



## Grant Programs Directorate Policy

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**TITLE:** Clarification on the *Personnel Reimbursement for Intelligence Cooperation and Enhancement of Homeland Security Act of 2008* (Public Law 110-412 – the *PRICE Act*)

**DATE OF ISSUANCE:** November 4, 2013

**POLICY STATEMENT:** The *PRICE Act* amends Section 2008 of the *Homeland Security Act of 2002*, (P.L. 107-296) as amended; (6 U.S.C. § 609). As amended by the *PRICE Act*, 6 U.S.C § 609(b)(2)(A) states: “Not more than 50 percent of the amount awarded to a grant recipient under section 604 (Urban Area Security Initiative) or 605 (State Homeland Security Grant Program) of this title in any fiscal year may be used to pay for personnel, including overtime and backfill costs, in support of the permitted uses under subsection (a).” Subsection (a) (6 U.S.C § 609(a) – *Permitted Uses*) states: “The Administrator shall permit the recipient of a grant under section 604 or 605 of this title to use grant funds to achieve target capabilities related to preventing, preparing for, protecting against, and responding to acts of terrorism, consistent with a State homeland security plan and relevant local, tribal, and regional homeland security plans.”

**PURPOSE:** This policy serves to clarify how direct and contract personnel costs are classified under Section 2008 of the *Homeland Security Act of 2002* as amended by the *PRICE Act*.

**SCOPE AND EXTERNAL AUDIENCE:** This policy applies to all recipients of a grant and any subgrantees under the State Homeland Security Grant Program (SHSP), Urban Areas Security Initiative (UASI), Tribal Homeland Security Grant Program (THSGP), and Operation Stonegarden (OPSG).

**AUTHORITY:** Section 2008 of Title XX of *The Homeland Security Act of 2002* (P.L. 107-296) as amended; (6 U.S.C. § 609).

**OBJECTIVES:** This policy is intended to ensure that all recipients of a grant and any subgrantees under the State Homeland Security Grant Program (SHSP), Urban Areas Security Initiative (UASI), Tribal Homeland Security Grant Program (THSGP), and Operation Stonegarden (OPSG) properly classify direct and contract personnel costs to comply with the *Homeland Security Act of 2002*, as amended.

### DEFINITIONS, ABBREVIATIONS, AND FORMATTING:

State Homeland Security Grant Program (SHSP): SHSP supports the implementation of state Homeland Security Strategies to address identified planning, organization, equipment, training, and exercise needs to prevent, protect against, mitigate, respond to, and recover from acts of



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terrorism and other catastrophic events. SHSP also provides funding to implement initiatives in the State Preparedness Report.

Urban Areas Security Initiative (UASI): UASI program funds address the unique planning, organization, equipment, training, and exercise needs of high-threat, high-density urban areas, and assist those urban areas in building an enhanced and sustainable capacity to prevent, protect against, mitigate, respond to, and recover from acts of terrorism.

Tribal Homeland Security Grant Program (THSGP): THSGP provides funding directly to eligible tribes to help strengthen the nation against risks associated with potential terrorist attacks.

Operation Stonegarden (OPSG): OPSG funds are intended to enhance cooperation and coordination among local, tribal, territorial, state, and federal law enforcement agencies in a joint mission to secure the United States' borders along routes of ingress from international borders to include travel corridors in States bordering Mexico and Canada, as well as states and territories with international water borders.

**POLICY DETAILS:** To comply with Section 2008 of the *Homeland Security Act of 2002*, as amended, grantees are required to track personnel and personnel-related activities to ensure compliance with the 50% cap on personnel costs. In general, costs associated with:

1. Work performed under contract for a specific deliverable ARE NOT counted against the personnel cap;
2. Work performed under contract for an undefined period, such as for personnel costs supporting operational activities, including general planning, training or exercise activities ARE counted against the personnel cap;
3. Work performed by all non-contractor personnel, including for full-time or part-time staff and operational overtime ARE counted against the personnel cap.

The following examples **are not** counted against the personnel cap:

1. Vendor installation of a radio tower;
2. Vendor training on new equipment purchased;
3. Contractor hired to create an Emergency Operations Plan;
4. Contractor hired to provide deliveries of ICS 400; and
5. Contractor hired to assist with planning, training, evaluating, and reporting the effectiveness of a specific exercise.



# FEMA

FP 207-093-1

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Upon request, the 50% personnel cap established by Section 2008 of the *Homeland Security Act of 2002*, as amended, may be waived at the discretion of the FEMA Administrator pursuant to 6 U.S.C. § 609(b)(2)(B). Requests to waive the 50% personnel cap should be coordinated through the assigned FEMA Grant Program Analyst. Recipients of a grant that request a waiver of the personnel cap are reminded that they should not incur any costs in excess of the 50% cap prior to the approval of the waiver request by the FEMA Administrator.

**MONITORING AND EVALUATION:** The Grant Programs Directorate will ensure compliance with this policy through its annual financial and programmatic monitoring program. FEMA preparedness grantees and sub-grantees that fail to comply with this policy may not receive reimbursement through the applicable grant program.

**RESPONSIBLE OFFICE:** Grant Programs Directorate

**SUPERSESSION:** This policy supersedes Grant Programs Directorate Information Bulletin #358.

**REVIEW DATE:** This policy will be reviewed 3 years from the date of issuance in accordance with Directive 112-12.

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