>

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<sup>98</sup> 2 CFR 200.328-300, <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/subject-group-ECFR36520e4111dce32/section-200.328>.

<sup>99</sup> 2 CFR 200.302(a), [https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/section-200.302#p-200.302\(a\)](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/section-200.302#p-200.302(a)).

<sup>100</sup> 2 CFR 200.303(a), [https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/section-200.303#p-200.303\(a\)](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/section-200.303#p-200.303(a)).

DEM conducts regular monitoring. This includes desk monitoring of all quarterly reporting as well as scheduled onsite or virtual monitoring. The virtual/site visits require the submission of requested documentation as required by the grant, including inventories, policies, procedures, etc. As part of the monitoring process, DEM may require follow-up from the subrecipients in a report format that may include preparing a corrective action plan.<sup>101</sup>

## ***2) DEM Naming Convention for Communicating About Grants***

Due to the amount of grants within DEM, all email or verbal communications with DEM must communicate by using the proper naming convention. Example:

- **Agency** (Washoe County Sheriff's Office)
- **Complete Grant Name** (Consolidated Bomb Squad)
- **Program** (SHSP)
- **The Fiscal Year** (FFY20)
- **Original Award Amount** (\$57,000.00)
- **Naming convention:** "FFY20 Washoe County Sheriff's Office Consolidated Bomb Squad SHSP \$57,000"

## ***3) Quarterly Financial Report (QFR) & Quarterly Progress Report (QPR)***

All forms used for reporting, using the manual or electronic (ZoomGrants), are provided by DEM. All communications must use the grants naming protocol identified above.

The Quarterly Financial Report (QFR) with supporting documentation shall be submitted to DEM within 30 days following the close of each quarter (2 CFR 200.329(c)(1)).<sup>102</sup> A QFR is required every quarter-end, including a zero request. Every QFR must be accompanied by a Quarterly Progress Report (QPR) which documents the progress to date toward the successful conclusion of the grant and positive performance. All equipment invoices must have the "approved equipment list" (AEL) number/serial number etc. written on each invoice, with brief clarifying information as to what the purchased equipment is and how it is related to the project.

Prior to submittal, it is imperative that the subrecipients review all invoices, fiscally as well as programmatically, to ensure all purchases made are within the approved budget and scope of work, specific grant guidance in reasonable, allocable, allowable and in the appropriate timeline.

As applicable, QFR submissions shall consist of:

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<sup>101</sup> 2 CFR 200.328-332, <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/subject-group-ECFR36520e4111dce32/section-200.328>.

<sup>102</sup> 2 CFR 200.329(c)(1), [https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/subject-group-ECFR36520e4111dce32#p-200.329\(c\)\(1\)](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/subject-group-ECFR36520e4111dce32#p-200.329(c)(1)).

- DEM Quarterly Financial Report in ZoomGrants or provided by DEM for grants issued prior to FY20
- Program Narrative as applicable
- DEM-provided Line-Item Detailed Budget
- Additional specific back-up documentation for expenditures, contract use, etc.
- Payroll documentation consists of:
  - Timesheets and
  - Payroll download from your accounting system or paystubs
- Contract documentation consists of:
  - Copy of contract
  - Documentation of the procurement process
  - Documentation of search of Excluded Parties List from Sam.gov
- All purchase documentation consists of:
  - Itemized Invoices and
  - Proof of payment for example:
    - Check and check stub with detail
    - Accounts payable system download
    - PCard statement
- Quarterly Progress Reports in ZoomGrants or provided by DEM for grants issued prior to FY20

***a) QPR Work Plans (EMPG)***

Due with the QFR & QPR, these reports inform DEM, state, and federal partners the progress your agency has made towards your project and within the performance period of the grant. DEM staff will reach out should they not understand your report or feel the grant performance period is in jeopardy of being met. All questions must be answered sufficiently in order for the DEM to make an accurate report.

DEM will make every effort to ensure reimbursements will be made timely. However, reimbursements are processed in the order that they are submitted. Therefore, the timelier that recipients submit their requests, the sooner they may expect reimbursement. The submission of inaccurate or incomplete information could result in the rejection or delay of reimbursement.

As the fiduciary agency responsible for managing and administering the federal grant funds, DEM may question, short pay, or deny any reimbursement in part or full. While it is DEM's desire to work collaboratively with recipients and help each achieve success, DEM has the

authority to close out the grant and terminate the balance of funding if the subrecipient fails to submit the report on time.

**4) Late Reporting Policy**

The Nevada Division of Emergency Management (DEM) unveiled its new policy for late reporting on grants during the mandatory grants training, on October 11<sup>th</sup>, 2022. This policy is intended for the 2022 season and all prior released grants. This policy is a restructure of how the DEM communicates with subgrantees and the consequences of late Quarterly Financial Reporting (QFR) to subgrantees.

The policy provides for ample notification to the subgrantee prior to action. Ten days prior to the quarterly reporting due date and one day after reporting is due, the DEM will be sending push notifications to the application contacts and additional contacts for each project in ZoomGrants. Two weeks after the due date of the quarterly financial report, late subgrantees will receive a notice from grant staff regarding their late reporting. Thirty days after a missed deadline, subgrantees will receive a final notice of late entries for their QFR. After sixty days, subgrantees who still have not submitted their reporting will receive a formal notice from the State Administrative Agent (SAA) that their grant funds have been administratively de-obligated per 2CFR200.339.

Table 2 provides Quarterly Reporting deadlines and breaks down the start and end dates of each quarter.

<b>Quarter Number</b>	<b>Start Date</b>	<b>End Date</b>	<b>Due Date</b>
<b>1</b>	October 1	December 30	<b>January 30</b>
<b>2</b>	January 1	March 30	<b>April 30</b>
<b>3</b>	April 1	June 30	<b>July 30</b>
<b>4</b>	July 1	September 30	<b>October 30</b>

***Table 2. Quarterly Breakdown Chart.***

***5) Expectations for Reporting Purchases***

Per 2 C.F.R. § 200.318(i), non-federal entities other than states and territories are required to maintain and retain records sufficient to detail the history of procurement covering at least the rationale for the procurement method, contract type, contractor selection or rejection, and the basis for the contract price.

States and territories are encouraged to maintain and retain this information as well and are reminded that in order for any cost to be allowable, it must be adequately documented per 2 C.F.R. § 200.403(g).

Examples of the types of documents that would cover this information include but are not limited to:

- Solicitation documentation, such as requests for quotes, invitations for bids, or requests for proposals;
- Responses to solicitations, such as quotes, bids, or proposals;
- Pre-solicitation independent cost estimates and post-solicitation cost/price analyses on file for review by federal personnel, if applicable;
- Contract documents and amendments, including required contract provisions; and
- Other documents required by federal regulations applicable at the time a grant is awarded to a recipient.

Additional information on required procurement records can be found on pages 24-26 of the PDAT.<sup>103</sup>

***6) Project Change Request (PCR) as Part of the Original Applications for Funding***

As part of the original applications for funding, original Scopes of Work (SOW) are reviewed through a required process and may have included state, federal, and or committees' approvals. While subrecipients should strive to complete their projects as approved, circumstances can change and prevent the project from staying on time, budget, or in scope.

The sooner that subrecipients recognize the need for a project change request (PCR), the higher the probability that the project change will be completed in a timely manner. Since PCRs will be

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<sup>103</sup> FEMA FY 2022 Preparedness Grant Manual, pg. 42.



considered for legal, policy, or operational challenges, they are not guaranteed and take time for the DEM to process.

***a) When to Use a Project Change Request (PCR)***

To make a change to a subaward grant agreement, the subrecipient must submit a fully executed DEM change request form. The PCR form must be accompanied by an updated budget using the DEM Line-Item Detail budget form any time the budget is adjusted. The form must include the justification/reason for the requested change that may include:

- A request to extend the subrecipient period of performance (PoP).
- Line item/budget revision
- A scope of work Change
- Request additional items due to cost savings

***b) What DEM Considers for Approval of Period of Performance Extension Requests***

DEM will work with subrecipients to ensure they are successful in managing their grants, but not all change requests are guaranteed. All extension requests must address the following using the DEM PCR form:

- Grant naming protocol
- Reason for the delay includes details of the legal, policy, or operational challenges that prevent the final outlay of awarded funds by the deadline
- Current status of grant activity
- Current period of the performance termination date and new projected project completion date
- Amount of funds drawn down to date
- Remaining funds - federal, and non-federal
- Budget outlining how remaining federal and non-federal funds will be expended
- Plan for completion, including milestones and timeframes for achieving each milestone and the position or person responsible for implementing the plan for completion
- Certification that the activities will be completed within the extended period of performance without any modification to the original scope of work, as described in the investment justification and as approved by FEMA

All requests must be submitted to DEM on the approved PCR form with a line-item detail budget issued through [DHSGrants@DEM.nv.gov](mailto:DHSGrants@DEM.nv.gov).

**Note:** Any requested changes equal to or greater than 10% require special review and approval by DEM/federal partners.

Cost savings are current budget less new budget. This money can be rearranged as applicable. Cost savings should not be negative.

***c) Period of Performance Extensions***

DEM will only allow a maximum six (6) month extension to the subsequent period of performance unless extenuating circumstances are communicated and approved. The reason for the minimal extension allowance is that sub-recipients PoP extensions run into the DEM's PoP that DEM uses for managing, reporting, and closeout procedures.

Extensions to the subrecipient initial period of performance are allowed under limited circumstances. The request must contain specific and compelling justifications as to why an extension is required.

Examples (not exhaustive) of information to include in extension requests are as follows:

- Contractual commitments by the grant recipient with vendors or subrecipients prevent completion of the project within the existing period of performance
- The project must undergo a complex environmental review that cannot be completed within the existing period of performance
- Projects are long-term by design, and therefore acceleration would compromise core programmatic goals; or
- Where other special or extenuating circumstances exist

Recipients should submit all proposed extension requests to DEM for review and approval at most 90 days before the end of, but at least 30 days before the end of, the period of performance to allow sufficient processing time. Subrecipients must submit any additional extension requests not later than 15 days after the last day of the previously approved extension.

Subrecipients may not obligate funds at the end of an extension using the SAA close-out period to submit reports & expenditures. If subrecipients do have extenuating circumstances requiring obligating funds at this stage, they must first obtain approval in writing from the SAA. Late reports could delay reimbursement or result in non-payment of the claim.

***d) Grant Budget Revisions***

Written approval must be obtained from DEM prior to the transfer of funds within or between budget categories, line items, or prior to the expenditure of funds for newly identified items.

*e) Scope of Work (SOW) Changes*

Once the change request has been received, DEM will determine any additional clarifying needs and the requirements to continue the approval process.

Written approval will come from DEM but may require other agencies/committees and may take some time depending on meeting schedules and DEM/federal workload timelines.

The change in scope of work request must clearly explain the reason for the scope change and include but are not limited to:

- Supporting documentation such as technical reports if the original scope of work is not feasible
- Construction timeline/project schedule
- Supplier/vendor documentation on requested changes

## 4. Closeout

The objective is to close out every grant within the subrecipient’s period of performance. DEM will assist subrecipients in extending period performance on a case-by-case basis as outlined in Table 3. Closeout can only take place when DEM determines the subrecipient has completed all the work and applicable administrative actions.

Reason for Closing	Action
End of period of performance	Follow established program policies and procedures for the normal closeout of subawards.
Completion of project	The program guide should indicate the grace period for submitting a final fiscal and/or program report, if applicable. If necessary, submit a formal, written notice requesting closeout. Subrecipient submits a QFR/QPR indicating “Final QFR” with zero balance or the balance to de-obligate and “Final QPR” indicating percent completion of the project.
Mutual agreement by subrecipient and DEM to terminate the award	Either the subrecipient or DEM may request the closure of a subaward with written justification and advanced notice. The prime recipient, in consultation with subrecipient, determines how much advanced notice is required. The notice must include the justification for the closure and provide direction for program and budget reconciliation.
Noncompliance	If the subrecipient fails to comply with federal, state, or program requirements, termination for non-compliance can be partial or full. Establish an appeal process within the program’s guidance to ensure unbiased, objective, and consistent treatment of all subrecipients.

**Table 3. Justification for Closing Subawards.**

### ***A. Project Closeout Process***

DEM will close out the Federal award when it determines that a subrecipient has completed all applicable administrative actions and all required work. If a subrecipient fails to complete the requirements, DEM will proceed to close out the federal award with the information available.

### **1) De-obligation**

DEM will de-obligate funds that subrecipients are not able to spend and redistribute them to others who need additional grant funds. It is important that subrecipient communicates the de-obligation amounts to DEM as soon as possible for the funds to be re-obligated where applicable. Refer to appendix J.

### **2) Match Closeout (Cost Share)**

Consistent with the terms and conditions of the federal award, DEM must make a settlement for any upward or downward adjustments to the federal share of costs after closeout reports are received.

#### **a) Donated Property or Land**

If a federal awarding agency authorizes the subrecipient to donate buildings or land for construction/facilities acquisition projects or long-term use, the value of the donated property for cost sharing or matching must be the lesser of:

- The value of the remaining life of the property recorded in the non-Federal entity's accounting records at the time of donation.
- The current fair market value. However, when there is sufficient justification, the federal awarding agency may approve the use of the current fair market value of the donated property, even if it exceeds the value described in [paragraph \(d\)\(1\)](#) of this section at the time of donation.

### **3) Final Reporting**

Due to the time constraints inherent in grants, recipients are encouraged to execute their projects as soon as practicable. Final Reporting QFR and QPR for subrecipient is 30 days after the end of their period of performance unless they have a PCR sent in to extend the PoP (2 CFR 200.344).<sup>104</sup>

Within 30 days after the end of the period of performance subrecipients must issue to DEM the final QFR and the associated final QPR and a qualitative narrative summary of the accomplishments throughout the period of performance. If applicable subrecipients will include any de-obligation amounts for remaining funds. Subrecipients may end the award early by noting “final” on the QFR and noting the amount to be de-obligated or an email stating the same.

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<sup>104</sup> 2 CFR 200.344, [https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/subject-group-ECFR682eb6fbabcde2/section-200.344#p-200.344\(a\)](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/subject-group-ECFR682eb6fbabcde2/section-200.344#p-200.344(a)).

When subrecipients complete all closeout requirements, DEM and the federal awarding agency will promptly complete all closeout actions. The federal awarding agency must make every effort to complete closeout actions no later than one year after the end of the period of performance unless otherwise directed by authorizing statutes.

#### **4) *Closeout Letters***

DEM will issue closeout letters to subrecipients to document the completion of all requirements. DEM will report closeout to the federal agency issuing the award.

#### **5) *Records Retention***

Financial records, supporting documents, statistical records, and all other subrecipient records pertinent to a federal award must be retained for a period of three (3) years from the date of submission of the final expenditure report or, for federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the federal awarding agency or pass-through entity in the case of a subrecipient.

Exceptions to the three (3) year record retention are:

- If any litigation, claim, or audit is started before the expiration of the 3-year period, the records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken.
- When the subrecipient is notified in writing by the federal awarding agency, cognizant agency for audit, oversight agency for audit, cognizant agency for indirect costs, or pass-through entity to extend the retention period.
- Records for real property and equipment acquired with federal funds must be retained for 3 years after final disposition.
- Records for program income transactions after the period of performance. In some cases, recipients must report program income after the period of performance. Where there is such a requirement, the retention period for the records pertaining to the earning of the program income starts from the end of the subrecipient's fiscal year in which the program income is earned.
- Indirect cost rate proposals and cost allocations plans. This paragraph applies to the following types of documents and their supporting records: Indirect cost rate computations or proposals, cost allocation plans, and any similar accounting computations of the rate at which a particular group of costs is chargeable (such as

computer usage chargeback rates or composite fringe benefit rates) (2 CFR 200.334(f)).<sup>105</sup>

- ***If submitted for negotiation.*** If the proposal, plan, or other computation is required to be submitted to the Federal Government (or to the pass-through entity) to form the basis for negotiation of the rate, then the 3-year retention period for its supporting records starts from the date of such submission.
- ***If not submitted for negotiation.*** If the proposal, plan, or other computation is not required to be submitted to the Federal Government (or to the pass-through entity) for negotiation purposes, then the 3-year retention period for the proposal, plan, or computation and its supporting records starts from the end of the fiscal year (or other accounting period) covered by the proposal, plan, or other computation.

#### **6) *Types of Records to Retain***

Subrecipients must follow their own policy and procedures, and their process must be as strict as the state or federal government. Subrecipients must maintain the following documentation for federally funded purchases 2 CFR 200.318(i), 200.334, 200.336, 2 CFR § 200.403(g):

- Specifications
- Solicitations
- Competitive quotes or proposals
- Basis for selection decisions
- Purchase orders
- Contracts
- Invoices
- Cancelled checks

#### **7) *Single Audit Reporting***

All subrecipients who expend \$750,000.00 or more from all federal funding sources during their fiscal year are required to submit a “single audit” report to DEM on an annual basis. This audit must be performed in accordance with the requirements of the U.S. Government Accountability Office’s (GAO) Government Auditing Standards (GAO Audit Standards),<sup>106</sup> and the

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<sup>105</sup> 2 CFR 200.334(f), [https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/subject-group-ECFR4acc10e7e3b676f/section-200.334#p-200.334\(f\)](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/subject-group-ECFR4acc10e7e3b676f/section-200.334#p-200.334(f)).

<sup>106</sup> GAO Audit Standards, <https://www.gao.gov/yellowbook/overview>.

requirements of 2 CFR Subpart F.<sup>107</sup> Once completed, this report must be submitted to the SAA within 30 days after receipt of the auditor's report(s), or not later than 9 months after the end of the audit period (2 CFR 200.512(a)).<sup>108</sup>

Grant revenue and expenditure records and supporting documentation must be maintained and made available upon request by the State Division Internal Audit, Legislative Council Bureau, and the SAA or any other entity as required by law to audit the subrecipient. The subrecipient is required to respond to auditors' inquiries as required by the State of Nevada Administrative Manual (SAM) 3000 (SAM 3000).<sup>109</sup>

## **Appendix A: Emergency Management Performance Grant (EMPG)**

### **Program**

Emergency Management Performance Grants are the bread and butter of how we pay for our salaries and basic overhead costs of state-level and subrecipient emergency management programs. While salary and general overhead do not neatly align to specific projects and priorities proposed staffing activities should be linked to accomplishing the activities outlined in the EMPG Program Work Plan (FEMA Preparedness Grants Manual).<sup>110</sup> For example, a subrecipient may describe how funding for emergency managers and their training directly closes gaps in the Operational Coordination core capability.

#### ***A. EMPG Investment Strategy***

Subrecipients submit their EMPG investment requests to DEM via DEM's two-page EMPG Grant Investment Strategy form according to the following sections:

- Performance goal(s) – at least one (1) subrecipient priority with an estimate quantifying the extent to which the associated capability gap(s) will be closed
  - Goal must be specific, measurable, achievable within the period of performance, relevant to the priority area, and have a target date for completion (i.e., SMART goal)

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<sup>107</sup> 2 CFR Subpart F, <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-F>.

<sup>108</sup> 2 CFR 200.512(a), [https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-F/subject-group-ECFRc3bd6ae97de5a40/section-200.512#p-200.512\(a\)](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-F/subject-group-ECFRc3bd6ae97de5a40/section-200.512#p-200.512(a)).

<sup>109</sup> SAM 3000, <https://budget.nv.gov/uploadedFiles/budgetnv.gov/content/Governance/SAM.pdf>.

<sup>110</sup> FEMA FY 2022 Preparedness Grants Manual, H-16, [https://www.fema.gov/sites/default/files/documents/fema\\_fy-2022-preparedness-grants-manual.pdf](https://www.fema.gov/sites/default/files/documents/fema_fy-2022-preparedness-grants-manual.pdf).



- Risk profile – overview of subrecipient’s risks based on THIRA/SPR results, hazard mitigation plan, AAR, etc.
- Gaps to be addressed – based THIRA/SPR results or other relevant assessment
- Proposed EMPG-funded investments – linked to identified priorities, performance goals, risks, gaps, needs, and the anticipated impact of the investment
- Existing plans that support the priority selected
- Planning, Training, and Exercise table - describing the proposed projects

Subrecipients will then report annually on the progress toward meeting desired capabilities by POETE element – Planning, Organizing, Equipping, Training, Exercising. Each POETE element counts as 20% toward a total score of 100% for the five (5) POETE elements:

$$100\% = 20\% \text{ (Planning)} + 20\% \text{ (Organizing)} + 20\% \text{ (Equipping)} + 20\% \text{ (Training)} + 20\% \text{ (Exercising)}$$

Subrecipients report on both their beginning capability and estimate of how much they have closed the capability gaps for each POETE element. For example, a subrecipient that estimates a beginning 5% capability for each POETE element and an increase of 5% for each POETE element would have a report as shown in Table 4.

<b>POETE Element</b>	<b>Beginning Estimate of Capability</b>	<b>Percentage Increase of Capability</b>	<b>Ending Estimate of Capability</b>
<b>Planning</b>	5%	5%	10%
<b>Organizing</b>	5%	5%	10%
<b>Equipping</b>	5%	5%	10%
<b>Training</b>	5%	5%	10%
<b>Exercising</b>	5%	5%	10%
	25%		50%

**Table 4. Sample EMPG Annual POETE Capability Quantified Report.**

**1) Sample Project Goal Hierarchy**

When designing EMPG priorities, subrecipients should follow the example in this section to draw a clear line from priority down to the associated activities.

**Priority:** Logistics and Supply Chain Management

- **Performance Goal:** Within 24 hours of an incident, identify and mobilize life-sustaining commodities, resources, and services to 1,000 people requiring shelter and 10,000 people requiring food and water. Maintain distribution system for at least 30 days.
  - **Project:** Develop local Distribution Management Plan and qualify 10 additional personnel for logistics operations in NQS.
  - **Project Objective/Impact:** Increase capacity to identify and mobilize life-sustaining commodities, resources, and services to people requiring shelter, food, and water by 90%, allowing the state to do so for 900 people requiring shelter and 9,000 requiring food and water within 24 hours of an incident and maintain that distribution system for at least 30 days.
    - **Activity:** Convene cross-discipline working group to develop a local Distribution Management Plan

### ***B. EMPG - National Preparedness System Alignment***

The SAA works collaboratively with FEMA Region IX to determine the statewide priorities. Subrecipients then develop one or more (at least one) of their own priorities that they will address. Subrecipients then develop an investment strategy that describes how they will close core capability gaps or sustain capabilities based on its priorities.

**Note:** For FY 2022, the State of Nevada EMPG priorities are:

- Fatality Management
- Health and Social Services
- Cyber-Security Consequences

The capabilities that subrecipients address are based on:

- Threat and Hazard Identification and Risk Assessment (THIRA)/Stakeholder Preparedness Review (SPR) and;
- After-action reports (AARs) following exercises or real-world events;
- Audit and monitoring findings;
- Hazard Mitigation Plans; and/or
- Other deliberate planning products.

When applicable, subrecipients should use funding to support deployable assets that they can then share with other jurisdictions.

### ***C. EMPG - National Preparedness System Implementation***

The National Preparedness System outlines an organized process for the whole community to prepare and achieve the National Preparedness Goal. Subrecipients use the National Preparedness System’s six-step, cyclical process to guide their overall emergency management program development and improvement (Figure 3):

- Identifying and Assessing Risk – THIRA
- Estimating Capability Requirements – SPR
- Building and Sustaining Capabilities – Grants and NIMS implementation
- Planning to Deliver Capabilities – Family of plans
- Validating Capabilities – Plan validation exercises / real-world events
- Reviewing and Updating – AAR and improvement plans

Subrecipients are required to implement the National Incident Management System (NIMS) as described in Section 1e) to coordinate whole community efforts to deliver core capabilities. Subrecipients do so by using standardized resource management concepts for resource typing, credentialing, and an inventory to facilitate the effective identification, dispatch, deployment, tracking, and recovery of resources. While there are a host of NIMS implementation requirements, EMPG funds may be used to fulfill them (FEMA FY 2022 Preparedness Grants Manual).<sup>111</sup>

#### ***2) NIMS Training***

All EMPG Program-funded personnel must complete the following training requirements and record proof of completion:

1. NIMS Training, Independent Study (IS)-100 (any version), IS-200 (any version), IS-700 (any version), and IS-800 (any version), and;
2. Professional Development Series (PDS) or the Emergency Management Professionals Program (EMPP) Basic Academy as seen in Table 5 (FEMA FY 2022 Preparedness Grants Manual).<sup>112</sup>

PDS Professional Development Series	OR	Basic Academy Basic Academy Pre-requisites and Courses
IS-120.a: An Introduction to Exercises	OR	IS-100 (any version): Introduction to the Incident Command System

<sup>111</sup> FEMA FY 2022 Preparedness Grants Manual, H-3, [https://www.fema.gov/sites/default/files/documents/fema\\_fy-2022-preparedness-grants-manual.pdf](https://www.fema.gov/sites/default/files/documents/fema_fy-2022-preparedness-grants-manual.pdf).

<sup>112</sup> FEMA FY 2022 Preparedness Grants Manual, H-12, [https://www.fema.gov/sites/default/files/documents/fema\\_fy-2022-preparedness-grants-manual.pdf](https://www.fema.gov/sites/default/files/documents/fema_fy-2022-preparedness-grants-manual.pdf).

IS-230.d: Fundamentals of Emergency Management	<b>OR</b>	IS-700 (any version): National Incident Management System (NIMS)-An Introduction
IS-235.b: Emergency Planning	<b>OR</b>	IS-800 (any version): National Response Framework, An Introduction
IS-240.b: Leadership and Influence	<b>OR</b>	IS-230.d: Fundamentals of Emergency Management
IS-241.b: Decision Making and Problem Solving	<b>OR</b>	E/L101: Foundations of Emergency Management
IS-242.b: Effective Communication	<b>OR</b>	E/L102: Science of Disasters
IS-244.b: Developing and Managing Volunteers	<b>OR</b>	E/L103: Planning Emergency Operations
IS-244.b: Developing and Managing Volunteers	<b>OR</b>	E/L104: Exercise Design
IS-244.b: Developing and Managing Volunteers	<b>OR</b>	E/L105: Public Information & Warning

**Table 5. Professional Development Series and Basic Academy Courses.**

In addition to the basic training requirements, DEM requires all EMPG subrecipients to attend annual Preparedness Week workshops in which they collaborate with DEM on developing the state/regional THIRA/SPR, Integrated Preparedness Plan, which inform EMPG workplans. Attending the DEM Preparedness Week workshops also counts toward annual training and exercise requirements that DEM requires of its subrecipients.

### **3) EMPG – National Qualification System (NQS) Implementation**

Subrecipients must implement the National Qualification System (NQS). For Fiscal Year (FY) 2022, subrecipients must begin implementing NQS Phase 1 objectives and plan to implement Phase 2 (FEMA FY 2022 Preparedness Grants Manual).<sup>113</sup> While NQS requirements are extensive, the good news is:

- Only EMPG Program-funded deployable personnel will be required to meet NQS certification requirements
- Subrecipients will be considered in compliance with the NQS requirements as long they are working towards implementing the NQS Implementation Objectives.

### **D. EMPG Allowable Costs**

The costs in this section are specifically allowable for EMPG. Generally allowable costs for all grants are in Section 2.A.2).

<sup>113</sup> FEMA FY 2022 Preparedness Grants Manual, H-3,

### **1) *EMPG Whole Community Preparedness***

EMPG whole community preparedness costs in support of the 2022-2026 FEMA Strategic Plan to include:

- Community Emergency Response Team (CERT) programs
- Financial preparedness activities
- Preparedness of community-based organizations
- Youth preparedness resources

### **2) *Planning (EMPG)***

- Emergency Operations Plans (EOP), Continuity of Operations (COOP) Plans
- Communications plans
- Administrative plans
- Whole community engagement/planning
- Resource management plans
- Shelter and evacuation plans
- Recovery plans

### **3) *Organization (EMPG)***

- All-hazards emergency management operations, staffing, and other day-to-day activities in support of emergency management,
- Staffing CERT and Citizen Corps positions to promote whole community engagement in all phases of emergency management
- Performing closeout activities on FEMA disaster assistance grants
- Staffing permanent technical advisors on children's needs
- Supporting fusion center analysts who are directly involved in all-hazards preparedness activities
- Personnel costs, including salary, overtime, compensatory time off, and associated fringe benefits, are allowable EMPG (FEMA FY 2022 Preparedness Grants Manual)<sup>114</sup>

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<sup>114</sup> FEMA FY 2022 Preparedness Grants Manual, H-16

#### **4) *Equipment (EMPG)***

- As with other grant programs, allowable equipment categories for the EMPG Program are listed in the Authorized Equipment List (AEL) and include the following AEL categories (AEL)<sup>115</sup>:
  - Personal Protective Equipment (Category 1)
  - Information Technology (Category 4)
  - Cybersecurity Enhancement Equipment (Category 5)
  - Interoperable Communications Equipment (Category 6)
  - Detection Equipment (Category 7)
  - Power Equipment (Category 10)
  - Chemical, Biological, Radiological, Nuclear, and Explosive (CBRNE) Reference Materials (Category 11)
  - CBRNE Incident Response Vehicles (Category 12)
  - Physical Security Enhancement Equipment (Category 14)
  - CBRNE Logistical Support Equipment (Category 19)
  - Other Authorized Equipment (Category 21)
- General purpose to carry out EMPG responsibilities are allowable

#### **5) *Training (EMPG)***

- Training activities should align to a current, multi-year Integrated Preparedness Plan (IPP) developed through an annual IPP Workshop (IPPW) and build from training gaps identified in the THIRA/SPR process
- Funds Used to Develop, Deliver, and Evaluate Training - costs related to administering training, such as planning, scheduling, facilities, materials and supplies, reproduction of materials, and equipment
- Overtime and Backfill - overtime costs, including payments related to backfilling personnel, that are the direct result of attendance at FEMA and/or approved training courses and programs are allowable
  - In no case is dual compensation allowable – the person(s) must be paid either through EMPG or normal distribution, but not both
- Travel - costs such as airfare, mileage, per diem, and hotel are allowable as expenses by employees who are on travel status for official business related to approved training.

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<sup>115</sup> AEL, <https://www.fema.gov/grants/tools/authorized-equipment-list>

- Hiring of Full- or Part-Time Staff or Contractors/Consultants - to support direct training-related activities
- Certification/Recertification of Instructors - costs for certification and re-certification of instructors are allowed
- Developing/enhancing systems to monitor training programs
- Conducting all-hazards emergency management training
- Attending EMI training or delivering EMI train-the-trainer courses
- Attending other FEMA-approved emergency management training
- State-approved, locally sponsored CERT training
- Mass evacuation training at local, state, territorial and tribal levels

**6) Exercises (EMPG)**

- Funds Used to Design, Develop, Conduct and Evaluate Preparedness Exercises - planning, meeting space and other meeting costs, facilitation costs, materials and supplies, travel, and documentation
- Hiring of Full- or Part-Time Staff or Contractors/Consultants - may be hired to support direct exercise activities
- Overtime and Backfill - including payments related to backfilling personnel, that are the direct result of time spent on the design, development and conduct of exercises are allowable expenses
- Travel - airfare, mileage, per diem, hotel, are allowable as expenses
- Supplies - items that are expended or consumed while planning and conducting the exercise activities (e.g., gloves, non-sterile masks, and disposable protective equipment).
- HSEEP Implementation - developing and maintaining an exercise program consistent with Homeland Security Exercise and Evaluation Program (HSEEP)<sup>116</sup>
- Other Items - items consumed in direct support of exercise activities, such as:
  - o Space/locations rentals for planning and conducting an exercise
  - o Equipment rentals (e.g., portable toilets, tents)
  - o Food/refreshments
  - o Procurement of other essential nondurable goods
  - o Costs associated with inclusive practices and the provision of reasonable accommodations and modifications that facilitate full access for children and adults with disabilities are allowable

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<sup>116</sup> (HSEEP), <https://www.fema.gov/emergency-managers/national-preparedness/exercises/hseep>

- EMPG Unauthorized Exercise-Related
  - o Reimbursement for maintenance and/or wear and tear costs of general use vehicles (e.g., construction vehicles) and emergency response apparatus (e.g., fire trucks, ambulances). The only vehicle costs that are reimbursable are fuel/gasoline or mileage.
  - o Equipment that is purchased for permanent installation and/or use beyond the scope of exercise conduct (e.g., electronic messaging signs)
  - o Durable and nondurable goods purchased for installation and/or use beyond the scope of exercise conduct

### ***E. EMPG Cost Match Requirement***

Per the Fiscal Year (FY) 2022 EMPG NOFO, eligible EMPG Program applicants shall agree to make available non-federal funds to carry out an EMPG Program award in an amount not less than 50% of the total project cost. In other words, the federal share applied toward the EMPG Program budget shall not exceed 50% of the total budget as submitted in the application and approved in the award (EMPG NOFO).<sup>117</sup>

## **Appendix B: Homeland Security Grant Program (HSGP)**

Subrecipients use HSGP funds to build, sustain, and deliver the 32 core capabilities across the five mission areas of Prevention, Protection, Mitigation, Response, and Recovery. The HSGP supports investments that improve the ability of jurisdictions nationwide to:

- Prevent a threatened or an actual act of terrorism;
- Protect citizens, residents, visitors, and assets against the threats that pose the greatest risk to the security of the United States;
- Mitigate the loss of life and property by lessening the impact of future catastrophic events;
- Respond quickly to save lives, protect property and the environment, and meet basic human needs in the aftermath of a catastrophic incident; and/or
- Recover through a focus on the timely restoration, strengthening, accessibility, and revitalization of infrastructure, housing, and a sustainable economy, as well as the health, social, cultural, historic, and environmental fabric of communities affected by a catastrophic incident, and do so in a manner that engages the whole community while

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<sup>117</sup> EMPG NOFO, <https://www.fema.gov/grants/preparedness/emergency-management-performance/fy-22-nofo>.



ensuring the protection of civil rights. As with other preparedness grants, subrecipients develop investments along the POETE elements in order to close or sustain gaps identified in the THIRA/SPR. However, the focus of HSGP is to prevent terrorism and other catastrophic events. Even if preparedness activities have dual/multiple uses, subrecipients need to develop investments that support the national priorities in the annual Notice of Funding Opportunity (NOFO), as well as other capability-enhancing projects that have a **nexus to terrorism** (6 U.S.C. 609 (c)).<sup>118</sup> Since 2021, the national priority has broadened the scope of the terrorism nexus and includes combating domestic violent extremism. The national priorities, with associated minimum investment percentages, for 2022 are (FY 2022 HSGP NOFO):<sup>119</sup>

1. Enhancing the protection of soft targets/crowded places – 3 percent
2. Enhancing information and intelligence sharing and analysis – 3 percent
3. Combating domestic violent extremism – 3 percent
4. Enhancing cybersecurity – no minimum percent
5. Enhancing community preparedness and resilience – 3 percent
6. Enhancing election security – no minimum percent

In addition, subrecipients should maximize the acquisition of deployable assets that can be used anywhere the Nation through automatic assistance and mutual aid agreements.

### ***A. Implementation of the National Preparedness System (HSGP)***

Subrecipients must prioritize and align HSGP grant funding investments in building and sustaining capabilities in areas that align with the national priorities in the annual HSGP NOFO and capability gaps identified in their THIRA and SPR (Preparedness Grants Manual).<sup>120</sup>

### ***B. Implementation of the NIMS (HSGP)***

Same as EMPG. Subrecipients must achieve, or be actively working to achieve, all of the NIMS Implementation Objectives (NIMS Implementation Objectives).<sup>121</sup>

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<sup>118</sup> 6 U.S.C. 609 (c), <https://www.govinfo.gov/content/pkg/USCODE-2007-title6/pdf/USCODE-2007-title6-chap1-subchapXV-partA-sec609.pdf>

<sup>119</sup> FY 2022 HSGP NOFO, <https://www.fema.gov/grants/preparedness/homeland-security/fy-22-nofo>

<sup>120</sup> Preparedness Grants Manual, A-22

<sup>121</sup> NIMS Implementation Objectives, <https://www.fema.gov/emergency-managers/nims/implementation-training>

### ***C. HSGP Allowable Costs***

The costs in this section are specifically allowable for EMPG. Generally allowable costs for all grants are in Section 2.A.2).

#### ***1) Whole Community Preparedness (HSGP)***

Subrecipients should engage with the whole community to advance community and individual preparedness and to work as a nation to build and sustain resilience. Recipients should consider the three goals of the 2022-2026 FEMA Strategic Plan in their program design and delivery (2022-2026 FEMA Strategic Plan):<sup>122</sup>

- Strategic Goal 1.3: Achieve equitable outcomes for those we serve
- Strategic Goal3: Promoting and sustaining a prepared nation.

Subrecipients should integrate program design and delivery practices that ensure representation and services for under-represented diverse populations that may be more impacted by disasters, including:

- Children
- Seniors
- Individuals with disabilities or access and functional needs
- Individuals with diverse culture and language use
- Individuals with lower economic capacity
- Other underserved populations

Individual preparedness must be coordinated by an integrated body of government and nongovernmental representatives as well, including but not limited to:

- Elected officials, the private sector (especially privately owned critical infrastructure)
- Private nonprofits
- Nongovernmental organizations (including faith-based, community-based, and voluntary organizations)
- Advocacy groups for under-represented diverse populations that may be more impacted by disasters

FEMA has programming designed to increase the resilience of individual Americans and communities. The following tools, trainings, and products may be ordered directly, free of

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<sup>122</sup> 2022-2026 FEMA Strategic Plan, <https://www.fema.gov/about/strategic-plan>

charge, from FEMA’s warehouse (FEMA Warehouse).<sup>123</sup> Many whole community preparedness activities might be allowable costs, but subrecipients should ensure that these activities can also help build target capabilities for preventing, preparing for, protecting against, and responding to acts of terrorism. Some of the most significant programs are the same as for EMPG and include (Preparedness Grants Manual):<sup>124</sup>

- Community Emergency Response Team (CERT) programs
- Financial preparedness activities
- Preparedness of community-based organizations
- Preparedness activities
- Youth preparedness

## **2) *Planning (HSGP)***

Although conducting an annual THIRA/SPR and maintaining an updated family of preparedness plans is a significant effort, subrecipients may use HSGP funds for planning efforts such as:

- THIRA/SPR development
- Emergency Operations Plans (EOP)s
- Continuity of Operations (COOP) Plans
- Continuity of Government (COG) Plans
- Cybersecurity Plans
- Risk and resilience assessments on increasingly connected cyber and physical systems
- 911 call capabilities
- alert and warning capabilities
- Implementation of the REAL ID Act (Pub. L. No. 109-13).<sup>125</sup>
- Other plans that support the National Preparedness Goal – if in doubt, contact DEM (DHSgrants@dem.nv.gov) for guidance

## **3) *Organization (HSGP)***

Personnel hiring, overtime, and backfill expenses are permitted to perform allowable HSGP planning, training, exercise, and equipment activities. While a clear investment justification is required, Organization activities include:

- Program management

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<sup>123</sup> FEMA Warehouse, <https://orders.gpo.gov/icpd/ICPD.aspx>

<sup>124</sup> Preparedness Grants Manual, A-33 – A-35

<sup>125</sup> Pub. L. No. 109-13, <https://www.govinfo.gov/content/pkg/PLAW-109publ13/pdf/PLAW-109publ13.pdf>

- Developing whole community partnerships, through groups such as Citizen Corp Councils
- Structures and mechanisms for information sharing between the public and private sector
- Implementing models, programs, and workforce enhancement initiatives to address ideologically inspired radicalization to violence in the homeland
- Tools, resources, and activities that facilitate shared situational awareness between the public and private sectors
- Operational Support
- Developing and using standardized resource management concepts such as typing, inventorying, organizing, and tracking to facilitate the dispatch, deployment, and recovery of resources before, during, and after an incident
- Responding to an increase in the threat level under the National Terrorism Advisory System (NTAS) or needs resulting from a National Special Security Event
- Paying salaries and benefits for personnel to serve as qualified Intelligence Analysts (PRICE Act) 126 (IB 421b) 127
  - o Intelligence analyst, staff and/or contractor personnel must meet at least one of the following criteria:
    - Complete training to ensure baseline proficiency in intelligence analysis and production within six months of being hired; and/or,
    - Previously served as an intelligence analyst for a minimum of two years either in a federal intelligence agency, the military, or state and/or local law enforcement intelligence unit (Preparedness Grants Manual)<sup>128</sup>
- Personnel hiring, overtime, and backfill expenses – including but not limited to:
  - o Training and exercise coordinators
  - o Program managers and planners
  - o Intelligence analysts
  - o Statewide Interoperability Coordinators (SWICs)

**Note:** Without the SAA seeking an exception from FEMA, personnel costs are capped at 50% of HSGP funding (6 U.S.C 609 (b)(2)(A)).<sup>129</sup>

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<sup>126</sup> PRICE Act, <https://www.congress.gov/110/plaws/publ412/PLAW-110publ412.pdf>

<sup>127</sup> IB 421b, [https://www.fema.gov/sites/default/files/2020-04/Price\\_Wavier\\_Act\\_Clarification\\_IB\\_421B\\_GPD\\_Approved.pdf](https://www.fema.gov/sites/default/files/2020-04/Price_Wavier_Act_Clarification_IB_421B_GPD_Approved.pdf)

<sup>128</sup> Preparedness Grants Manual, A-3

<sup>129</sup> 6 U.S.C 609 (b)(2)(A)), <https://www.govinfo.gov/content/pkg/USCODE-2007-title6/pdf/USCODE-2007-title6-chap1-subchapXV-partA-sec609.pdf>

- Overtime Costs - for increased protective security measures at critical infrastructure sites or other high-risk locations and to enhance public safety during mass gatherings and high-profile events such as: (Preparedness Grants Manual)<sup>130</sup>
  - o National Terrorism Advisory System (NTAS)
  - o National Security Special Event (NSSE)
  - o Special Event Assessment Rating (SEAR) Level 1 – 4 events
  - o States of emergency
  - o National Critical Infrastructure Prioritization Program (NCIPP)
  - o Directed transit patrols
  - o Other relates personnel overtime – seek guidance from DEM
  - o Operational support to a federal agency – seek guidance from DEM

**Note:** Except for an elevated NTAS alert, the SAA must provide written approval for operational overtime costs. FEMA will only consider post-event operational overtime requests on a case-by-case basis, where it is demonstrated that exigent circumstances prevented submission of a request in advance of the event or activity.

- Management and Administration (M&A)
  - o Subrecipients retain a maximum of up to 5% of the funding passed through by the state solely for M&A purposes associated with the HSGP award
  - o M&A activities are those directly relating to the management and administration of HSGP funds, such as financial management and monitoring
  - o M&A expenses must be based on actual expenses or known contractual costs
  - o M&A requests that are simple percentages of the award, without supporting justification, will not be allowed or considered for reimbursement

#### **4) Equipment (HSGP)**

As with EMPG, without prior approval subrecipients may only purchase equipment in the 21 allowable prevention, protection, mitigation, response, and recovery equipment categories from the Authorized Equipment List (AEL).<sup>131</sup>

#### **PPE (HSGP)**

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<sup>130</sup> Preparedness Grants Manual, A-4-A-5

<sup>131</sup> AEL, <https://www.fema.gov/grants/tools/authorized-equipment-list>

For personal protective equipment (PPE), recipients are encouraged to give procurement preference to domestic manufacturers of PPE or PPE raw materials.

### **Medical Countermeasures (HSGP)**

Subrecipients may procure medical countermeasures in collaboration with the state, city, or local health departments that administer federal funds from the Department of Health and Human Services for this purpose and with existing Metropolitan Medical Response System committees where available, to sustain their long-term planning for appropriate, rapid, and local medical countermeasures, including:

- Antibiotics and antidotes for nerve agents,
- Cyanide, and
- Other toxins.

Subrecipients must have a sound threat-based justification with an aim to reduce the consequences of mass casualty incidents during the first crucial hours of a response. Prior to procuring pharmaceuticals, subrecipients must have in place an inventory management plan to avoid large periodic variations in supplies due to coinciding purchase and expiration dates. In addition, subrecipients must budget for disposing of expired drugs within each HSGP PoP (FEMA FY 2022 Preparedness Grants Manual).<sup>132</sup>

### **School Hardening**

Subrecipients may procure equipment for school hardening to include, but not limited to (FEMA FY 2022 Preparedness Grants Manual):<sup>133</sup>

- Bullet resistant doors and glass;
- Hinge-locking mechanisms;
- Immediate notification to emergency 911 systems;
- Mechanisms that provide real time actionable intelligence directly to law enforcement and first responders;
- Installation of distraction devices or other countermeasures administered by law enforcement; and
- Other measures determined to provide significant improvements to schools physical security

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<sup>132</sup> FEMA FY 2022 Preparedness Grants Manual, A-11

<sup>133</sup> FEMA FY 2022 Preparedness Grants Manual, A-11

## **5) Training (HSGSP/SHSP)**

Subrecipients should first contact DEM/Preparedness Section for training resources.

Subrecipients may spend grant funds to establish, support, conduct, and attendance of training specifically identified under the HSGP program and/or in conjunction with emergency preparedness training by other federal agencies (e.g., HHS and Department of Transportation).

Subrecipients should address a performance gap identified through an Integrated Preparedness Plan (IPP) or other assessments such as AARs and contribute to building a capability that will be evaluated through a formal exercise.

Although they may develop their own training program(s), subrecipients are encouraged to use existing training rather than developing new courses. FEMA's National Preparedness Catalogue is an excellent resource that includes (National Preparedness Catalogue):<sup>134</sup>

Some training activities require Environmental and Historic Preservation (EHP) Review, including exercises, drills or trainings that require any type of land, water, or vegetation disturbance or building of temporary structures or that are not located at facilities designed to conduct training and exercises (EHP Guidance).<sup>135</sup>

### **Training to Support Under-Represented & Diverse Populations**

Subrecipients should address training gaps and consider including in their IPP emergency preparedness training related to under-represented and/or diverse populations, including (Preparedness Grants Manual):<sup>136</sup>

- Children
- Seniors
- Individuals with disabilities or access and functional needs
- Individuals with diverse culture and language use
- Individuals with lower economic capacity
- Other underserved populations

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<sup>134</sup> National Preparedness Catalogue, <https://www.firstrespondertraining.gov/frts/npcc>

<sup>135</sup> EHP Guidance, <https://www.fema.gov/grants/guidance-tools/environmental-historic>

<sup>136</sup> Preparedness Grants Manual, A-13

## 6) Exercises (HSGP)

Subrecipients should first contact DEM/Preparedness Section for exercise resources. Subrecipients should manage and conduct exercises per the Homeland Security Exercise and Evaluation Program (HSEEP).<sup>137</sup>

Some exercise activities require EHP review, including exercises, drills or trainings that require any type of land, water, or vegetation disturbance or building of temporary structures or that are not located at facilities designed to conduct training and exercises (EHP Guidance).<sup>138</sup>

## 7) Law Enforcement Terrorism Prevention Activities (HSGP)

A portion of HSGP funds must be dedicated to Law Enforcement Terrorism Prevention Activities (LETPA). Law enforcement agencies should be involved to consider the capabilities and resource requirements of law enforcement agencies and their unique and central role in preventing and protecting against acts of terrorism. LETPAs can also support a National Priority Area (e.g., an investment can be counted as supporting both the Soft Targets/Crowded Places and LETPA minimum allocation requirements, if applicable).

**Note:** For FY 2022, 30% of HSGP funds must go to LEPTA. Refer to the annual NOFO for the current guidance.

In particular, sub recipients should consider investing in projects such as:

- Regional counterterrorism training programs to exchange information and discuss the current threat environment, lessons learned, and best practices to help prevent, protect against, and mitigate acts of terrorism
- Regional full-scale training exercises (federal, state, and local law enforcement participation) focused on terrorism-related events
- Law enforcement chemical, biological, radiological, nuclear, and high yield explosives (CBRNE) detection and response capabilities, such as bomb detection/disposal capability deployment, sustainment, or enhancement, including canine teams, robotics platforms, and x-ray technology
- Nationwide Suspicious Activity Reporting (SAR) Initiative (NSI)
  - o Training for front-line personnel on identifying and reporting suspicious activities, tips/leads, and online/social media-based threats

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<sup>137</sup> HSEEP, <https://www.fema.gov/emergency-managers/national-preparedness/exercises/hseep>.

<sup>138</sup> EHP Guidance, <https://www.fema.gov/grants/guidance-tools/environmental-historic>



- o Execution and management of threat assessment programs to identify, evaluate, and analyze indicators and behaviors indicative of terrorism, targeted violence, threats to life, and other criminal activity
- Fusion Liaison Officer (FLO) programs, security programs to protect the facility, personnel, and information, and the protection of privacy, civil rights, and civil liberties
- “If You See Something, Say Something®” campaign to raise public awareness of indicators of terrorism and terrorism-related crime and associated efforts to increase the sharing of information with public and private sector partners, including nonprofit organizations

**Note:** Contact DEM/Preparedness Section as DHS requires that all public and private sector partners wanting to implement and/or expand the DHS “If You See Something, Say Something®” campaign using grant funds work directly with the DHS Office of Partnership and Engagement (OPE) to ensure all public awareness materials (e.g., videos, posters, tri-folds, etc.) are consistent with DHS’s messaging and strategy for the campaign and compliant with the initiative’s trademark, which is licensed to DHS by the New York Metropolitan Transportation Authority. Coordination with OPE, through the Campaign’s Office ([seesay@hq.dhs.gov](mailto:seesay@hq.dhs.gov)), must be facilitated by the FEMA HQ Preparedness Officer

- Increase physical security, through law enforcement personnel and other protective measures, by implementing preventive and protective measures at critical infrastructure sites or at-risk nonprofit organizations;
- Building and sustaining preventive radiological and nuclear detection capabilities, including those developed through the Securing the Cities initiative;
- Integration and interoperability of systems and data, such as computer aided dispatch (CAD) and record management systems (RMS), to facilitate the collection, evaluation, and assessment of suspicious activity reports, tips/leads, and online/social media-based threats
- Development of countering violent extremism programs, projects, and initiatives, addressing:
  - o Prevention, intervention, and diversion efforts, including training on roles of law enforcement and how to effectively partner with law enforcement
  - o Developing and promoting training specifically for law enforcement executives and frontline officers on potential behaviors and indicators of violent extremism and how to appropriately analyze and report them

- o Supporting community and law enforcement engagement strategies such as tabletop exercises, roundtable events, town hall meetings, and peer to peer activities
- o Existing and/or expansion of law enforcement community relations efforts
- o Community engagement plans
- o Joint projects to increase the awareness of violent extremist threats and community mitigation solutions

**Note:** HSGP grant funds may be requested and may be approved on a case-by-case basis for immigration enforcement training in support of the border security mission. Seek DEM guidance if interested.

**8) *Critical Emergency Supplies (HSGP)***

Same guidance as EMPG

**9) *Western Hemispheric Travel Initiative (State Homeland Security Program - SHSP)***

Subrecipients may use HMGP/SHSP to support the implementation activities associated with the Western Hemisphere Travel Initiative (WHTI), including the issuance of WHTI-compliant tribal identification cards (WHTI).<sup>139</sup> WHTI is the joint Department of State (DOS) and Department of Homeland Security (DHS) plan to implement a key 9/11 Commission recommendation and the statutory mandates of the Intelligence Reform and Terrorism Prevention Act of 2004 (IRTPA). The goal is to strengthen border security while facilitating entry into the United States for U.S. citizens and legitimate international travelers, making the process more efficient and convenient.

**10) *28 C.F.R. Part 23 Guidance***

FEMA requires that any information technology system funded or supported by these funds comply with 28 C.F.R. Part 23, Criminal Intelligence Systems Operating Policies if this regulation is determined to be applicable (28 CFR 23).<sup>140</sup>

**11) *Unallowable Costs (HSGP)***

- Unauthorized exercise-related costs include:
  - o Reimbursement for the maintenance or wear and tear costs of general use vehicles (e.g., construction vehicles)

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<sup>139</sup> WHTI, <https://www.cbp.gov/travel/us-citizens/western-hemisphere-travel-initiative>

<sup>140</sup> 28 CFR 23, [https://bja.ojp.gov/sites/g/files/xyckuh186/files/media/document/28cfr\\_part\\_23.pdf](https://bja.ojp.gov/sites/g/files/xyckuh186/files/media/document/28cfr_part_23.pdf)

- o Medical supplies
- o Emergency response apparatus (e.g., fire trucks, ambulances)
- o Equipment that is purchased for permanent installation and/or use, beyond the scope of the conclusion of the exercise (e.g., electronic messaging sign)

### ***12) Collaboration with Health Care Coalitions (HCCs) (HSGP)***

Given that many of the risks being mitigated include the potential for a range of mass casualties, including those across the chemical, biological, radiological, nuclear, explosive (CBRNE) spectrum, subrecipients' planning efforts should include the participation of HCCs and should take into account the elements and capabilities articulated in the 2017-2022 Health Care Preparedness and Response Capabilities (HCC Preparedness).<sup>141</sup>

### ***13) Collaboration with Nonprofit Organizations (HSGP)***

Subrecipients are encouraged to work with the nonprofit community to address terrorism and all-hazards prevention concerns, seek input on the needs of the nonprofit sector, and support the goals of their investments.

### ***14) Collaboration with Tribal Nations***

Subrecipients should work with tribal nations in overall initiatives such as whole community preparedness and emergency management planning.

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<sup>141</sup> HCC Preparedness, <https://www.phe.gov/Preparedness/planning/hpp/reports/Documents/2017-2022-healthcare-pr-capabilities.pdf>

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

The NSGP provides funding for physical security enhancements and other security-related activities to nonprofit organizations that are at high risk of a terrorist attack. 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. As with other grant programs, 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 approval of FEMA if they are included in the award agreement.

### ***A. 2022 NSGP Priority***

Subrecipients must develop investments based on the priorities identified in the NOFO (NSGP NOFO):<sup>142</sup>

- Enhancing the protection of soft targets/crowded places

### ***B. Management and Administration (M&A) (NSGP)***

M&A costs are not operational costs, they are the necessary costs incurred in direct support of the grant or as a result of the grant and should be allocated across the entire lifecycle of the grant. Subrecipients may retain a maximum of up to 5% of the funding passed through by the state solely for M&A purposes associated with the NSGP award. Examples of M&A cost include (NSGP NOFO):<sup>143</sup>

- Preparing and submitting required programmatic and financial reports
- Establishing and/or maintaining equipment inventory
- Documenting operational and equipment expenditures for financial accounting purposes
- Responding to official informational requests from state and federal oversight authorities
- Hiring of full-time or part-time staff or contractors/consultants for managing NSGP funds per 2 CFR 200 (2 CFR 200.317-327)<sup>144</sup>
- Meeting-related expenses directly related to M&A of NSGP funds

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<sup>142</sup> NSGP NOFO, <https://www.fema.gov/grants/preparedness/nonprofit-security/fy-22-nofo>

<sup>143</sup> NSGP NOFO, <https://www.fema.gov/grants/preparedness/nonprofit-security/fy-22-nofo>

<sup>144</sup> 2 CFR 200.317-327, <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-D/subject-group-ECFR45ddd4419ad436d?toc=1>

### ***C. Indirect Costs (NSGP)***

Same as EMPG

### ***D. National Incident Management System (NIMS) Implementation (NSGP)***

Subrecipients are strongly encouraged to implement NIMS in order to enable them to work together with government, non-government organizations (NGO), and the private sector to prevent, protect against, mitigate, respond to, and recover from all incidents. NIMS is described in Section 1.C.

### ***E. Allowable Costs (NSGP)***

#### ***1) Planning (NSGP)***

Planning must be related to the protection of the facility and people within it.

- Development and enhancement of security plans and protocols
- Development or further strengthening of security assessments (CISA Resources)<sup>145</sup>
- Emergency contingency plans
- Evacuation/Shelter-in-place plans
- Coordination and information sharing with fusion centers
- Other project planning activities with prior approval from FEMA

**Note:** Plans should include people with access and functional needs (AFN) and people with limited English proficiency (LEP).

#### ***2) Organization (NSGP)***

Contracted security personnel are allowed as described in the NOFO and Preparedness Grants Manual per information bulletins (IB 421b)<sup>146</sup> (IB 441)<sup>147</sup>

- Contract security personnel restrictions
  - NSGP funds may not purchase equipment for contracted security

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<sup>145</sup> CISA Resources, <https://www.cisa.gov/idr-program>

<sup>146</sup> IB 421b, [https://www.fema.gov/sites/default/files/2020-04/Price\\_Wavier\\_Act\\_Clarification\\_IB\\_421B\\_GPD\\_Approved.pdf](https://www.fema.gov/sites/default/files/2020-04/Price_Wavier_Act_Clarification_IB_421B_GPD_Approved.pdf)

<sup>147</sup> IB 441, [https://www.fema.gov/sites/default/files/2020-04/Scope\\_Change\\_NSOP\\_IB\\_441\\_Final\\_06-05-2019.pdf](https://www.fema.gov/sites/default/files/2020-04/Scope_Change_NSOP_IB_441_Final_06-05-2019.pdf)

- Subrecipients must be able to sustain this capability in future years without NSGP funding (Preparedness Grants Manual).<sup>148</sup>
- Unless FEMA waives the limitation, subrecipients may not use more than 50% of their awards to pay for personnel activities.

### **3) Equipment (NSGP)**

The equipment is focus is hardening and physical security enhancements.

- Two (2) sections of the Authorized Equipment List (AEL)<sup>149</sup>
  - Physical Security Enhancement Equipment (Section 14)
  - Inspection and Screening Systems (Section 15)
- Notification and Warning Systems
- Radios and Public Warning Systems – public address, handheld, or mobile
- Other non-AEL equipment with prior approval from DEM

**Note:** Communications systems must comply with SAFECOM procedures as described in Section 2.A.2).j) (SAFECOM).<sup>150</sup>

**Note:** See equipment guidance regarding leasing vs. purchasing in Section 2.A.1).f)

**Note:** See EHP guidance in Section 2.B

### **4) Training (NSGP)**

Address threats and/or vulnerabilities in the investment justification.

- Employed or volunteer security staff security-related training within the U.S.
- Train-the-trainer training for employed or volunteer security-related training within the U.S.
- Nonprofit organization’s employee, members/congregates on-site security training
- Allowable training topics are limited to the protection of critical infrastructure key resources, including:
  - Physical and cybersecurity
  - Target hardening
  - Terrorism awareness/employee preparedness such as CERT; and behaviors and indicators of terrorist threats

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<sup>148</sup> Preparedness Grants Manual, C-6

<sup>149</sup> AEL, <https://www.fema.gov/grants/tools/authorized-equipment-list>

<sup>150</sup> SAFECOM, <https://www.cisa.gov/safecom/funding>

- Active shooter training
- Emergency first aid training
- Stop the bleed training, kits/equipment, training aids
- First Aid and other novice level “you are the help until the help arrives” training, kits/equipment, and training aids
- Automated External Defibrillator (AED) and AED/Basic Life Support training, kits/equipment, and training aids

**Note:** Overtime, backfill, and travel expenses are not allowable costs. Attendance fees for training and related expenses such as materials, supplies and/or equipment are allowable.

### **5) Exercises (NSGP)**

Security-related exercises that should be planned per the Homeland Security Exercise and Evaluation Program (HSEEP)<sup>151</sup>

- Planning
- Meeting space and other meeting costs
- Facilitation costs
- Materials and supplies
- Documentation

### **6) Maintenance and Support (NSGP)**

Same as HSGP

### **7) Construction and Renovation (NSGP)**

Same as HSGP

## **F. Unallowable Costs (NSGP)**

- 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

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<sup>151</sup> HSEEP, <https://www.fema.gov/emergency-managers/national-preparedness/exercises/hseep>

- 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
- Knox boxes

### ***G. NSGP Investment Modifications – Changes of Scope or Objective***

Since NSGP is a competitive grant based on threat, vulnerability, consequences, and their mitigation to a specific facility/location, subrecipients require prior approval from the State Administrative Agency (SAA) on a case-by-case basis for changes that affect the scope or objective of the subaward. The subrecipient’s amendment request for a change must include all of the following (Preparedness Grants Manual):<sup>152</sup>

- A written request on the subrecipient’s letterhead outlining:
  - the scope or objective change including the approved projects from the IJ;
  - the funds and relative scope or objective significance allocated to those projects;
  - the proposed changes, and
  - any resulting reallocations as a result of the change of scope or objectives.
- An explanation why the change of scope or objective is necessary
- Validation from the SAA that any deviations from the approved IJ are addressed in the vulnerability assessment submitted by the subrecipient at the time of application
- The subrecipient request must also address whether the proposed changes will impact its ability to complete the project within the award’s period of performance

FEMA will generally not approve NSGP change-of-scope requests resulting from the following situations:

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<sup>152</sup> Preparedness Grants Manual, A-7 – A-8



- Subrecipients that relocate their facilities after submitting their application who are requesting a change of scope to allow them to use NSGP funds towards projects at the new facility; or
- Subrecipients that renovate their facilities after submitting their application in cases where the subsequent renovations would affect the vulnerability/risk assessment upon which the IJ is based

**Note:** First tier subrecipients, including nonprofit organizations under the NSGP, will only be required to register in SAM.gov to obtain the UEI, **but will not be required to maintain an active registration in SAM.gov** (Preparedness Grants Manual).<sup>153</sup>

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<sup>153</sup> Preparedness Grants Manual, C-9

## **Appendix D: Emergency Preparedness Working Group (EPWG)**

DEM administers the Emergency Preparedness Working Group (EPWG) Grant program. DEM will be the lead agency for all EPWG activities, to include review and approval of the annual work scope and funding provided to the counties. It is the Department of Energy's (DOE) intent that all involved counties will work directly with the DEM, and that the Chief of the NDEM, or his appointed point of contact, will be the interface between the DEM and the DOE. The DOE retains the authority to approve or remove any item from the proposed scope for each fiscal year based upon whether it does/does not meet the grant purpose or scope of the grant.

## Appendix E: State and Federal Assurances

Table 6 (required contract provisions) and Table 7 (recommended contract provisions) are quick reference guides of the applicability of a specific contract provision and whether sample contract language is included within FEMA’s, “Contract Provisions Guide: Navigating Appendix II to Part 200 – Contract Provisions for Subrecipient Contracts Under Federal Awards.”<sup>154</sup>

	Provision (Appendix II Section)	Applicability	Sample Contract Language Included
1	<a href="#">Legal/contractual/administrative remedies for breach of contract</a>	Greater than Simplified Acquisition Threshold (SAT)- \$250,000	No. It is based on NFE’s procedures.
2	<a href="#">Termination for cause and convenience</a>	Greater than \$10,000	No. It is based on NFE’s procedures.
3	<a href="#">Equal Employment Opportunity</a>	Construction work	Yes. Exact language from 41 C.F.R. § 60-1.4(b) included.
4	<a href="#">Davis-Bacon Act</a>	Construction work	Yes, via reference to required language at 29 C.F.R. § 5.5(a).
5	<a href="#">Copeland “Anti-Kickback” Act</a>	Construction work greater than \$2,000	Yes
6	<a href="#">Contract Work Hours and Safety Standards Act</a>	Greater than \$100,000 + mechanics or laborers	Yes. Exact language required from 29 C.F.R. § 5.5(b).
7	<a href="#">Rights to inventions made under a contract or agreement</a>	Funding agreement	Yes
8	<a href="#">Clean Air Act and federal Water Pollution Control Act</a>	Greater than \$150,000	Yes
9	<a href="#">Debarment and Suspension</a>	Greater than \$25,000	Yes
10	<a href="#">Byrd Anti-Lobbying Amendment</a>	Greater than \$100,000; and Certification required for all contracts greater than \$100,000	Yes. Clause and certification.
11	<a href="#">Procurement of Recovered Materials</a>	NFE is a state or political subdivision of a state. Work involves the use of materials and the contract is for more than \$10,000.	Yes
12	<a href="#">Prohibition on Contracting for Covered Telecommunications Equipment or Services</a>	All FEMA declarations and awards issued on or after November 12, 2020.	Yes

<sup>154</sup> FEMA, Contract Provisions Guide: Navigating Appendix II to Part 200 – Contract Provisions for Subrecipient Contracts Under Federal Awards, June 2021, [https://www.fema.gov/sites/default/files/documents/fema\\_contract-provisions-guide\\_6-14-2021.pdf](https://www.fema.gov/sites/default/files/documents/fema_contract-provisions-guide_6-14-2021.pdf).

Provision (Appendix II Section)		Applicability	Sample Contract Language Included
13	<a href="#">Domestic Preferences for Procurements</a>	All FEMA declarations and awards issued on or after November 12, 2020.	Yes

**Table 6. Required Contract Provisions.**

Provision		Applicability	Sample Contract Language Included
1	<a href="#">Access to Records</a>	All	Yes
2	<a href="#">Contract Changes or Modifications</a>	All	No. It depends on nature of contract and end-item procured.
3	<a href="#">DHS Seal, Logo, and Flags</a>	All	Yes
4	<a href="#">Compliance with federal Law, Regulations and Executive Orders</a>	All	Yes
5	<a href="#">No Obligation by Federal Government</a>	All	Yes
6	<a href="#">Program Fraud and False or Fraudulent Statements or Related Acts</a>	All	Yes
7	<a href="#">Affirmative Socioeconomic Steps</a>	State entities: all FEMA declarations and awards issued on or after November 12, 2020. Non-state entities: all procurements	Yes
8	<a href="#">Copyright</a>	All procurements that may involve Yes. creation of copyrightable material.	Yes

**Table 7. Recommended Contract Provisions.**

**1) Activities Conducted Abroad**

Recipients must ensure that project activity carried on outside the United States are coordinated as necessary with appropriate government authorities and that appropriate licenses, permits, or approvals are obtained.

Energy Policy and Conservation Act Recipients must comply with the requirements of the Energy Policy and Conservation Act, Pub. L. 94- 163 (1975) (codified as amended at 42 U.S.C. section 6201 et seq.), which contain policies relating to energy efficiency that are defined in the state energy conservation plan issued in compliance with this Act.

## ***2) Age Discrimination Act of 1975***

Recipients must comply with the requirements of the Age Discrimination Act of 1975, Pub. L. No. 94-135 (1975) (codified as amended at Title 42, U.S. Code, section 6101 et seq.), which prohibits discrimination on the basis of age in any program or activity receiving federal financial assistance.

## ***3) Americans with Disabilities Act of 1990***

Recipients must comply with the requirements of Titles I, II, and III of the Americans with Disabilities Act, Pub. L. No. 101-336 (1990) (codified as amended at 42 U.S.C. sections 12101-12213), which prohibits recipients from discriminating on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities.

## ***4) Applicability of Grants Standard Terms and Conditions to Tribes***

The grant Standard Terms and Conditions are a restatement of general requirements imposed upon recipients and flow down to subrecipients as a matter of law, regulation, or executive order. If the requirement does not apply to Indian tribes or there is a federal law or regulation exempting its application to Indian tribes, then the acceptance by Tribes of, or acquiescence to, grant Standard Terms and Conditions does not change or alter its inapplicability to an Indian tribe. The execution of grant documents is not intended to change, alter, amend, or impose additional liability or responsibility upon the Tribe where it does not already exist

## ***5) Best Practices for Collection and Use of Personally Identifiable Information***

Recipients who collect personally identifiable information (PII) are required to have a publicly available privacy policy that describes standards on the usage and maintenance of the PII they collect. DHS defines PII as any information that permits the identity of an individual to be directly or indirectly inferred, including any information that is linked or linkable to that individual.

## ***6) Cash Management Act of 1990***

The Cash Management Improvement Act (CMIA) provides the general rules and procedures for the efficient transfer of Federal financial assistance between the Federal government and the States.

### ***7) Civil Rights Act of 1964***

Recipients must comply with the requirements of Title VI of the Civil Rights Act of 1964 (codified as amended at 42 U.S.C. section 2000d et seq.), which provides that no person in the United States will, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance. DHS implementing regulations for the Act are found at 6 CFR 21 and 44 CFR 7.

### ***8) Civil Rights Act of 1968***

Recipients must comply with Title VIII of the Civil Rights Act of 1968, Pub. L. 90-284, as amended through Pub. L. 113-4, which prohibits recipients from discriminating in the sale, rental, financing, and advertising of dwellings, or in the provision of services in connection therewith, on the basis of race, color, national origin, religion, disability, familial status, and sex (see 42 U.S.C. section 3601 et seq.), as implemented by the U.S. Department of Housing and Urban Development at 24 CFR 100. The prohibition on disability discrimination includes the requirement that new multifamily housing with four or more dwelling units-i.e., the public and common use areas and individual apartment units (all units in buildings with elevators and ground-floor units in buildings without elevators)-be designed and constructed with certain accessible features. (See 24 CFR 100, D.)

### ***9) Copyright***

Recipients must affix the applicable copyright notices of 17 U.S.C. sections 401 or 402 and an acknowledgement of U.S. Government sponsorship (including the award number) to any work first produced under federal financial assistance awards.

### ***10) Debarment and Suspension***

Recipients are subject to the non-procurement debarment and suspension regulations implementing Executive Orders (E.O.) 12549 and 12689, which are at 2 CFR 180 as adopted by DHS at 2 CFR 3000. These regulations restrict federal financial assistance awards, subawards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in federal assistance programs or activities.

### ***11) Drug-Free Workplace Regulations***

Recipients must comply with drug-free workplace requirements in CFR 200 B (or C, if the recipient is an individual) of 2 CFR 3001, which adopts the Government-wide implementation (2

CFR 182) of Sec. 5152-5158 of the Drug-Free Workplace Act of 1988 (41 U.S.C. sections 8101-8106)

### ***12) Duplication of Benefits***

Any cost allocable to a particular federal financial assistance award provided for in 2 CFR 200, E may not be charged to other federal financial assistance awards to overcome fund deficiencies; to avoid restrictions imposed by federal statutes, regulations, or federal financial assistance award terms and conditions; or for other reasons. However, these prohibitions would not preclude recipients from shifting costs that are allowable under two or more awards in accordance with existing federal statutes, regulations, or the federal financial assistance award terms and conditions.

### ***13) Education Amendments of 1972 (Equal Opportunity in Education Act)***

Recipients must comply with the requirements of Title IX of the Education Amendments of 1972, Pub. L. 92-318 (1972) (codified as amended at 20 U.S.C. section 1681 et seq.), which provide that no person in the United States will, on the basis of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any educational program or activity receiving federal financial assistance. DHS implementing regulations are codified at CFR 17 and 44 CFR 19.

### ***14) False Claims Act and Program Fraud Civil Remedies***

Recipients must comply with the requirements of the False Claims Act, 31 U.S.C. sections 3729-3733, which prohibit the submission of false or fraudulent claims for payment to the federal government. (See 31 U.S.C. sections 3801-3812, which details the administrative remedies for false claims and statements made.)

### ***15) Federal Leadership on Reducing Text Messaging while Driving***

Recipients are encouraged to adopt and enforce policies that ban text messaging while driving as described in E.O. 13513, including conducting initiatives described in Section 3(a) of the Order when on official government business or when performing any work for or on behalf of the federal government. Article XXI - Environmental Planning and Historic Preservation (EHP) Review DHS/FEMA funded activities that may require an EHP review are subject to the FEMA Environmental Planning and Historic Preservation (EHP) review process. This review does not address all federal, state, and local requirements. Acceptance of federal funding requires recipient to comply with all federal, state, and local laws.

DHS/FEMA is required to consider the potential impacts to natural and cultural resources of all projects funded by DHS/ FEMA grant funds, through its EHP review process, as mandated by the National Environmental Policy Act; National Historic Preservation Act of 1966 as amended; National Flood Insurance Program regulations; and, any other applicable laws and Executive Orders. To access the FEMA EHP screening form and instructions, go to the DHS/FEMA website at: <https://www.fema.gov/media-library/assets/documents/90195>. In order to initiate EHP review of your project(s), you must complete all relevant sections of this form and submit it to the Grant Programs Directorate (GPD) along with all other pertinent project information. The EHP review process must be completed before funds are released to carry out the proposed project; otherwise, DHS/FEMA may not be able to fund the project due to noncompliance with EHP laws, executive order, regulations, and policies.

If ground disturbing activities occur during construction, applicant will monitor ground disturbance, and if any potential archeological resources are discovered, applicant will immediately cease work in that area and notify the pass-through entity, if applicable, and DHS/FEMA

#### ***16) Fly America Act of 1974***

Recipients must comply with preference for U.S. Flag Air Carriers (air carriers holding certificates under 49 U.S.C. section 41102) for international air transportation of people and property to the extent that such service is available, in accordance with the International Air Transportation Fair Competitive Practices Act of 1974, 49 U.S.C. section 40118, and the interpretative guidelines issued by the Comptroller General of the United States in the March 31, 1981, amendment to Comptroller General Decision B-138942.

#### ***17) Homeland Security Grant Program Performance Goal***

In addition to the Biannual Strategy Implementation Report (BSIR) submission requirements outlined in the Preparedness Grants Manual, DEM must demonstrate how the grant-funded project addressed the core capability gap associated with this project and identified in the **Threat and Hazard Identification and Risk Analysis (THIRA) or Stakeholder Preparedness Review (SPR)** or sustains existing capabilities as applicable. The capability gap reduction must be addressed in the project description of the BSIR for each project. Due to

#### ***18) Hotel and Motel Fire Safety Act of 1990***

In accordance with Section 6 of the Hotel and Motel Fire Safety Act of 1990, 15 U.S.C. section 2225a, recipients must ensure that all conference, meeting, convention, or training space funded



in whole or in part with federal funds complies with the fire prevention and control guidelines of the Federal Fire Prevention and Control Act of 1974, (codified as amended at 15 U.S.C. section 2225.)

***19) Limited English Proficiency (Civil Rights Act of 1964, Title VI)***

Recipients must comply with Title VI of the Civil Rights Act of 1964, (42 U.S.C. section 2000d et seq.) prohibition against discrimination on the basis of national origin, which requires that recipients of federal financial assistance take reasonable steps to provide meaningful access to persons with Limited English Proficiency (LEP) to their programs and services.

***20) Lobbying Prohibitions***

Recipients must comply with 31 U.S.C. section 1352, which provides that none of the funds provided under a federal financial assistance award may be expended by the recipient to pay any person to influence, or attempt to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any federal action related to a federal award or contract, including any extension, continuation, renewal, amendment, or modification.

***21) National Environmental Policy Act***

Recipients must comply with the requirements of the National Environmental Policy Act of 1969 (NEPA), Pub. L. 91-190 (1970) (codified as amended at 42 U.S.C. section 4321 et seq.) and the Council on Environmental Quality (CEQ) Regulations for Implementing the Procedural Provisions of NEPA, which require recipients to use all practicable means within their authority, and consistent with other essential considerations of national policy, to create and maintain conditions under which people and nature can exist in productive harmony and fulfill the social, economic, and other needs of present and future generations of Americans.

***22) Nondiscrimination in Matters Pertaining to Faith-Based Organizations***

It is DHS policy to ensure the equal treatment of faith-based organizations in social service programs administered or supported by DHS or its component agencies, enabling those organizations to participate in providing important social services to beneficiaries. Recipients must comply with the equal treatment policies and requirements contained in 6 CFR 19 and other applicable statutes, regulations, and guidance governing the participations of faith-based organizations in individual DHS programs.

### ***23) Non-Supplanting Requirement***

Grant funds will be used to supplement existing funds and will not replace (supplant) funds that have been appropriated for the same purpose. Applicants or recipients may be required to supply documentation certifying that a reduction in non-federal resources occurred for reasons other than the receipt or expected receipt of federal funds.

### ***24) Notice of Funding Opportunity Requirements***

All the instructions, guidance, limitations, and other conditions set forth in the Notice of Funding Opportunity (NOFO) for this program are incorporated here by reference in the award terms and conditions. All recipients must comply with any such requirements set forth in the program NOFO.

### ***25) Patents and Intellectual Property Rights***

Recipients are subject to the Bayh-Dole Act, 35 U.S.C. section 200 et seq, unless otherwise provided by law. Recipients are subject to the specific requirements governing the development, reporting, and disposition of rights to inventions and patents resulting from federal financial assistance awards located at 37 CFR 401 and the standard patent rights clause located at 37 CFR section 401.14.

### ***26) Procurement of Recovered Materials***

States, political subdivisions of states, and their contractors must comply with Section 6002 of the Solid Waste Disposal Act, Pub. L. 89-272 (1965), (codified as amended by the Resource Conservation and Recovery Act, 42 U.S.C. section 6962.) The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition.

### ***27) Rehabilitation Act of 1973***

Recipients must comply with the requirements of Section 504 of the Rehabilitation Act of 1973, Pub. L. 93-112 (1973), (codified as amended at 29 U.S.C. section 794,) which provides that no otherwise qualified handicapped individuals in the United States will, solely by reason of the handicap, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

### ***28) Reporting of Matters Related to Recipient Integrity and Performance***

If the total value of any currently active grants, cooperative agreements, and procurement contracts from all federal awarding agencies exceeds \$10,000,000 for any period of time during the period of performance of this federal award, then the recipients must comply with the requirements set forth in the government-wide Award Term and Condition for Recipient Integrity and Performance Matters located at 2 CFR 200, Appendix XII, the full text of which is incorporated here by reference in the award terms and conditions.

### ***29) Reporting Subawards and Executive Compensation***

Recipients are required to comply with the requirements set forth in the government-wide award term on Reporting Subawards and Executive Compensation located at 2 CFR 170, Appendix A, the full text of which is incorporated here by reference in the award terms and conditions.

### ***30) SAFECOM***

Recipients receiving federal financial assistance awards made under programs that provide emergency communication equipment and its related activities must comply with the SAFECOM Guidance for Emergency Communication Grants, including provisions on technical standards that ensure and enhance interoperable communications.

### ***31) Terrorist Financing***

Recipients must comply with E.O. 13224 and U.S. laws that prohibit transactions with, and the provisions of resources and support to, individuals and organizations associated with terrorism. Recipients are legally responsible to ensure compliance with the Order and laws.

### ***32) Trafficking Victims Protection Act of 2000 (TVPA)***

Recipients must comply with the requirements of the government-wide financial assistance award term, which implements Section 106(g) of the Trafficking Victims Protection Act of 2000 (TVPA), codified as amended at 22 U.S.C. section 7104. The award term is located at 2 CFR section 175.15, the full text of which is incorporated here by reference.

### ***33) Universal Identifier and System of Award Management***

Recipients are required to comply with the requirements set forth in the government-wide financial assistance award term regarding the System for Award Management and Universal Identifier Requirements located at 2 CFR 25, Appendix A, the full text of which is incorporated here by reference.

### ***34) USA PATRIOT Act of 2001***

Recipients must comply with requirements of Section 817 of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT Act), Pub. L. No. 107-56, which amends 18 U.S.C. sections 175-175c

### ***35) Use of DHS Seal, Logo, and Flags***

Recipients must obtain permission from their DHS FAO prior to using the DHS seal(s), logos, crests or reproductions of flags or likenesses of DHS agency officials, including use of the United States Coast Guard seal, logo, crests or reproductions of flags or likenesses of Coast Guard officials.

### ***36) Whistleblower Protection Act***

Recipients must comply with the statutory requirements for whistleblower protections (if applicable) at 10 U.S.C section 2409, 41 U.S.C. section 4712, and 10 U.S.C. section 2324, 41 U.S.C. sections 4304 and 4310. DHS implementing regulations are codified at CFR 17 and 44 CFR 19.

Assurances, Administrative Requirements, Cost Principles, Representations and Certifications  
DHS financial assistance recipients must complete either the Office of Management and Budget (OMB) Standard Form 424B Assurances - Non-Construction Programs, or OMB Standard Form 424D Assurances - Construction Programs, as applicable. Certain assurances in these documents may not be applicable to your program, and the

DHS financial assistance office (DHS FAO) may require applicants to certify additional assurances. Applicants are required to fill out the assurances applicable to their program as instructed by the awarding agency. Please contact the DHS FAO if you have any questions. DHS financial assistance recipients are required to follow the applicable provisions of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards located at Title 2, Code of Federal Regulations (CFR) 200, and adopted by DHS at 2 CFR 3002.

By accepting this agreement, the recipient and its executives, as defined in 2 CFR 170.315, certify that the recipient's policies are in accordance with OMB's guidance located at 2 CFR 200, all applicable federal laws, and relevant Executive guidance.

## Appendix F: Legislation and Misc. Resources Section

### *Federal Reference Materials*

- Authorized Equipment List (AEL) –
  - <https://www.fema.gov/authorized-equipment-list>
- Code of Federal Regulation- Title 2
  - <https://www.ecfr.gov/cgi-bin/ECFR?page=browse>
- Compliance Requirements Supplement 2 CFR 200, Appendix XI; August 2020;3H-
  - [https://www.whitehouse.gov/wp-content/uploads/2020/08/2020-Compliance-Supplement\\_FINAL\\_08.06.20.pdf](https://www.whitehouse.gov/wp-content/uploads/2020/08/2020-Compliance-Supplement_FINAL_08.06.20.pdf)
- Contracting with Federal Funds for Goods and Services Before, During and After Disasters
  - <https://www.fema.gov/grants/procurement#entity-rules>
- FEMA Contract Provisions Template-
  - [https://www.fema.gov/sites/default/files/2020-07/fema\\_procurement\\_contract-provisions-template.pdf](https://www.fema.gov/sites/default/files/2020-07/fema_procurement_contract-provisions-template.pdf)
- FEMA Grant Program Directorate-
  - <https://www.fema.gov/about/offices/grant-programs>
- FEMA Grant Programs Directorate Information Bulletins-
  - <https://www.fema.gov/grants/preparedness/about/informational-bulletins>
- Homeland Security Grant -Notice of Funding Opportunity-
  - <https://www.fema.gov/media-collection/homeland-security-grant-notices-funding-opportunity>
- FEMA Policy #108-023-1
  - [https://www.nh.gov/safety/divisions/homeland/2018/documents/femapolicy\\_108-023-1.pdf](https://www.nh.gov/safety/divisions/homeland/2018/documents/femapolicy_108-023-1.pdf)
- FEMA Preparedness Grants Manual -
  - <https://www.fema.gov/grants/preparedness/manual>
- FEMA Instruction 108-1-1
  - <https://www.fema.gov/media-collection/ehp-directive-instruction-fema-directive-108-1-instruction-108-1-1>
- FEMA Training
  - [www.training.fema.gov/EMIWeb/IS/crslist.asp](http://www.training.fema.gov/EMIWeb/IS/crslist.asp).

- Grant Programs Directorate Environmental Planning and Historic Preservation Policy Guidance
  - <https://www.fema.gov/grants/preparedness/preparedness-grants-ehp-compliance>
- National Preparedness Goal-
  - <https://www.fema.gov/national-preparedness-goal>
- More information about HSEEP and AARs
  - <https://www.fema.gov/emergency-managers/national-preparedness/exercises/hseep>.
- OMB Circulars-
  - <https://www.whitehouse.gov/omb/information-for-agencies/circulars/>
- Please see the link provided for Information Bulletin (IB) 371 Environmental Historical Review Process
  - [http://www.fema.gov/doc/government/grant/bulletins/info329\\_final\\_screening\\_memo.docx](http://www.fema.gov/doc/government/grant/bulletins/info329_final_screening_memo.docx)
- Robert T. Stafford Disaster Relief and Emergency Assistance Act, P.L. 93-288, as amended, 42 U.S.C. 5155-
  - [https://www.fema.gov/media-library-data/1582133514823-be4368438bd042e3b60f5cec6b377d17/Stafford\\_June\\_2019\\_508.pdf](https://www.fema.gov/media-library-data/1582133514823-be4368438bd042e3b60f5cec6b377d17/Stafford_June_2019_508.pdf)
- System for Award Management (SAM)-
  - <https://www.aptac-us.org/sam-registration/>
- U.S. General Services Administration-
  - <https://www.gsa.gov/>

**Note:** Some of the websites listed above have the option to sign up to receive emails with updated communications. Please do so as appropriate to the grants your agency receives.

### ***State Reference Materials:***

- Nevada Department of Administration Purchasing Division:
  - <https://purchasing.nv.gov/>
- The State of Nevada has created tools located at State of Nevada Purchasing toolbox forms.
  - <https://purchasing.nv.gov/Contracts/ToolBox/#Forms/Templates>
- Nevada Revised Statutes
  - <https://www.leg.state.nv.us/nrs/>
- Privacy Guidance at
  - [http://www.dhs.gov/xlibrary/assets/privacy/privacy\\_pia\\_guidance\\_june2010.pdf](http://www.dhs.gov/xlibrary/assets/privacy/privacy_pia_guidance_june2010.pdf)
- Privacy Template
  - [https://www.dhs.gov/sites/default/files/publications/privacy\\_pia\\_template\\_2017.pdf](https://www.dhs.gov/sites/default/files/publications/privacy_pia_template_2017.pdf)

## **Appendix G: Definition and Acronyms**

### ***2 CFR 200 Acronyms***

**CAS** – Cost Accounting Standards

**CFR** – Code of Federal Regulations

**CMIA** – Cash Management Improvement Act

**COG** – Councils Of Governments

**COSO** – Committee of Sponsoring Organizations of the Treadway Commission

**EPA** – Environmental Protection Agency

**ERISA** – Employee Retirement Income Security Act of 1974 ([29 U.S.C. 1301-1461](#))

**EUI** – Energy Usage Index

**F&A** – Facilities and Administration

**FAC** – Federal Audit Clearinghouse

**FAIN** – Federal Award Identification Number

**FAPIIS** – Federal Awardee Performance and Integrity Information System

**FAR** – Federal Acquisition Regulation

**FFATA** – Federal Funding Accountability and Transparency Act of 2006 or Transparency Act - [Public Law 109-282](#), as amended by section 6202(a) of [Public Law 110-252](#) ([31 U.S.C. 6101](#))

**FICA** – Federal Insurance Contributions Act

**FOIA** – Freedom of Information Act

**FR** – Federal Register

**FTE** – Full-time equivalent

**GAAP** – Generally Accepted Accounting Principles

**GAGAS** – Generally Accepted Government Auditing Standards

**GAO** – Government Accountability Office



**GOCO** – Government owned, contractor operated

**GSA** – General Services Administration

**IBS** – Institutional Base Salary

**IHE** – Institutions of Higher Education

**IRC** – Internal Revenue Code

**ISDEAA** – Indian Self-Determination and Education and Assistance Act

**MTC** – Modified Total Cost

**MTDC** – Modified Total Direct Cost

**NFE** – Non-Federal Entity

**OMB** – Office of Management and Budget

**PII** – Personally Identifiable Information

**PMS** – Payment Management System

**PRHP** – Post-retirement Health Plans

**PTE** – Pass-through Entity

**REUI** – Relative Energy Usage Index

**SAM** – System for Award Management

**SFA** – Student Financial Aid

**SNAP** – Supplemental Nutrition Assistance Program

**SPOC** – Single Point of Contact

**TANF** – Temporary Assistance for Needy Families

**TFM** – Treasury Financial Manual

**U.S.C.** – United States Code

**VAT** – Value Added Tax

## ***2 CFR 200 Definitions***

***Acquisition cost*** means the cost of the asset including the cost to ready the asset for its intended use. Acquisition cost for equipment, for example, means the net invoice price of the equipment, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired. Acquisition costs for software includes those development costs capitalized in accordance with generally accepted accounting principles (GAAP). Ancillary charges, such as taxes, duty, protective in transit insurance, freight, and installation may be included in or excluded from the acquisition cost in accordance with the non-Federal entity's regular accounting practices.

***Advance payment*** means a payment that a Federal awarding agency or pass-through entity makes by any appropriate payment mechanism, including a predetermined payment schedule, before the non-Federal entity disburses the funds for program purposes.

***Allocation*** means the process of assigning a cost, or a group of costs, to one or more cost objective(s), in reasonable proportion to the benefit provided or other equitable relationship. The process may entail assigning a cost(s) directly to a final cost objective or through one or more intermediate cost objectives.

***Assistance listings*** refers to the publicly available listing of Federal assistance programs managed and administered by the General Services Administration, formerly known as the Catalog of Federal Domestic Assistance (CFDA).

***Assistance listing number*** means a unique number assigned to identify a Federal Assistance Listings, formerly known as the CFDA Number.

***Assistance listing program title*** means the title that corresponds to the Federal Assistance Listings Number, formerly known as the CFDA program title.

***Audit finding*** means deficiencies which the auditor is required by [§ 200.516\(a\)](#) to report in the schedule of findings and questioned costs.

***Auditee*** means any non-Federal entity that expends Federal awards which must be audited under [subpart F of this part](#).

***Auditor*** means an auditor who is a public accountant or a Federal, State, local government, or Indian tribe audit organization, which meets the general standards specified for external auditors in generally accepted government auditing standards (GAGAS). The term auditor does not include internal auditors of nonprofit organizations.

***Budget*** means the financial plan for the Federal award that the Federal awarding agency or pass-through entity approves during the Federal award process or in subsequent amendments to the Federal award. It may include the Federal and non-Federal share or only the Federal share, as determined by the Federal awarding agency or pass-through entity.

**Budget period** means the time interval from the start date of a funded portion of an award to the end date of that funded portion during which recipients are authorized to expend the funds awarded, including any funds carried forward or other revisions pursuant to [§ 200.308](#).

**Capital assets** means:

- (1) Tangible or intangible assets used in operations having a useful life of more than one year which are capitalized in accordance with GAAP. Capital assets include:
  - (i) Land, buildings (facilities), equipment, and intellectual property (including software) whether acquired by purchase, construction, manufacture, exchange, or through a lease accounted for as financed purchase under Government Accounting Standards Board (GASB) standards or a finance lease under Financial Accounting Standards Board (FASB) standards; and
  - (ii) Additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations or alterations to capital assets that materially increase their value or useful life (not ordinary repairs and maintenance).
- (2) For purpose of this part, capital assets do not include intangible right-to-use assets (per GASB) and right-to-use operating lease assets (per FASB). For example, assets capitalized that recognize a lessee's right to control the use of property and/or equipment for a period of time under a lease contract. See also [§ 200.465](#).

**Capital expenditures** means expenditures to acquire capital assets or expenditures to make additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations, or alterations to capital assets that materially increase their value or useful life.

**Central service cost allocation plan** means the documentation identifying, accumulating, and allocating or developing billing rates based on the allowable costs of services provided by a State or local government or Indian tribe on a centralized basis to its departments and agencies. The costs of these services may be allocated or billed to users.

**Claim** means, depending on the context, either:

- (1) A written demand or written assertion by one of the parties to a Federal award seeking as a matter of right:
  - (i) The payment of money in a sum certain;
  - (ii) The adjustment or interpretation of the terms and conditions of the Federal award; or
  - (iii) Other relief arising under or relating to a Federal award.
- (2) A request for payment that is not in dispute when submitted.

**Class of Federal awards** means a group of Federal awards either awarded under a specific program or group of programs or to a specific type of non-Federal entity or group of non-Federal entities to which specific provisions or exceptions may apply.

**Closeout** means the process by which the Federal awarding agency or pass-through entity determines that all applicable administrative actions and all required work of the Federal award have been completed and takes actions as described in [§ 200.344](#).

**Cluster of programs** means a grouping of closely related programs that share common compliance requirements. The types of clusters of programs are research and development (R&D), student financial aid (SFA), and other clusters. “Other clusters” are as defined by OMB in the compliance supplement or as designated by a State for Federal awards the State provides to its subrecipients that meet the definition of a cluster of programs. When designating an “other cluster,” a State must identify the Federal awards included in the cluster and advise the subrecipients of compliance requirements applicable to the cluster, consistent with [§ 200.332\(a\)](#). A cluster of programs must be considered as one program for determining major programs, as described in [§ 200.518](#), and, with the exception of R&D as described in [§ 200.501\(c\)](#), whether a program-specific audit may be elected.

**Cognizant agency for audit** means the Federal agency designated to carry out the responsibilities described in [§ 200.513\(a\)](#). The cognizant agency for audit is not necessarily the same as the cognizant agency for indirect costs. A list of cognizant agencies for audit can be found on the Federal Audit Clearinghouse (FAC) website.

**Cognizant agency for indirect costs** means the Federal agency responsible for reviewing, negotiating, and approving cost allocation plans or indirect cost proposals developed under this part on behalf of all Federal agencies. The cognizant agency for indirect cost is not necessarily the same as the cognizant agency for audit.

**Compliance supplement** means an annually updated authoritative source for auditors that serves to identify existing important compliance requirements that the Federal Government expects to be considered as part of an audit. Auditors use it to understand the Federal program's objectives, procedures, and compliance requirements, as well as audit objectives and suggested audit procedures for determining compliance with the relevant Federal program.

**Computing devices** means machines used to acquire, store, analyze, process, and publish data and other information electronically, including accessories (or “peripherals”) for printing, transmitting and receiving, or storing electronic information. See also the definitions of *supplies* and *information technology systems* in this section.

**Contract** means, for the purpose of Federal financial assistance, a legal instrument by which a recipient or subrecipient purchases property or services needed to carry out the project or program under a Federal award. For additional information on subrecipient and contractor determinations, see [§ 200.331](#). See also the definition of *subaward* in this section.

**Contractor** means an entity that receives a contract as defined in this section.

**Cooperative agreement** means a legal instrument of financial assistance between a Federal awarding agency and a recipient or a pass-through entity and a subrecipient that, consistent with [31 U.S.C. 6302-6305](#):

- (1) Is used to enter into a relationship the principal purpose of which is to transfer anything of value to carry out a public purpose authorized by a law of the United States (see [31 U.S.C.](#)

[6101\(3\)](#)); and not to acquire property or services for the Federal Government or pass-through entity's direct benefit or use;

(2) Is distinguished from a grant in that it provides for substantial involvement of the Federal awarding agency in carrying out the activity contemplated by the Federal award.

(3) The term does not include:

(i) A cooperative research and development agreement as defined in [15 U.S.C. 3710a](#); or

(ii) An agreement that provides only:

(A) Direct United States Government cash assistance to an individual;

(B) A subsidy;

(C) A loan;

(D) A loan guarantee; or

(E) Insurance.

**Cooperative audit resolution** means the use of audit follow-up techniques which promote prompt corrective action by improving communication, fostering collaboration, promoting trust, and developing an understanding between the Federal agency and the non-Federal entity. This approach is based upon:

(1) A strong commitment by Federal agency and non-Federal entity leadership to program integrity;

(2) Federal agencies strengthening partnerships and working cooperatively with non-Federal entities and their auditors; and non-Federal entities and their auditors working cooperatively with Federal agencies;

(3) A focus on current conditions and corrective action going forward;

(4) Federal agencies offering appropriate relief for past noncompliance when audits show prompt corrective action has occurred; and

(5) Federal agency leadership sending a clear message that continued failure to correct conditions identified by audits which are likely to cause improper payments, fraud, waste, or abuse is unacceptable and will result in sanctions.

**Corrective action** means action taken by the auditee that:

(1) Corrects identified deficiencies;

(2) Produces recommended improvements; or

(3) Demonstrates that audit findings are either invalid or do not warrant auditee action.

**Cost allocation plan** means central service cost allocation plan or public assistance cost allocation plan.

**Cost objective** means a program, function, activity, award, organizational subdivision, contract, or work unit for which cost data are desired and for which provision is made to accumulate and measure the cost of processes, products, jobs, capital projects, etc. A cost objective may be a major function of the non-Federal entity, a particular service or project, a Federal award, or an indirect (Facilities & Administrative (F&A)) cost activity, as described in [subpart E of this part](#). See also the definitions of *final cost objective* and *intermediate cost objective* in this section.

**Cost sharing or matching** means the portion of project costs not paid by Federal funds or contributions (unless otherwise authorized by Federal statute). See also [§ 200.306](#).

**Cross-cutting audit finding** means an audit finding where the same underlying condition or issue affects all Federal awards (including Federal awards of more than one Federal awarding agency or pass-through entity).

**Disallowed costs** means those charges to a Federal award that the Federal awarding agency or pass-through entity determines to be unallowable, in accordance with the applicable Federal statutes, regulations, or the terms and conditions of the Federal award.

**Discretionary award** means an award in which the Federal awarding agency, in keeping with specific statutory authority that enables the agency to exercise judgment (“discretion”), selects the recipient and/or the amount of Federal funding awarded through a competitive process or based on merit of proposals. A discretionary award may be selected on a non-competitive basis, as appropriate.

**Equipment** means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or \$5,000. See also the definitions of *capital assets*, *computing devices*, *general purpose equipment*, *information technology systems*, *special purpose equipment*, and *supplies* in this section.

**Expenditures** means charges made by a non-Federal entity to a project or program for which a Federal award was received.

(1) The charges may be reported on a cash or accrual basis, as long as the methodology is disclosed and is consistently applied.

(2) For reports prepared on a cash basis, expenditures are the sum of:

- (i) Cash disbursements for direct charges for property and services;
- (ii) The amount of indirect expense charged;
- (iii) The value of third-party in-kind contributions applied; and
- (iv) The amount of cash advance payments and payments made to subrecipients.

(3) For reports prepared on an accrual basis, expenditures are the sum of:

- (i) Cash disbursements for direct charges for property and services;
- (ii) The amount of indirect expense incurred;
- (iii) The value of third-party in-kind contributions applied; and
- (iv) The net increase or decrease in the amounts owed by the non-Federal entity for:
  - (A) Goods and other property received;
  - (B) Services performed by employees, contractors, subrecipients, and other payees; and
  - (C) Programs for which no current services or performance are required such as annuities, insurance claims, or other benefit payments.

**Federal agency** means an “agency” as defined at [5 U.S.C. 551\(1\)](#) and further clarified by [5 U.S.C. 552\(f\)](#).

**Federal Audit Clearinghouse (FAC)** means the clearinghouse designated by OMB as the repository of record where non-Federal entities are required to transmit the information required by [subpart F of this part](#).

**Federal award** has the meaning, depending on the context, in either paragraph (1) or (2) of this definition:

- (1)
  - (i) The Federal financial assistance that a recipient receives directly from a Federal awarding agency or indirectly from a pass-through entity, as described in [§ 200.101](#); or
  - (ii) The cost-reimbursement contract under the Federal Acquisition Regulations that a non-Federal entity receives directly from a Federal awarding agency or indirectly from a pass-through entity, as described in [§ 200.101](#).
- (2) The instrument setting forth the terms and conditions. The instrument is the grant agreement, cooperative agreement, other agreement for assistance covered in paragraph (2) of the definition of *Federal financial assistance* in this section, or the cost-reimbursement contract awarded under the Federal Acquisition Regulations.
- (3) Federal award does not include other contracts that a Federal agency uses to buy goods or services from a contractor or a contract to operate Federal Government owned, contractor operated facilities (GOCOs).
- (4) See also definitions of Federal financial assistance, grant agreement, and cooperative agreement.

**Federal award date** means the date when the Federal award is signed by the authorized official of the Federal awarding agency.

**Federal awarding agency** means the Federal agency that provides a Federal award directly to a non-Federal entity.

**Federal financial assistance** means

- (1) Assistance that non-Federal entities receive or administer in the form of:
  - (i) Grants;
  - (ii) Cooperative agreements;
  - (iii) Non-cash contributions or donations of property (including donated surplus property);
  - (iv) Direct appropriations;
  - (v) Food commodities; and
  - (vi) Other financial assistance (except assistance listed in paragraph (2) of this definition).
- (2) For [§ 200.203](#) and [subpart F of this part](#), *Federal financial assistance* also includes assistance that non-Federal entities receive or administer in the form of:
  - (i) Loans;
  - (ii) Loan Guarantees;
  - (iii) Interest subsidies; and
  - (iv) Insurance.
- (3) For [§ 200.216](#), Federal financial assistance includes assistance that non-Federal entities receive or administer in the form of:

- (i) Grants;
  - (ii) Cooperative agreements;
  - (iii) Loans; and
  - (iv) Loan Guarantees.
- (4) Federal financial assistance does not include amounts received as reimbursement for services rendered to individuals as described in [§ 200.502\(h\)](#) and [\(i\)](#).

**Federal interest** means, for purposes of [§ 200.330](#) or when used in connection with the acquisition or improvement of real property, equipment, or supplies under a Federal award, the dollar amount that is the product of the:

- (1) The percentage of Federal participation in the total cost of the real property, equipment, or supplies; and
- (2) Current fair market value of the property, improvements, or both, to the extent the costs of acquiring or improving the property were included as project costs.

**Federal program** means:

- (1) All Federal awards which are assigned a single Assistance Listings Number.
- (2) When no Assistance Listings Number is assigned, all Federal awards from the same agency made for the same purpose must be combined and considered one program.
- (3) Notwithstanding paragraphs (1) and (2) of this definition, a cluster of programs. The types of clusters of programs are:
  - (i) Research and development (R&D);
  - (ii) Student financial aid (SFA); and
  - (iii) “Other clusters,” as described in the definition of *cluster of programs* in this section.

**Federal share** means the portion of the Federal award costs that are paid using Federal funds.

**Final cost objective** means a cost objective which has allocated to it both direct and indirect costs and, in the non-Federal entity's accumulation system, is one of the final accumulation points, such as a particular award, internal project, or other direct activity of a non-Federal entity. See also the definitions of *cost objective* and *intermediate cost objective* in this section.

**Financial obligations**, when referencing a recipient's or subrecipient's use of funds under a Federal award, means orders placed for property and services, contracts and subawards made, and similar transactions that require payment.

**Fixed amount awards** means a type of grant or cooperative agreement under which the Federal awarding agency or pass-through entity provides a specific level of support without regard to actual costs incurred under the Federal award. This type of Federal award reduces some of the administrative burden and record-keeping requirements for both the non-Federal entity and Federal awarding agency or pass-through entity. Accountability is based primarily on performance and results. See [§§ 200.102\(c\)](#), [200.201\(b\)](#), and [200.333](#).

**Foreign organization** means an entity that is:



- (1) A public or private organization located in a country other than the United States and its territories that is subject to the laws of the country in which it is located, irrespective of the citizenship of project staff or place of performance;
- (2) A private nongovernmental organization located in a country other than the United States that solicits and receives cash contributions from the general public;
- (3) A charitable organization located in a country other than the United States that is nonprofit and tax exempt under the laws of its country of domicile and operation, and is not a university, college, accredited degree-granting institution of education, private foundation, hospital, organization engaged exclusively in research or scientific activities, church, synagogue, mosque or other similar entities organized primarily for religious purposes; or
- (4) An organization located in a country other than the United States not recognized as a foreign public entity.

***Foreign public entity*** means:

- (1) A foreign government or foreign governmental entity;
- (2) A public international organization, which is an organization entitled to enjoy privileges, exemptions, and immunities as an international organization under the International Organizations Immunities Act ([22 U.S.C. 288-288f](#));
- (3) An entity owned (in whole or in part) or controlled by a foreign government; or
- (4) Any other entity consisting wholly or partially of one or more foreign governments or foreign governmental entities.

***General purpose equipment*** means equipment which is not limited to research, medical, scientific or other technical activities. Examples include office equipment and furnishings, modular offices, telephone networks, information technology equipment and systems, air conditioning equipment, reproduction and printing equipment, and motor vehicles. See also the definitions of *equipment* and *special purpose equipment* in this section.

***Generally accepted accounting principles (GAAP)*** has the meaning specified in accounting standards issued by the GASB and the FASB.

***Generally accepted government auditing standards (GAGAS)***, also known as the Yellow Book, means generally accepted government auditing standards issued by the Comptroller General of the United States, which are applicable to financial audits.

***Grant agreement*** means a legal instrument of financial assistance between a Federal awarding agency or pass-through entity and a non-Federal entity that, consistent with [31 U.S.C. 6302](#), [6304](#):

- (1) Is used to enter into a relationship the principal purpose of which is to transfer anything of value to carry out a public purpose authorized by a law of the United States (see [31 U.S.C. 6101\(3\)](#)); and not to acquire property or services for the Federal awarding agency or pass-through entity's direct benefit or use;

(2) Is distinguished from a cooperative agreement in that it does not provide for substantial involvement of the Federal awarding agency in carrying out the activity contemplated by the Federal award.

(3) Does not include an agreement that provides only:

- (i) Direct United States Government cash assistance to an individual;
- (ii) A subsidy;
- (iii) A loan;
- (vi) A loan guarantee; or
- (v) Insurance.

**Highest level owner** means the entity that owns or controls an immediate owner of the offeror, or that owns or controls one or more entities that control an immediate owner of the offeror. No entity owns or exercises control of the highest-level owner as defined in the Federal Acquisition Regulations (FAR) ([48 CFR 52.204-17](#)).

**Hospital** means a facility licensed as a hospital under the law of any state or a facility operated as a hospital by the United States, a state, or a subdivision of a state.

**Improper payment** means:

(1) Any payment that should not have been made or that was made in an incorrect amount under statutory, contractual, administrative, or other *legally applicable* requirements.

(i) Incorrect amounts are overpayments or underpayments that are made to eligible recipients (including inappropriate denials of payment or service, any payment that does not account for credit for applicable discounts, payments that are for an incorrect amount, and duplicate payments). An improper payment also includes any payment that was made to an ineligible recipient or for an ineligible good or service, or payments for goods or services not received (except for such payments authorized by law).

*Note 1 to paragraph (1)(i) of this definition.* Applicable discounts are only those discounts where it is both advantageous and within the agency's control to claim them.

(ii) When an agency's review is unable to discern whether a payment was proper as a result of insufficient or lack of documentation, this payment should also be considered an improper payment. When establishing documentation requirements for payments, agencies should ensure that all documentation requirements are necessary and should refrain from imposing additional burdensome documentation requirements.

(iii) Interest or other fees that may result from an underpayment by an agency are not considered an improper payment if the interest was paid correctly. These payments are generally separate transactions and may be necessary under certain statutory, contractual, administrative, or other legally applicable requirements.

(iv) A “questioned cost” (as defined in this section) should not be considered an improper payment until the transaction has been completely reviewed and is confirmed to be improper.

(v) The term “payment” in this definition means any disbursement or transfer of Federal funds (including a commitment for future payment, such as cash, securities, loans, loan guarantees, and insurance subsidies) to any non-Federal person, non-Federal entity, or Federal employee, that is made by a Federal agency, a Federal contractor, a Federal grantee, or a governmental or other organization administering a Federal program or activity.

(vi) The term “payment” includes disbursements made pursuant to prime contracts awarded under the Federal Acquisition Regulation and Federal awards subject to this part that are expended by recipients.

(2) See definition of improper payment in OMB Circular A-123 appendix C, part I A (1) “What is an improper payment?” Questioned costs, including those identified in audits, are not an improper payment until reviewed and confirmed to be improper as defined in OMB Circular A-123 appendix C.

**Indian tribe** means any Indian tribe, band, nation, or other organized group or community, including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act (43 U.S.C. Chapter 33), which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians ([25 U.S.C. 450b\(e\)](#)). See annually published Bureau of Indian Affairs list of Indian Entities Recognized and Eligible to Receive Services.

**Institutions of Higher Education (IHEs)** is defined at [20 U.S.C. 1001](#).

**Indirect (facilities & administrative (F&A)) costs** means those costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved. To facilitate equitable distribution of indirect expenses to the cost objectives served, it may be necessary to establish a number of pools of indirect (F&A) costs. Indirect (F&A) cost pools must be distributed to benefitted cost objectives on bases that will produce an equitable result in consideration of relative benefits derived.

**Indirect cost rate proposal** means the documentation prepared by a non-Federal entity to substantiate its request for the establishment of an indirect cost rate as described in appendices III through VII and appendix IX to this part.

**Information technology systems** means computing devices, ancillary equipment, software, firmware, and similar procedures, services (including support services), and related resources. See also the definitions of *computing devices* and *equipment* in this section.

**Intangible property** means property having no physical existence, such as trademarks, copyrights, patents and patent applications and property, such as loans, notes and other debt instruments, lease agreements, stock and other instruments of property ownership (whether the property is tangible or intangible).

**Intermediate cost objective** means a cost objective that is used to accumulate indirect costs or service center costs that are subsequently allocated to one or more indirect cost pools or final cost objectives. See also the definitions of *cost objective* and *final cost objective* in this section.

**Internal controls** for non-Federal entities means:

(1) Processes designed and implemented by non-Federal entities to provide reasonable assurance regarding the achievement of objectives in the following categories:

- (i) Effectiveness and efficiency of operations;
- (ii) Reliability of reporting for internal and external use; and
- (iii) Compliance with applicable laws and regulations.

(2) Federal awarding agencies are required to follow internal control compliance requirements in OMB Circular No. A-123, Management's Responsibility for Enterprise Risk Management and Internal Control.

**Loan** means a Federal loan or loan guarantee received or administered by a non-Federal entity, except as used in the definition of *program income* in this section.

(1) The term “direct loan” means a disbursement of funds by the Federal Government to a non-Federal borrower under a contract that requires the repayment of such funds with or without interest. The term includes the purchase of, or participation in, a loan made by another lender and financing arrangements that defer payment for more than 90 days, including the sale of a Federal Government asset on credit terms. The term does not include the acquisition of a federally guaranteed loan in satisfaction of default claims or the price support loans of the Commodity Credit Corporation.

(2) The term “direct loan obligation” means a binding agreement by a Federal awarding agency to make a direct loan when specified conditions are fulfilled by the borrower.

(3) The term “loan guarantee” means any Federal Government guarantee, insurance, or other pledge with respect to the payment of all or a part of the principal or interest on any debt obligation of a non-Federal borrower to a non-Federal lender, but does not include the insurance of deposits, shares, or other withdrawable accounts in financial institutions.

(4) The term “loan guarantee commitment” means a binding agreement by a Federal awarding agency to make a loan guarantee when specified conditions are fulfilled by the borrower, the lender, or any other party to the guarantee agreement.

**Local government** means any unit of government within a state, including a:

- (1) County;
- (2) Borough;
- (3) Municipality;
- (4) City;
- (5) Town;
- (6) Township;
- (7) Parish;
- (8) Local public authority, including any public housing agency under the United States Housing Act of 1937;
- (9) Special district;
- (10) School district;
- (11) Intrastate district;
- (12) Council of governments, whether or not incorporated as a nonprofit corporation under State law; and
- (13) Any other agency or instrumentality of a multi-, regional, or intra-State or local government.

**Major program** means a Federal program determined by the auditor to be a major program in accordance with [§ 200.518](#) or a program identified as a major program by a Federal awarding agency or pass-through entity in accordance with [§ 200.503\(e\)](#).

**Management decision** means the Federal awarding agency's or pass-through entity's written determination, provided to the auditee, of the adequacy of the auditee's proposed corrective actions to address the findings, based on its evaluation of the audit findings and proposed corrective actions.

**Micro-purchase** means a purchase of supplies or services, the aggregate amount of which does not exceed the micro-purchase threshold. Micro-purchases comprise a subset of a non-Federal entity's small purchases as defined in [§ 200.320](#).

**Micro-purchase threshold** means the dollar amount at or below which a non-Federal entity may purchase property or services using micro-purchase procedures (see [§ 200.320](#)). Generally, the micro-purchase threshold for procurement activities administered under Federal awards is not to exceed the amount set by the FAR at [48 CFR part 2, subpart 2.1](#), unless a higher threshold is requested by the non-Federal entity and approved by the cognizant agency for indirect costs.

**Modified Total Direct Cost (MTDC)** means all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$25,000 of each subaward (regardless of the period of performance of the subawards under the award). MTDC excludes

equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward in excess of \$25,000. Other items may only be excluded when necessary to avoid a serious inequity in the distribution of indirect costs, and with the approval of the cognizant agency for indirect costs.

***Non-discretionary award*** means an award made by the Federal awarding agency to specific recipients in accordance with statutory, eligibility and compliance requirements, such that in keeping with specific statutory authority the agency has no ability to exercise judgement (“discretion”). A non-discretionary award amount could be determined specifically or by formula.

***Non-Federal entity (NFE)*** means a State, local government, Indian tribe, Institution of Higher Education (IHE), or nonprofit organization that carries out a Federal award as a recipient or subrecipient.

***Nonprofit organization*** means any corporation, trust, association, cooperative, or other organization, not including IHEs, that:

- (1) Is operated primarily for scientific, educational, service, charitable, or similar purposes in the public interest;
- (2) Is not organized primarily for profit; and
- (3) Uses net proceeds to maintain, improve, or expand the operations of the organization.

***Notice of funding opportunity*** means a formal announcement of the availability of Federal funding through a financial assistance program from a Federal awarding agency. The notice of funding opportunity provides information on the award, who is eligible to apply, the evaluation criteria for selection of an awardee, required components of an application, and how to submit the application. The notice of funding opportunity is any paper or electronic issuance that an agency uses to announce a funding opportunity, whether it is called a “program announcement,” “notice of funding availability,” “broad agency announcement,” “research announcement,” “solicitation,” or some other term.

***Office of Management and Budget (OMB)*** means the Executive Office of the President, Office of Management and Budget.

***Oversight agency for audit*** means the Federal awarding agency that provides the predominant amount of funding directly (direct funding) (as listed on the schedule of expenditures of Federal awards, see [§ 200.510\(b\)](#)) to a non-Federal entity unless OMB designates a specific cognizant agency for audit. When the direct funding represents less than 25 percent of the total Federal expenditures (as direct and sub-awards) by the non-Federal entity, then the Federal agency with the predominant amount of total funding is the designated oversight agency for audit. When there is no direct funding, the Federal awarding agency which is the predominant source of pass-through funding must assume the oversight responsibilities. The duties of the oversight agency for audit and the process for any reassignments are described in [§ 200.513\(b\)](#).

***Participant support costs*** means direct costs for items such as stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with conferences, or training projects.

***Pass-through entity (PTE)*** means a non-Federal entity that provides a subaward to a subrecipient to carry out part of a Federal program.

***Performance goal*** means a target level of performance expressed as a tangible, measurable objective, against which actual achievement can be compared, including a goal expressed as a quantitative standard, value, or rate. In some instances (e.g., discretionary research awards), this may be limited to the requirement to submit technical performance reports (to be evaluated in accordance with agency policy).

***Period of performance*** means the total estimated time interval between the start of an initial Federal award and the planned end date, which may include one or more funded portions, or budget periods. Identification of the period of performance in the Federal award per [§ 200.211\(b\)\(5\)](#) does not commit the awarding agency to fund the award beyond the currently approved budget period.

***Personal property*** means property other than real property. It may be tangible, having physical existence, or intangible.

***Personally Identifiable Information (PII)*** means information that can be used to distinguish or trace an individual's identity, either alone or when combined with other personal or identifying information that is linked or linkable to a specific individual. Some information that is considered to be PII is available in public sources such as telephone books, public websites, and university listings. This type of information is considered to be Public PII and includes, for example, first and last name, address, work telephone number, email address, home telephone number, and general educational credentials. The definition of PII is not anchored to any single category of information or technology. Rather, it requires a case-by-case assessment of the specific risk that an individual can be identified. Non-PII can become PII whenever additional information is made publicly available, in any medium and from any source, that, when combined with other available information, could be used to identify an individual.

***Program income*** means gross income earned by the non-Federal entity that is directly generated by a supported activity or earned as a result of the Federal award during the period of performance except as provided in [§ 200.307\(f\)](#). (See the definition of *period of performance* in this section.) Program income includes but is not limited to income from fees for services performed, the use or rental of real or personal property acquired under Federal awards, the sale of commodities or items fabricated under a Federal award, license fees and royalties on patents and copyrights, and principal and interest on loans made with Federal award funds. Interest earned on advances of Federal funds is not program income. Except as otherwise provided in Federal statutes, regulations, or the terms and conditions of the Federal award, program income does not include rebates, credits, discounts, and interest earned on any of them. See also [§ 200.407](#). See also [35 U.S.C. 200-212](#) “Disposition of Rights in Educational Awards” applies to inventions made under Federal awards.

**Project cost** means total allowable costs incurred under a Federal award and all required cost sharing and voluntary committed cost sharing, including third-party contributions.

**Property** means real property or personal property. See also the definitions of *real property* and *personal property* in this section.

**Protected Personally Identifiable Information (Protected PII)** means an individual's first name or first initial and last name in combination with any one or more of types of information, including, but not limited to, social security number, passport number, credit card numbers, clearances, bank numbers, biometrics, date and place of birth, mother's maiden name, criminal, medical and financial records, educational transcripts. This does not include PII that is required by law to be disclosed. See also the definition of *Personally Identifiable Information (PII)* in this section.

**Questioned cost** means a cost that is questioned by the auditor because of an audit finding:

- (1) Which resulted from a violation or possible violation of a statute, regulation, or the terms and conditions of a Federal award, including for funds used to match Federal funds;
- (2) Where the costs, at the time of the audit, are not supported by adequate documentation;
- or
- (3) Where the costs incurred appear unreasonable and do not reflect the actions a prudent person would take in the circumstances.
- (4) Questioned costs are not an improper payment until reviewed and confirmed to be improper as defined in OMB Circular A-123 appendix C. (See also the definition of *Improper payment* in this section).

**Real property** means land, including land improvements, structures and appurtenances thereto, but excludes moveable machinery and equipment.

**Recipient** means an entity, usually but not limited to non-Federal entities that receives a Federal award directly from a Federal awarding agency. The term recipient does not include subrecipients or individuals that are beneficiaries of the award.

**Renewal award** means an award made subsequent to an expiring Federal award for which the start date is contiguous with, or closely follows, the end of the expiring Federal award. A renewal award's start date will begin a distinct period of performance.

**Research and Development (R&D)** means all research activities, both basic and applied, and all development activities that are performed by non-Federal entities. The term research also includes activities involving the training of individuals in research techniques where such activities utilize the same facilities as other research and development activities and where such activities are not included in the instruction function. "Research" is defined as a systematic study directed toward fuller scientific knowledge or understanding of the subject studied. "Development" is the systematic use of knowledge and understanding gained from research directed toward the production of useful materials, devices, systems, or methods, including design and development of prototypes and processes.



***Simplified acquisition threshold*** means the dollar amount below which a non-Federal entity may purchase property or services using small purchase methods (see [§ 200.320](#)). Non-Federal entities adopt small purchase procedures in order to expedite the purchase of items at or below the simplified acquisition threshold. The simplified acquisition threshold for procurement activities administered under Federal awards is set by the FAR at [48 CFR part 2, subpart 2.1](#). The non-Federal entity is responsible for determining an appropriate simplified acquisition threshold based on internal controls, an evaluation of risk, and its documented procurement procedures. However, in no circumstances can this threshold exceed the dollar value established in the FAR ([48 CFR part 2, subpart 2.1](#)) for the simplified acquisition threshold. Recipients should determine if local government laws on purchasing apply.

***Special purpose equipment*** means equipment which is used only for research, medical, scientific, or other technical activities. Examples of special purpose equipment include microscopes, x-ray machines, surgical instruments, and spectrometers. See also the definitions of *equipment* and *general purpose equipment* in this section.

***State*** means any state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, U.S. Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and any agency or instrumentality thereof exclusive of local governments.

***Student Financial Aid (SFA)*** means Federal awards under those programs of general student assistance, such as those authorized by Title IV of the Higher Education Act of 1965, as amended, ([20 U.S.C. 1070-1099d](#)), which are administered by the U.S. Department of Education, and similar programs provided by other Federal agencies. It does not include Federal awards under programs that provide fellowships or similar Federal awards to students on a competitive basis, or for specified studies or research.

***Subaward*** means an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a Federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a Federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract.

***Subrecipient*** means an entity, usually but not limited to non-Federal entities, that receives a subaward from a pass-through entity to carry out part of a Federal award; but does not include an individual that is a beneficiary of such award. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency.

***Subsidiary*** means an entity in which more than 50 percent of the entity is owned or controlled directly by a parent corporation or through another subsidiary of a parent corporation.

***Supplies*** means all tangible personal property other than those described in the definition of *equipment* in this section. A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the non-Federal entity for financial statement purposes or \$5,000, regardless of the length of its useful life. See also the definitions of *computing devices* and *equipment* in this section.

**Telecommunications cost** means the cost of using communication and telephony technologies such as mobile phones, land lines, and internet.

**Termination** means the ending of a Federal award, in whole or in part at any time prior to the planned end of period of performance. A lack of available funds is not a termination.

**Third-party in-kind contributions** means the value of non-cash contributions (*i.e.*, property or services) that -

- (1) Benefit a federally-assisted project or program; and
- (2) Are contributed by non-Federal third parties, without charge, to a non-Federal entity under a Federal award.

**Unliquidated financial obligations** means, for financial reports prepared on a cash basis, financial obligations incurred by the non-Federal entity that have not been paid (liquidated). For reports prepared on an accrual expenditure basis, these are financial obligations incurred by the non-Federal entity for which an expenditure has not been recorded.

**Unobligated balance** means the amount of funds under a Federal award that the non-Federal entity has not obligated. The amount is computed by subtracting the cumulative amount of the non-Federal entity's unliquidated financial obligations and expenditures of funds under the Federal award from the cumulative amount of the funds that the Federal awarding agency or pass-through entity authorized the non-Federal entity to obligate.

**Voluntary committed cost sharing** means cost sharing specifically pledged on a voluntary basis in the proposal's budget on the part of the non-Federal entity and that becomes a binding requirement of Federal award. See also [§ 200.306](#).

## ***Miscellaneous Definitions***

**Authorized Equipment List (AEL)** – A list of approved equipment types allowed under FEMA’s preparedness grant programs. The intended audience of this tool is emergency managers, first responders, and other homeland security professionals. The list consists of 21 equipment categories divided into categories, sub-categories and then individual equipment items. There are no commercially available products listed; it only consists of equipment types.

Reference: <https://www.fema.gov/grants/guidance-tools/authorized-equipment-list>

**Agreement in Principle (AIP)** – means any enforceable agreement or any other agreement or similar commitment which identifies the fundamental terms upon which the parties agree or intend to agree. For example, the Department of Energy and the State of Nevada have an agreement in principle for the Emergency Preparedness Working Group (EPWG) Grant.

**Assurances** – Conditions for subrecipient acceptance of, receipt of and expenditure of federal funds provided as a sub-grant that include federal, financial and program assurances. See Appendix E for current assurance.

**Commingling of Funds** – The use of one source of dedicated federal funds to fund one or more other program(s) not related to the specific source of funds being utilized.

**Community Emergency Response Team (CERT)** - The Community Emergency Response Team (CERT) program offers a consistent, nationwide approach to volunteer training and organization that professional responders can rely on during a disaster situation. The Community Emergency Response Team (CERT) program educates volunteers about disaster preparedness for the hazards that may impact their area and trains them in basic disaster response skills, such as fire safety, light search and rescue, team organization, and disaster medical operations.

**Citizen Core Program (CCP)** - The Citizen Corps program includes a national network of over 1,200 state, local, and tribal Citizen Corps Councils bring together local government, business, and community leaders who work to prepare their communities for disaster and to make them more resilient. Councils harness the power of every individual through education, training, and volunteer service to make communities safer, stronger, and better prepared to respond to the hazards and threats facing their community.

**Department of Energy (DOE)** – The Department of Energy manages the United States' nuclear infrastructure and administers the country's energy policy. The Department of Energy also funds scientific research in the field. The federal agency that provides the state and political subdivisions with funding to prepare for an on-site incident and the potential for an incident resulting from the transportation of transuranic waste.

**Department of Homeland Security (DHS)** – The Department of Homeland Security works to improve the security of the United States. The Department's work includes customs, border, and immigration enforcement, emergency response to natural and manmade disasters, antiterrorism work, and cybersecurity. The federal agency that provides preparedness grants in the areas of homeland security and emergency management.

**Nevada Division of Emergency Management / Homeland Security (DEM)** – Coordinates mitigation, preparedness, response, and recovery programs and resources through partnerships to

build resilient communities for Nevada's residents and visitors. The Division within the Nevada Office of the Military. Please refer to Nevada Revised Statute Chapter 414.

**Duplication of Benefits (DOB)** – using federal funds to pay for the exact same cost or activity already paid by another source of funding. This is also referred to as double-dipping.

**Emergency Management Performance Grant (EMPG)** – The EMPG Program provides funds to assist state, local, tribal, and territorial (SLTT) emergency management agencies in obtaining the resources required for implementation of the National Preparedness System and the National Preparedness Goal of a secure and resilient nation.

**Emergency Preparedness Working Group (EPWG)** – A grant program within the DOE AIP provided to six counties that may potentially be adversely affected by an event resulting from the transportation of transuranic waste.

**Emergency Operation Plan (EOP)** - An EOP describes how people and property will be protected; details who is responsible for carrying out specific actions; identifies the personnel, equipment, facilities, supplies, and other resources available; and outlines how all actions will be coordinated.

**Environmental Planning and Historic Preservation (EHP)** – Integrates the protection and enhancement of environmental, historical, and cultural resources for all projects that are federally funded. The Environmental Planning and Historic Preservation program ensures that FEMA's activities and programs related to disaster response and recovery, hazard mitigation, and emergency preparedness comply with federal environmental and historic preservation laws and executive orders.

**Federal Emergency Management Agency (FEMA)** – FEMA's mission is **helping people before, during and after disasters**, and our core values and goals help us achieve it.

**Finance Committee** – A committee created under the authority of the Nevada Commission on Homeland Security for the purpose of reviewing and evaluating the Investments proposed for the State's Homeland Security Grant Program application to the DHS for each federal fiscal year cycle and making recommendations on same to the full Nevada Commission on Homeland Security.

**Governor's Authorized Representative (GAR)** - In the FEMA-State Agreement, the Governor shall designate the GAR, who shall administer Federal disaster assistance programs on behalf of the State and local governments and other grant or loan recipients. The GAR is responsible for the State compliance with the FEMA-State Agreement.

**Governor's Executive Order** – A written instrument generated by the Governor under the authority of Article 5, Section 1 of the Nevada Constitution for the purpose of providing additional direction to state agencies, boards, commissions, etc.

**Grant Award** – The formal document from the federal government providing awarding federal funds to a state agency; or a local government or tribal nation if directly funded from the federal government.

**Grantee** – For purposes of this document, the grantee is the state agency that is the recipient of a federal grant award, or in this case, the Office of the Military, Division of Emergency

## Management

**Hazard Mitigation Grant Program (HMGP)** – FEMA’s Hazard Mitigation Grant Program provides funding to state, local, tribal and territorial governments so they can develop hazard mitigation plans and rebuild in a way that reduces, or mitigates, future disaster losses in their communities. When requested by an authorized representative, this grant funding is available after a presidentially declared disaster.

**Homeland Security Grant Program (HSGP)** – The Homeland Security Grant includes a suite of risk-based grants to assist state, local, tribal and territorial efforts in preventing, protecting against, mitigating, responding to and recovering from acts of terrorism and other threats. This grant provides grantees with the resources required for implementation of the National Preparedness System and working toward the National Preparedness Goal of a secure and resilient nation. This program includes the State Homeland Security Program (SHSP) and the Urban Area Security Initiative (UASI).

**Incident Action Plan** – An incident action plan (IAP) formally documents incident goals (known as control objectives in NIMS), operational period objectives, and the response strategy defined by incident command during response planning.

**Individual Assistance (IA)** – FEMA provides Individual Assistance (IA) to eligible individuals and households who have sustained losses as a direct result of a disaster that receives a federal disaster declaration.

- Homeowners and renters in officially designated counties who sustained damage to their homes, vehicles, personal property, businesses or inventory may apply for disaster assistance.
- Assistance can include grants to help pay for temporary housing, emergency home repairs, uninsured and underinsured personal property losses, and medical, dental and funeral expenses caused by the disaster, together with other serious disaster-related expenses.
- Disaster assistance grants are not taxable income and will not affect eligibility for Social Security, Medicaid, medical waiver programs, welfare assistance, Temporary Assistance for Needy Families, food stamps, Supplemental Security Income, Social Security Disability Insurance or any other federal benefits.

**Investment** – The compilation of one or more projects that are intended to establish, improve or enhance one or more target capabilities associated with the Homeland Security Grant Program.

**Investment Justification** – The compilation of investments for “statewide” and “urban areas” that collectively summate the State’s Homeland Security Grant Program application during each federal fiscal year cycle as described by the Notice of Funding Opportunity.

**Law Enforcement Terrorism Prevention Activities (LETPA)** – As a result of the consolidation of the Law Enforcement Terrorism Prevention Preparedness (LETPP) into the State Homeland Security Program and the Urban Area Security Initiative, states are required to set aside a percentage of the total award for LETPA investments. The percentage varies and is published in the annual notice of funding opportunity and the annual FEMA Preparedness Grants Manual.

**Letter of Intent to Contract** – This is a formal letter sent to the chosen bidder during the bidding process for goods being purchased using applicable grants funds.

**Misappropriation of Funds** – The use of a source of federal funds for any reason not related specifically to the purpose of the particular federal program that the funds are affiliated with.

**Memorandum Of Understanding (MOU)**- A formal agreement between two or more parties outlined in a formal document.

**Nevada Commission on Homeland Security (NCHS)** – As described in Chapter 239C of the Nevada Revised Statutes (NRS 239C), the Nevada Commission on Homeland Security is tasked with several responsibilities directed toward making recommendations to the Governor, the Legislature, local governments, private business, and citizens about actions and measures that may be taken to protect the citizens and visitors to this State from potential acts of terrorism and related emergencies.

**National Environmental Policy Act (NEPA)** – Section 101 of NEPA sets forth a national policy "to use all practicable means and measures, including financial and technical assistance, in a manner calculated to foster and promote the general welfare, to create and maintain conditions under which man and nature can exist in productive harmony, and fulfill the social, economic, and other requirements of present and future generations of Americans." (Executive Office of the President of the United States, 2022)

**National Incident Management System (NIMS)** – The [National Incident Management System \(NIMS\)](#) guides all levels of government, nongovernmental organizations 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](#). NIMS defines operational systems that guide how personnel work together during incidents.

**Nevada Revised Statutes (NRS)** – Laws of the State of Nevada.

**Non-Profit Security Grant Program (NSGP)** – This grant provides funding support for target hardening and other physical security enhancements and activities to nonprofit organizations that are at high risk of terrorist attack. The intent is to integrate nonprofit preparedness activities with broader state and local preparedness efforts. It is also designed to promote coordination and collaboration in emergency preparedness activities among public and private community representatives, as well as state and local government agencies.

**Notice of Funding Opportunity (NOFO)** - The Notice of Funding Opportunity includes a description of the project and the entities that are eligible to apply. If you are interested in applying for a funding opportunity, first review the eligibility criteria located within the NOFO.

**Pass Through Requirement** – Homeland Security Grant Program (HSGP) awards made to the State Administrative Agency (SAA) for HSGP carry additional statutorily mandated pass-through requirements. Awards made to the SAA for the NSGP carry additional pass-through requirements. Pass-through is defined as an obligation on the part of the state to make subawards to selected nonprofit organizations. The required pass-through percentage is published in the

annual notice of funding opportunity and the annual FEMA Preparedness Grants Manual.

**Project Change Request (PCR)** – A document used to request a modification to a subrecipient’s existing budget and/or program to DEM.

**Public Assistance** – FEMA’s Public Assistance Program provides supplemental grants to state, tribal, territorial, and local governments, and certain types of private non-profits so communities can quickly respond to and recover from major disasters or emergencies.

After an event like a hurricane, tornado, earthquake or wildfire, communities need help to cover their costs for debris removal, life-saving emergency protective measures, and restoring public infrastructure.

FEMA also encourages protecting these damaged facilities from future events by providing assistance for hazard mitigation measures during the recovery process.

**Quarterly Financial Report (QFR)** – A mandatory financial report form that is issued to the DEM quarterly to report expenditures and request reimbursement of expended subrecipient federal funds. This report is also required to be filed if there have been no expenditures for the quarter.

**Quarterly Progress Report (QPR)** – A mandatory progress report form used to report the project’s progress to the DEM and must be submitted with the QFR. This report is also required to be issued if there has been no activity. If there is no activity, an explanation is required as to why.

**State, Local, Tribal, and Territorial (SLTT)** – All non-federal entities.

**State Administrative Agency (SAA)** – The State’s designated single point of contact with the U.S. Department of Homeland Security for all matters relating to the administration of the Homeland Security Grant Program.

**State Homeland Security Program (SHSP)** – The SHSP assists state, local, tribal, and territorial efforts to build, sustain, and deliver the capabilities necessary to prevent, prepare for, protect against, and respond to acts of terrorism.

**Subgrant Award** – An award of federal funds from the State to a fellow state agency, political subdivision or tribal nation.

**Sub grant Performance Period** – A period of time that is designated by the awarding agency for the subrecipient to expend the awarded funds and complete associated program goals and objectives.

**Subgrantee** – A recipient of federal funds from a state agency.

**Sub-Subgrantee** – A recipient of federal funds from a subgrantee.

**Supplanting** – Utilization of federal grant funds to replace funding appropriated by the state, local or tribal government for the same or similar purpose.

**Urban Area Administrator (UAA)** – Urban Area point of contact.

**Urban Area Security Initiative (UASI)** – The UASI Program assists high-risk urban areas’ efforts to build, sustain, and deliver the capabilities necessary to prevent, prepare for, protect against, and respond to acts of terrorism.

**Work Plan** – The EMPG subrecipient work plan lists items the sub-grantee has chosen as the main areas they will either complete during the performance period or are on-going items the subrecipient deems to be critical to their Emergency Management program.



## Appendix H: FEMA Grant Program Directorate (GPD) Fact Sheets

FEMA's Grant Programs Directorate (GPD) has eight (8) FEMA Facts Sheets covering a wide variety of procurement grant concepts. These fact sheets, developed by GPD's Procurement Disaster Assistance Team (PDAT), provide recipients and subrecipients with targeted procurement information in a short and user-friendly format.

1. **[Socioeconomic Contracting](#)** - Illustrates guidance for state and non-state entities to follow when taking the six affirmative steps for socioeconomic contracting as detailed at [2 C.F.R. § 200.321](#).
2. **[Informal Methods of Procurement](#)** - Provides key information for non-state entities using informal methods of procurement, which are less than \$250,000. It also provides a checklist specific to these methods.
3. **[Exigency or Emergency Circumstances](#)** –Provides key information to consider when utilizing contracted resources under exigent or emergency circumstances and is also available in Spanish. For disasters declared before November 12, 2020, [see the 2020 version of the E&E Fact Sheet](#).
4. **[Common Mistakes](#)** – Introduces the 10 most frequent procurement noncompliance issues as reported by the Office of the Inspector General (OIG) and lists available resources to help avoid these mistakes.
5. **[Construction Manager at Risk \(CMAR\) Contracting](#)** –Provides guidance regarding the general use of CMAR and highlights frequent procurement compliance concerns for non-state entities.
6. **[Purchasing Goods or Services through the GSA Disaster Purchasing Program](#)** – Provides information on additional steps necessary to ensure compliance with the federal rules when using the General Services Administration's (GSA's) Disaster Purchasing Program.
7. **[Utilizing SBA Resources Fact Sheet](#)** - Provides information regarding Small Business Administration (SBA) resources available to non-federal entities to assist in compliance with the applicable socioeconomic contracting rules found at [2 C.F.R. § 200.321](#)
8. **[Prepare Before a Disaster](#)** - Provides information on contracting actions FEMA award recipients and subrecipients can take before a disaster strikes.

To access all the PDAT resources, including the fact sheets listed above, please visit the PDAT resource library at <https://www.fema.gov/grants/procurement/resource-library>.

# Appendix I: DEM Procurement Policy



NEVADA DIVISION OF EMERGENCY MANAGEMENT | HOMELAND SECURITY  
 HELPING PEOPLE BEFORE, DURING, AND AFTER EMERGENCIES



## Office of the Military (OTM) Division of Emergency Management/Homeland Security (DEM) Policy Directive

<b>Directive Title:</b>	<b>Procurement Policy</b>		
<b>Directive Number:</b>			
<b>DAG Review By:</b>	Samantha Ladich	<b>Origination Date:</b>	
<b>Date Effective:</b>	11/14/2024	<b>Approved By:</b>	Brett Compston, Chief <i>BDC</i>
<b>Processed By:</b>	Paul Humphreys, Management Analyst	<b>References</b>	Various as noted in the policy document
<b>Date of Next Review:</b>	11/01/2025	<b>Date of Next Revision:</b>	11/01/2027

### A. PURPOSE:

Grant recipients and subrecipients must follow federal and state laws when using funds awarded by the Nevada Department of Emergency Management/Homeland Security (DEM). Key guidelines come from 2 CFR § 200, which outlines procurement standards for federal grants. Specific rules apply to different procurement methods based on the value of the purchase.

### B. POLICY:

Proper compliance ensures the use of federal and state funds in accordance with the law, prevents audit issues, and contributes to reimbursement eligibility.

This policy applies to Division of Emergency Management grant recipients, grant administrators and staff.





## C. PROCEDURES:

### Grant Recipients/Sub-recipients Expectations

1. **Micro-Purchases – standard is up to \$10,000**
  - a. **Exceptions:**
    - i. **\$2,000** – If wage rate requirements apply (construction).
    - ii. **\$2,500** – If service contract labor standards apply.
    - iii. **\$25,000** – If acquisition pertains to contingencies in defense against or recovery from cyber, nuclear, biological, chemical, or radiological attack and purchase is within U. S.
  - b. **Quotes:** Not required if the recipient or subrecipient considers the price reasonable based on research, experience, purchase history, or other information; and maintains documents to support its conclusion per 2 CFR §200.320. Proper documentation includes reasonably detailed written justification addressing factors listed in [Federal Acquisition Regulation 13.106-3, paragraph \(2\)](#).
  - c. **Advertising:** Not required.
2. **Simplified Acquisitions up to \$50,000**
  - a. **Quotes:** Two or more quotes required from capable vendors.
  - b. **Advertising:** Not required.
3. **Simplified Acquisitions \$50,000 up to no more than \$100,000**
  - a. **Quotes:** Two or more quotes required from capable vendors.
  - b. **Advertising:** May be advertised (per Nevada Revised Statutes (NRS) [332.063](#)).
4. **Formal Procurement Above \$100,000**
  - a. **Quotes:** Three quotes required (bids or Requests for Proposals; i.e., RFPs) per paragraph 2 under *Dive Deeper*, below.
  - b. **Advertising:** Required (per [NRS 332.045](#)).
  - c. **Coordination with DEM:** Once a competitive solicitation or RFP has been completed and a vendor has been chosen, please send all documentation to DEM Staff via email ([DHSGrants@dem.nv.gov](mailto:DHSGrants@dem.nv.gov)) so it can be vetted and approved prior to the purchase of any goods or services. This will ensure there will be no issue in reimbursement.
5. **Sole Source Contracts** - Sole Source Contracts must be pre-approved by DEM staff. DEM approval ensures the sole source determination is consistent with policy and is defensible. In the event a sole source contract is established by a





DEM subrecipient without DEM preapproval, and the contract is subsequently determined to be inconsistent with policy or indefensible from an audit perspective, subrecipient funding may become jeopardized; the contract may not be reimbursable by DEM. Sole Source request forms are available to subrecipients upon request; send a request to [DHSGrants@dem.nv.gov](mailto:DHSGrants@dem.nv.gov).

## **Dive Deeper**

### **A Further Explanation of Key Parameters**

**1. Number of Quotes Required for Purchases Over the [Micro-Purchase Threshold](#) up to \$50,000** - Solicitations from “an adequate number of qualified sources” are required per 2 CFR §200.320 for purchases over the Micro-purchase threshold, up to \$50,000. In this DEM Grant Procurement Policy, an “adequate number of qualified sources” is defined as **two sources**, to be consistent with provisions elsewhere in the Nevada Revised Statutes.

**2. Number of Quotes Required for Purchases from \$50,000 up to \$100,000**  
Two quotes from qualified sources are “required from two or more persons capable of performing the contract, if such persons are available”. ([NRS 332.063](#))

**3. Number of Quotes Required for Purchases over \$100,000**  
While a solicitation for the contract *may* be conducted per [NRS 332.065](#), [2 CFR §200.320](#) is more stringent and must be followed for these purchases; 2 CFR §200.320 *requires* use of a formal procurement method for these purchases. Formal procurements are competitive procurements. Per 2 CFR §200.320, formal procurements may be accomplished either through sealed bids or Requests for Proposals (RFP). If bids are used, 2 CFR §200.320 requires bids from “an adequate number of qualified sources. Unless specified by the Federal agency, the recipient or sub-recipient may exercise judgment in determining what number is adequate”. Given the magnitude of these procurements and the need to establish consistency, the Nevada Division of Emergency Management defines an “adequate number of qualified sources” to be **three**.

**4. Contracts “Not Adapted to Award by Competitive Solicitation”**  
Procurement under a federal award must be open and competitive, with only the limited exceptions found in 2 CFR Part 200.320(c). Common examples of these exceptions are described elsewhere in this policy document. On the other hand, Nevada Revised Statute 332.115 provides local governments with various contract types that are “not adapted to award by competitive solicitation.” **Please be advised that local governments must follow the more restrictive method of procurement between federal and local law. Since 2 CFR Part 200.320 is significantly more restrictive than NRS 332.115, a local government’s procurement process must be open and competitive unless it fits into**





one of the narrow exceptions found in 2 CFR Part 200.320(c). NRS 332.115 does not provide an exception to federal procurement law.

**5. Simplified Acquisition Threshold** - Maximum limits to the Simplified Acquisition Threshold are indicated in the Federal Acquisition Regulations ([Federal Acquisition Regulations \(FAR\) Part 2 Subpart 2.1](#)); but, *recipients* are allowed to set their own limit below the maximum ([2 CFR §200.320](#)). In the case of Homeland Security and FEMA grants, the *recipient* is the State of Nevada. The State of Nevada then awards “subawards” from the grants received by the State. State of Nevada DEM has set a limit of \$100,000 for the Simplified Acquisition threshold.

#### **D. REVIEW AND REVISION SCHEDULE**

Policy Directives are reviewed and updated as needed on an annual basis and completely revised every 3 years.

### **RESOURCES, POLICIES, AND SUPPLEMENTAL INFORMATION**

#### **Key Laws and Regulations**

Each of these laws and regulations contains specific guidelines for procurement processes and reporting requirements, ensuring compliance and proper use of grant funds.

- 1. Equal Employment Opportunity**
  - a. [Executive Order 11246](#) outlines equal opportunity requirements for contracts.
- 2. 2 CFR 200 – Uniform Administrative Requirements**
  - a. Covers the rules for managing federal grants, including procurement, cost principles, and audits.
  - b. [Appendix II](#) contains the required contract provisions for contracts under federal awards. Failure to include the appropriate contract provisions in contracts under a federal award will result in non-compliance and may make the contract ineligible for reimbursement by DEM.
  - c. [FEMA Contracts Provisions Guide](#) helps navigate FEMA-specific contract provisions under federal awards.
- 3. Conflict of Interest**
  - a. [2 CFR §200.112](#) requires recipients to disclose potential conflicts to the pass-through entity.



- 4. Lobbying Certification**
  - a. [Section 1352](#), Title 31, U.S. Code mandates that no federal funds be used for lobbying activities.
- 5. Local Government Purchasing Act**
  - a. Nevada's [NRS Chapter 332](#) governs procurement by local governments.
- 6. Public Works Projects**
  - a. [NRS Chapter 338](#) outlines procurement rules for public works projects, including design-build contracts.
- 7. Ethics in Government**
  - a. [NRS 281A](#) sets ethics standards for public officials in Nevada.
- 8. Contractors' Bonds on Public Works**
  - a. [NRS Chapter 339](#) details the requirements for bonds on public works contracts.

## **E. LIST OF APPENDICES**

1. APPENDIX A: Procurement Decision Support Matrix





**APPENDIX A: Decision Support Matrix**  
**Division of Emergency Management Procurement Standards**  
*Established as authorized under 2 CFR §200.320*

	Method	Pertinent \$ range	Competitive?	Advertise?
<b>Simplified Acquisition</b>	Micro-Purchase	<p><b>From \$0.00 up to the “Micro-Purchase Threshold” specified below:</b></p> <p><u>\$10,000</u> – standard</p> <p><i>Exceptions:</i></p> <p><b>\$2,000</b> – if wage rate requirements apply (construction).</p> <p><b>\$2,500</b> – if service contract labor standards apply.</p> <p><b>\$25,000</b> – if acquisition pertains to contingencies in defense against or recovery from cyber, nuclear, biological, chemical, or radiological attack and purchase is within U. S.</p>	<p>Quotes not required if the recipient or subrecipient considers the price reasonable based on research, experience, purchase history, or other information; <b>and maintains documents to support its conclusion</b>, addressing factors listed in <a href="#">Federal Acquisition Regulation 13.106-3</a>, paragraph (2). <a href="#">2 CFR §200.320</a></p>	Not required
	Simplified Acquisition	Micro-purchase threshold up to <u>\$50,000</u>	Quotes from two or more capable vendors.	Not required
	Simplified Acquisition	\$50,000 up to no more than <u>\$100,000</u>	Quotes from two or more capable vendors.	May be advertised. <a href="#">NRS 332.063</a>
<b>Simplified Acquisition Threshold = \$100,000 (48 CFR part 2 subpart 2.1 and 2 CFR §200.320)</b>				
<b>Formal</b>	Formal procurement method	<u>Greater than \$100,000</u>	Yes. Three quotes from capable vendors (as specified by DEM); Bids or Requests for Proposals (RFP)	Yes, as specified in <a href="#">NRS 332.045</a>



## **Reobligation Guidelines**

### **Purpose**

The purpose of these guidelines is to ensure that the Nevada Commission on Homeland Security (NCHS), State Administrative Authority (SAA) and subgrantees of Homeland Security Grant Programs (HSGP) provide for the best utilization of grant resources when cost savings or cost shortfalls are realized during a grant performance period.

#### **1. Performance Period**

Effective with the FFY25 HSGP grant cycle, the performance period for each subgrant will be 24 months to allow for adequate time to obligate HSGP funds as necessary. The SAA may modify performance periods based on the requirements of future grant guidance.

Extensions to the subgrant performance period will be approved by the SAA or designee. The subgrantee must provide a written request for extension to the SAA at least one (1) month prior to the end of the subgrantee performance period. If the grant extension is denied, the grant funds will be deobligated.

#### **2. Project Change Requests**

All Project Change Requests must be submitted to the SAA, or designee, using the approved Project Change Request form. The completed Project Change Request forms must be submitted to the SAA at [dhsgrants@dem.nv.us](mailto:dhsgrants@dem.nv.us).

All Project Change Requests will be reviewed by the SAA to ensure that the change(s) requested is compliant with federal grant guidance. Once the SAA makes its determination that the Project Change Request complies with federal grant guidance, the request will be handled as follows:

- A. Project Change Requests Approved by SAA:
  - i. Any request for reobligation of funding within an existing approved budget that does not exceed \$100,000, may be approved by the SAA, if the Project Change Request is clearly within federal grant guidance.
  
- B. Project Change Requests Approved by NCHS:
  - i. Any request for reobligation of funds that exceeds \$100,000 will be reviewed by the NCHS. The NCHS will provide a recommendation to the Governor for



reobligation of funding and notify DEM of the recommendation.

- ii. Any request for the redirect of funds that is inconsistent with the approved Investment Justification or which is considered a change in scope will be submitted to the NCHS and/or Finance Committee for review. The NCHS and/or Finance Committee will provide a recommendation to the Governor for reobligation of funding and notify DEM of the recommendation.
- iii. Any deobligated funding that exceeds \$100,000 will be submitted to the NCHS for review. The NCHS will provide a recommendation to the Governor for reobligation of funding and notify DEM of the recommendation.

DEM, at their own discretion, may defer to the NCHS and/or the Finance Committee on any Project Change Request subject to DEM approval.

### 3. Deobligation and Reobligation of Grant Funding

By February 1 or August 1 (or the nearest regular workday), funds eligible for reobligation will be identified, verified and disseminated to all subgrantees for consideration and application. The entirety of the reobligation process will be complete within 45 days of dissemination.

An application of reobligation of funding must include:

- A. A written justification explaining, at a minimum, the following:
  - i. Impact of non-completion the project in the originally approved budget;
  - ii. Explanation as to why the redirect of funds was not addressed in the original investment or another related investment, if applicable;
  - iii. Benefit to the state's overall capabilities by approving the requested redirect of funds;
  - iv. Anticipated timeline to complete proposed project, inclusive of milestones and anticipated deliverables; and
  - v. Impact of not approving the request to redirect of funds;
- B. A copy of the original budget; and
- C. A copy of a detailed line-item budget demonstrating the subgrantee's intended use of the funds if the redirect of funds is approved.

The SAA, or designee, will review the request to ensure compliance with federal grant guidance. The SAA will forward a report of compliance to the NCHS.

4. Restrictions

Reobligation of funds will not be approved by the SAA or the NCHS if the request includes, but is not limited to, any of the following restrictions:

1. Non-compliance with federal guidance;
2. Supplanting;
3. Misappropriation of funds;
4. Commingling of funds;
5. Denial by the Department of Homeland Security;
6. Inability for projects to be completed within the remaining performance period; or
7. Non-conformance with the goals and priorities of the NCHS.

5. Time Sensitive

Federal law mandates that unspent federal funds be returned to the federal government at the end of the grant performance period. In the event that unspent funds exist and there is insufficient time in the grant performance period to reconvene the NCHS and Finance Committee, the SAA in its sole discretion, may reobligate grant funding within the scope of the approved Investment Justification. In the event that the SAA reobligates time sensitive funding, the reobligation of funds will be placed as an informational item on the agenda of the next regularly scheduled meeting of the NCHS.