



FISCAL YEAR 2010

TRIBAL HOMELAND SECURITY GRANT PROGRAM

GUIDANCE AND APPLICATION KIT

DECEMBER 2009

Title of Opportunity: FY 2010 Tribal Homeland Security Grant Program (THSGP)

Funding Opportunity Number: DHS-10-GPD-067-000-02

Federal Agency Name: U.S. Department of Homeland Security (DHS), Federal Emergency Management Agency (FEMA)

Announcement Type: Initial

Dates: Completed applications must be submitted **no later than 11:59 p.m. EDT, April 19, 2010.**

Additional overview information:

- **Program Name Change.** The name of the State Homeland Security Program (SHSP) Tribal has been changed to the Tribal Homeland Security Grant Program (THSGP) in FY 2010.
- **Funding Restrictions.** The non-legislated funding requirements such as the requirement to allocate 25 percent of funding towards planning have been removed in the FY 2010 THSGP Guidance.
- **Program Priorities.** In FY 2009 tribal grantees were limited to writing investments that applied to four of the eight national priorities from the *National Preparedness Guidelines*. In FY 2010 tribal grantees have the flexibility to write investments that apply towards all eight national priorities.
- **Management and Administration (M&A) Limits.** The amount of funds that grantees can allocate towards M&A costs has been increased to five percent (5%) in FY 2010 from three percent (3%) in FY 2009.
- **Maintenance and Sustainment.** The use of FEMA preparedness grant funds for maintenance contracts, warranties, repair or replacement costs, upgrades, and user fees are allowable under all active and future grant awards, unless otherwise noted. Please refer to “Other Allowable Costs – Maintenance and Sustainment” in this kit for more information.
- **Optional Cost Share.** In FY 2010, grantees may provide an optional cost share; however, an applicant’s willingness to contribute an optional cost share will not impact application scores and, thus, allocations (See Part VIII – Other Information – Section D – Match Guidance).
- **Investment Justification (IJ) Outline.** The FY 2010 THSGP IJ Outline has been streamlined from the FY 2009 IJ.

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PART I.

FUNDING OPPORTUNITY DESCRIPTION

The Fiscal Year (FY) 2010 Tribal Homeland Security Grant Program (THSGP) is one tool among a comprehensive set of measures authorized by Congress and implemented by the Administration to help strengthen the Nation against risks associated with potential terrorist attacks.

The purpose of this package is to provide guidance for tribal applicants and includes: (1) an overview of the THSGP and (2) the formal grant guidance and application materials needed to apply for funding under the program. The package outlines DHS management requirements for implementation of a successful application.

The *Homeland Security Act of 2002*, as amended by Section 101 of the *Implementing Recommendations of the 9/11 Commission Act of 2007* (hereafter “9/11 Act”), 6 U.S.C. 606, eligible tribes are able to apply directly for THSGP funding.¹ This guidance is meant to provide clear direction for those eligible tribes seeking to apply for THSGP funding.

Federal Investment Strategy

The THSGP is an important part of the Administration’s larger, coordinated effort to strengthen homeland security preparedness. The THSGP implements objectives addressed in a series of post-9/11 laws, strategy documents, plans and Homeland Security Presidential Directives (HSPDs).

DHS expects our tribal partners – including recipients of THSGP grants – to be familiar with the national preparedness architecture and to incorporate elements of this architecture into their planning, operations and investments. Additional information may be found at: <http://www.dhs.gov/xprepresp/publications>.

One of the Department’s most important initiatives in FY 2010 is support for the maturation of the information sharing environment (ISE), and specifically, the continued enhancement of State and Major Urban Area fusion centers to include support for implementation of the Nationwide Suspicious Activity Reporting (SAR) Initiative (NSI). These centers provide an important linkage between local, State, tribal, regional and Federal partners, as well as private industry, and as part of a national information sharing capability must establish and maintain the capacity to receive threat-related information, understand its implications locally and further disseminate it to other local, State, tribal, and private sector entities. At the same time, State and Major Urban Area fusion centers need to be able to aggregate, blend, and analyze information gathered from local and tribal law enforcement and share that information with Federal authorities. Allowable

¹ Eligible tribes may apply directly to FEMA for THSGP funding. Applying for, or receiving, THSGP funds does not preclude grantees from requesting regular SHSP funding from their respective State Administrative Agency (SAA) as long as the projects contained within each application are not the same.

expenditures of funding include support for equipment and consultation necessary to enable connection to information sharing systems like the National Data Exchange (NDex), the Nationwide SAR Initiative, and supporting program areas.

In support of these efforts, the Department is encouraging tribes to prioritize the allocation of THSGP grant fund resources so they can participate in and/or share information with those DHS and Federal Bureau of Investigation (FBI) jointly designated State and Major Urban Area fusion centers, in accordance with the capabilities outlined in the Global Justice Information Sharing Initiative's (Global) [Baseline Capabilities for State and Major Urban Area Fusion Centers](#). Additionally, all Fusion Center staff are expected to complete the online 28 CFR Part 23 certification training made available through the joint DHS/Department of Justice (DOJ) Fusion Process Technical Assistance Program in 2010.

THSGP Priorities

Internal DHS Focus Efforts

In leading the effort to secure America from the many threats it faces, DHS has undertaken five main areas of responsibility to help it achieve its mission. The first four of these areas are applicable to THSGP. The areas of responsibility are:

1. Guarding against Terrorism;
2. Securing our Borders;
3. Enforcing our Immigration Laws;
4. Improving Mitigation for, Readiness for, Response to and Recovery from Disasters; and
5. Maturing and Unifying the Department.

In achieving its responsibilities, DHS will continue to strengthen partnerships with communities, first responders, law enforcement and government agencies at the State, local, tribal, Federal and international levels. One mechanism in place to help achieve these responsibilities, notably the first four, is providing Federal grants funding and assistance to our stakeholder communities.

External Focus Efforts

Above and beyond its own mission and five main areas of supporting responsibility, DHS believes that the eight National Priorities as identified in the *National Preparedness Guidelines*² are instrumental in guiding our local, tribal, and State stakeholders in meeting the Nation's most urgent needs. The eight National Priorities include the following:

- Expand Regional Collaboration
- Implement the National Incident Management System and National Response Framework
- Implement the National Infrastructure Protection Plan

² *National Preparedness Guidelines*,
http://www.fema.gov/pdf/emergency/nrf/National_Preparedness_Guidelines.pdf

- Strengthen Information Sharing and Collaboration Capabilities
- Strengthen Interoperable and Operable Communications Capabilities
- Strengthen CBRNE Detection, Response, and Decontamination Capabilities
- Strengthen Medical Surge and Mass Prophylaxis Capabilities
- Community Preparedness: Strengthening Planning and Citizen Capabilities

These National Priorities and their inherent preparedness efforts complement the Department's four areas of mission-supporting responsibilities.

Focus Efforts Driving Overall THSGP Priorities

The following section identifies DHS' four areas of mission-supporting responsibilities as well as the respective National Priority which most appropriately supports each area.

1. Guarding Against Terrorism

Protecting the American people from terrorist threats is the Department's founding principle and its highest priority. Families and communities, first responders, the private sector, State and local governments, and the Federal government all have an important role to play. DHS and its stakeholders should direct every resource available toward prevention and preparedness, and empower Americans to live in a constant state of readiness, not a constant state of fear.

Related National Priorities:

A. *Strengthen Information Sharing and Collaboration Capabilities*

Effective information sharing and collaboration refer to the multi-jurisdictional, multidisciplinary exchange and dissemination of information and intelligence among entities at all levels of government, as well as nongovernmental organizations, the private sector, and citizens. Intelligence is derived by gathering, analyzing, and fusing relevant information from a wide range of sources on a continual basis. Successful homeland security efforts require a national information management system that provides an effective and seamless capability to gather, analyze, disseminate, and use information regarding threats, vulnerabilities, and consequences to support prevention and response efforts.

B. *Implement the National Infrastructure Protection Plan*

The *National Infrastructure Protection Plan* (NIPP) supports the coordinated development of critical infrastructure protection capabilities.

Achieving this National Priority requires meeting a series of objectives that include understanding and sharing information about terrorist threats and other hazards, building security partnerships, implementing a long-term risk management program, and maximizing the efficient use of resources. Measuring progress toward implementing the NIPP requires that Critical Infrastructure/Key Resources (CI/KR) security partners have the following:

- Coordinated, risk-based CI/KR plans and programs in place addressing known and potential threats
- Structures and processes that are flexible and adaptable, both to incorporate operational lessons learned and effective practices, and also to adapt quickly to a changing threat or incident environment
- Processes in place to identify and address dependencies and interdependencies to allow for more timely and effective implementation of short-term protective actions and more rapid response and recovery
- Access to robust information-sharing networks that include relevant intelligence, threat analysis, and real-time incident reporting

C. Strengthen CBRNE Detection, Response, and Decontamination Capabilities

This national priority leverages efforts throughout government to develop capabilities to detect, neutralize, contain, dismantle, and dispose of Chemical, Biological, Radiological, Nuclear, and Explosive (CBRNE) materials, and decontaminate exposed personnel and property. State, local, tribal, and territorial agencies and their hazardous materials response teams are key players in early detection, response, and decontamination. At the Federal level, different departments and agencies are key players for aspects of CBRNE detection, response, and decontamination. These include the following: the Departments of Defense, Justice, Agriculture, Health and Human Services, Energy, and Homeland Security, the Environmental Protection Agency, and the Nuclear Regulatory Commission.

D. Community Preparedness: Strengthening Planning and Citizen Capabilities

The Nation's homeland security system is highly complex, with multiple objectives, partners, and needs. Planning helps Federal, State, local, tribal, and territorial governments reorient capabilities and resources to be more agile and ensures organizational structures, processes, and procedures effectively support the intended strategic direction. As stakeholders learn and practice their roles, they can reduce uncertainty, expedite response, and improve effectiveness during the critical initial stages after an event. This effort is a key to success in protecting people and property in crises.

In order to develop robust and effective plans, grantees are strongly encouraged to develop them in a manner consistent with the principles and doctrine outlined in *Comprehensive Preparedness Guide 101, Producing Emergency Plans: A Guide for All-Hazard Operations Planning for State, Territorial, Local and Tribal Governments* (CPG 101). Planning principles outlined in CPG 101 emphasize involvement of multiple stakeholders in emergency planning. An emphasis of this year's grant is to enhance and expand capabilities through partnerships. A specific emphasis should be placed on the preparedness of child congregate care systems, providers and facilities, especially school districts and child/day care. Additional

examples are group residential facilities operated by State and local child welfare authorities, and juvenile detention facilities.

As uniformed emergency responders constitute less than one percent of the total U.S. population, it is clear that citizens must be better prepared, trained, and practiced on how best to take care of themselves and assist others in those first, crucial hours during and after a catastrophic incident. Citizens can reduce the demand for emergency assistance during catastrophic incidents through preparedness measures and actively contribute to the Nation's response capability by participating in response and recovery activities. A trained and involved public will provide the Nation with a critical surge capacity to augment government efforts in a catastrophic incident. Through the *Ready Campaign* and the nationwide network of State and local Citizen Corps Councils, DHS will focus on strengthening citizen preparedness capabilities, particularly for special needs and socially vulnerable populations.

2. Securing Our Borders

Fulfilling DHS' mission also means securing our Nation's southern and northern borders, and air and sea ports of entry, while also facilitating legitimate commerce.

Related National Priorities:

A. Strengthen Information Sharing and Collaboration Capabilities

B. Strengthen CBRNE Detection, Response, and Decontamination Capabilities

C. Expand Regional Collaboration

Regional collaboration is critical to improving preparedness and achieving the tenets set forth in the *National Preparedness Guidelines*. As used in this document, a "region" generally refers to a geographic area consisting of contiguous Federal, State, local, tribal, and territorial jurisdictions. Major events often have regional impact; therefore, prevention, protection, response, and recovery missions require extensive regional collaboration. It is vital to enhance efforts by Federal, State, local, tribal, and territorial entities to communicate and coordinate with one another, the private sector, nongovernmental organizations, and individual citizens. The intent is to identify geographic regions that work best for achieving and sustaining coordinated capabilities and mutual aid agreements.

DHS places a very high priority on ensuring that all THSGP applications reflect robust regional coordination and demonstrate an investment strategy that institutionalizes regional integration.

D. Strengthen Interoperable and Operable Communications Capabilities

Communications interoperability is the ability of public safety agencies (including police, fire, emergency medical services, etc.) and service agencies (including

public works, transportation, hospitals, etc.) to talk within and across agencies and jurisdictions via radio and associated communications systems; exchange voice, data, and/or video with one another on demand; and do so in real time, when needed, and when authorized.

3. Enforcing Our Immigration Laws

The Department bears responsibility for facilitating legal immigration and naturalizing new Americans - as well as providing a range of other immigration services - while cracking down on those who violate our nation's laws.

Related National Priorities:

A. Strengthen Information Sharing and Collaboration Capabilities

B. Strengthen Interoperable and Operable Communications Capabilities

C. Expand Regional Collaboration

4. Improving Mitigation for, Preparedness for, Response to, and Recovery from Disasters

The Department plays a critical role in helping communities in all stages of a disaster - preparation, response and long-term recovery.

Related National Priorities:

A. Expand Regional Collaboration

B. Strengthen Information Sharing and Collaboration Capabilities

C. Strengthen Interoperable and Operable Communications Capabilities

D. Strengthen CBRNE Detection, Response, and Decontamination Capabilities

E. Community Preparedness: Strengthening Planning and Citizen Capabilities

F. Strengthen Medical Surge and Mass Prophylaxis Capabilities

Medical Surge and Mass Prophylaxis capabilities are the first lines of response to bioterrorism, pandemic influenza, and other public health emergencies. The Medical Surge capability is prioritized because of the urgent need to enable our healthcare system, particularly hospitals, to handle large numbers of patients, including those with disabilities as well as children and pediatrics, requiring immediate hospitalization following any type of incident. The ability to triage and provide decontamination when necessary is essential. Emergency-ready hospitals and other healthcare entities must be able to work collectively to handle different types of injuries, including physical and psychological trauma, burns, infections, bone marrow suppression, or other chemical- or radiation-induced injuries. Finally, in anticipation of a mass casualty incident that exceeds the aggregate surge

capacity of local hospitals, the community of medical providers should consider pre-positioning medical supplies and to have provisions in place to immediately accommodate an influx of supplemental healthcare assets from mutual-aid partners, States, and the Federal Government.

G. Implement the National Incident Management System and National Response Framework

The National Incident Management System (NIMS) and *National Response Framework* (NRF) are fully implemented nationwide and support the coordinated development of capabilities.

The NIMS provides a consistent framework for government entities at all levels to work together to manage domestic incidents, regardless of cause, size, or complexity. The NIMS includes a core set of guidelines, standards, and protocols for command and management, preparedness, resource management, communications and information management, supporting technologies, and coordination and maintenance to promote interoperability and compatibility among Federal, State, local, tribal, and territorial capabilities.

The NRF presents the guiding principles that enable all response partners to prepare for and provide a unified national response to disasters and emergencies - from the smallest incident to the largest catastrophe. The NRF establishes a comprehensive, national, all-hazards approach to domestic incident response.

Consolidation of Law Enforcement Terrorism Prevention-oriented Activities

Consistent with the 9/11 Act, tribes are required to ensure that at least 25 percent of THSGP appropriated funds are dedicated towards law enforcement terrorism prevention-oriented planning, organization, training, exercise, and equipment activities, including those activities which support fusion centers.

Inclusion of Emergency Medical Services (EMS) Providers

DHS requires THSGP recipients to include emergency medical services (EMS) providers in their homeland security plans. Grantees should include a minimum number of quantitative and qualitative measures necessary to demonstrate achievement with regard to improving EMS system integration with public health systems. These measures should be drawn from the Emergency Triage and Pre-Hospital Treatment target capability. Such measures may include establishment of a recognized EMS medical direction program, establishment of a National EMS Information System (NEMSIS) compliant electronic documentation system and other appropriate preparedness measures.

Tribes are reminded of the importance for inclusion of various response disciplines that have important roles and responsibilities in prevention, deterrence, protection, and response activities. Inclusion should take place with respect to planning, organization, equipment, training, and exercise efforts to include the unique needs of infants and children up to 18 years of age and individuals with disabilities. Response disciplines include, but are not limited to: governmental and nongovernmental emergency medical,

firefighting, and law enforcement services, public health, hospitals, emergency management, hazardous materials, public safety communications, public works, and governmental leadership and administration personnel. Special consideration should be made to those entities who participate in fusion centers.

DHS/FEMA's Grants Reporting Tool (GRT) will continue to be utilized for THSGP grantees to report and for DHS to track, on a biannual basis, homeland security funding provided to response disciplines. If no funding is provided to EMS, THSGP recipients should be prepared to demonstrate that related target capabilities have been met or identify more significant priorities.

Governance

Homeland security partners should examine how they integrate preparedness activities across disciplines, agencies, and levels of government, including tribal, State, territory, and local units of government. A cohesive planning framework should be incorporated that builds and implements homeland security initiatives which leverage DHS resources, as well as other tribal, Federal, State, territory, and local resources. Specific attention should be paid to how all available preparedness funding sources can be effectively utilized in a collaborative manner to support the enhancement of overall capabilities.

The FY 2010 THSGP re-emphasizes the importance of creating or utilizing existing governing bodies to act on this guidance and coordinate grant resources. Examples include: tribal, State, local, regional, and Urban Area Senior Advisory Committees, Working Groups, Interoperability Governing Boards, Area Maritime Security Committees, Citizen Corps Councils, and leadership from local Metropolitan Medical Response System (MMRS) communities.

PART II.

AWARD INFORMATION

Authorizing Statutes

Sections 2004 and 2005 of the *Homeland Security Act of 2002*, as amended by Section 101 of the *Implementing Recommendations of the 9/11 Commission Act of 2007*, 6 U.S.C. 605-606, authorized funds to be allocated towards tribes. The *Department of Homeland Security Appropriations Act, 2010* (Public Law 111-83) authorized the FY 2010 THSGP funding.

Period of Performance

The period of performance of this grant is 36 months. Extensions to the period of performance will be considered only through formal requests to FEMA with specific and compelling justifications as to why an extension is required.

Available Funding

In FY 2010, the total amount of funds distributed under this grant will be up to \$10,000,000. FY 2010 THSGP funds will be allocated based on tribal eligibility per the 9/11 Act (pre-determined), and the effectiveness of the applicant's THSGP Investment Justification (as determined through a peer review process).

PART III. ELIGIBILITY INFORMATION

A. Eligible Applicants

In order to be eligible to receive THSGP funding grantees must be considered “directly eligible tribes.” Per the 9/11 Act, the term “directly eligible tribe” means –

- (A) any Indian tribe –
 - (i) that is located in the continental United States;
 - (ii) that operates a law enforcement or emergency response agency with the capacity to respond to calls for law enforcement or emergency services;
 - (iii)
 - (I) that is located on or near an international border or a coastline bordering an ocean (including the Gulf of Mexico) or international waters;
 - (II) that is located within 10 miles of a system or asset included on the prioritized critical infrastructure list established under section 210E(a)(2) [please refer to section 1001 of the 9/11 Act] or has such a system or asset within its territory;
 - (III) that is located within or contiguous to 1 of the 50 most populous metropolitan statistical areas in the United States; or
 - (IV) the jurisdiction of which includes not less than 1,000 square miles of Indian country, as that term is defined in section 1151 of title 18, United States Code; and
 - (iv) that certifies to the Secretary that a State has not provided funds under section 2003 [UASI] or 2004 [SHSP] to the Indian tribe or consortium of Indian tribes for the purpose for which direct funding is sought; and
- (B) a consortium of Indian tribes, if each tribe satisfies the requirements of subparagraph (A).

In summary, eligible tribes must meet the requirements set forth in (A) (i), **and** (A) (ii), **and** (A) (iv). Tribes must also meet one of the requirements set forth in (A) (iii); either (A) (iii) (I), **or** (A) (iii) (II), **or** (A) (iii) (III), **or** (A) (iii) (IV). Finally, (B) may also be satisfied, if each tribe satisfies the requirements of subparagraph (A).

Before writing your Investment Justification, tribes are encouraged to contact the Centralized Scheduling and Information Desk (CSID) to confirm or discuss questions relative to their eligibility. CSID can be reached by phone at (800) 368-6498 or by e-mail at ASKCSID@dhs.gov, Monday through Friday, 8:00 a.m. – 6:00 p.m. EST.

National Incident Management System Implementation Compliance

In accordance with Homeland Security Presidential Directive (HSPD)-5, *Management of Domestic Incidents*, the adoption of the National Incident Management System (NIMS) is a requirement to receive Federal preparedness assistance, through grants, contracts, and other activities. The NIMS provides a consistent nationwide template to enable all levels of government, tribal nations, nongovernmental organizations, and private sector partners to work together to prevent, protect against, respond to, recover from, and mitigate the effects of incidents, regardless of cause, size, location, or complexity.

Federal FY 2009 NIMS implementation must be considered prior to allocation of any Federal preparedness awards in FY 2010. In April 2009, the National Integration Center Incident Management Systems Integration (IMSI) Division advised State, tribal nation, and local governments to respond to metric assessments in the NIMS Compliance Assistance Support Tool (NIMSCAST) to assess on-going progress and achievement.³ The list of objectives against which progress and achievement are assessed and reported can be found at

<http://www.fema.gov/emergency/nims/ImplementationGuidanceStakeholders.shtm#item2>.

All State, tribal nation, and local government grantees were required to update their respective NIMSCAST assessments by September 30, 2009. State, tribal, and local grantees unable to meet implementation objectives were required to submit a Corrective Action Plan via NIMSCAST no later than October 31, 2009. Comprehensive information concerning NIMS implementation for States, tribal nations, local governments, nongovernmental organizations, and the private sector is available through IMSI via its NIMS Resource Center at www.fema.gov/nims.

States, tribal nations, and local governments should continue to implement the training guidance contained in the *5-Year NIMS Training Plan*, released in February 2008.

The primary grantee/administrator of FY 2010 THSGP award funds is responsible for determining if sub-awardees have demonstrated sufficient progress to disburse awards.

B. Cost Sharing

In FY 2010, grantees may provide an optional cost share; however, an applicant's willingness to contribute an optional cost share will not impact application scores and, thus, allocations. Applicants interested in providing an optional cost share should enter the cost share amount on the SF-424 and SF-424 A required in the application. Investment Justifications must also identify any matching funds (source and dollar amount) being provided. FEMA administers cost sharing requirements in accordance with 44 CFR §13.24, which is located at

³ As defined in the *Homeland Security Act of 2002* (Public Law 107-296), the term "State" means "any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and any possession of the United States" 6 U.S.C. 101 (14).

http://www.access.gpo.gov/nara/cfr/waisidx_07/44cfrv1_07.html. To meet matching requirements, the grantee contributions must be reasonable, allowable, allocable and necessary under the grant program and must comply with all Federal requirements and regulations.

Please refer to Part VIII – Other Information – Section D – Match Guidance for additional match guidance to include match definitions, basic guidelines, and governing provisions.

C. Restrictions

Please see Part IV.E. for Management & Administration (M&A) limits and allowable/unallowable costs guidance.

PART IV.

APPLICATION AND SUBMISSION INFORMATION

A. Address to Request Application Package

All applications for DHS grants will be filed using the common electronic “storefront” – www.grants.gov. To access application forms and instructions, select “Apply for Grants,” and then select “Download Application Package.” Enter the Catalog of Federal Domestic Assistance (CFDA) and/or the funding opportunity number located on the cover of this announcement. Select “Download Application Package,” and then follow the prompts to download the application package. To download the instructions, go to “Download Application Package” and select “Instructions.” If you experience difficulties or have any questions, please call the www.grants.gov customer support hotline at (800) 518-4726.

DHS may request original signatures on forms at a later date.

B. Content and Form of Application

The on-line application must be completed and submitted using www.grants.gov after Central Contractor Registry (CCR) registration is confirmed. The on-line application includes the following required forms and submissions:

- THSGP Investment Justification (IJ) (see Part VIII – Other Information – THSGP Application “Investment Justification” Template and Instructions for a description of the IJ and the IJ submission process)
- Standard Form 424, Application for Federal Assistance
- Standard Form 424A, Budget Information
- Standard Form 424B, Assurances
- Standard Form 424C, Budget Information – Construction Form
- Standard Form 424D, Assurances – Construction Programs
- Lobbying Form – Certification Regarding Lobbying (this form must be completed by all grant applicants)
- Standard Form LLL, Disclosure of Lobbying Activities (if the grantee has engaged or intends to engage in lobbying activities)
- Certification Regarding Debarment, Suspension, and Other Responsibility Matters
- Certification Regarding Drug-Free Workplace Requirements

The program title listed in the CFDA is “*Homeland Security Grant Program.*” The CFDA number is **97.067**.

- 1. Application via www.grants.gov.** All applicants must file their applications using the Administration’s common electronic “storefront” - www.grants.gov. Eligible grantees must apply for funding through this portal, accessible on the Internet at www.grants.gov.
- 2. Dun and Bradstreet Data Universal Numbering System (DUNS) Number.** The applicant must provide a DUNS number with their application. This number is a required field within www.grants.gov and for CCR Registration. Organizations should verify that they have a DUNS number, or take the steps necessary to obtain one, as soon as possible. Applicants can receive a DUNS number at no cost by calling the dedicated toll-free DUNS number request line at (866) 705-5711.
- 3. Valid CCR Registration.** The application process also involves an updated and current registration by the applicant. Eligible applicants must confirm CCR registration at <http://www.ccr.gov>, as well as apply for funding through www.grants.gov.
- 4. Investment Justification (IJ).** As part of the FY 2010 THSGP application process, applicants must develop a formal IJ that addresses each Investment being proposed for funding. The IJ must demonstrate how proposed projects address gaps and deficiencies in current programs and capabilities. The IJ must demonstrate the ability to provide enhancements consistent with the purpose of the program and guidance provided by FEMA. Applicants must ensure that the IJ is consistent with all applicable requirements outlined in the application kit.

Applicants may propose up to three (3) Investments within their IJ.

For specific instructions on completing the Investment Justification please refer in this kit to Part VIII – “Other Information – THSGP Application ‘Investment Justification’ Template and Instructions.”

C. Submission Dates and Times

Application submissions will be received by **11:59 p.m. EDT, April 19, 2010**. Only applications made through www.grants.gov will be accepted.

D. Intergovernmental Review

Executive Order 12372 requires applicants from State, tribal, and local units of government or other organizations providing services within a State to submit a copy of the application to the State Single Point of Contact (SPOC), if one exists, and if this program has been selected for review by the State. Applicants must contact their State SPOC to determine if the program has been selected for State review. Executive Order 12372 can be referenced at <http://www.archives.gov/federal->

[register/codification/executive-order/12372.html](http://www.whitehouse.gov/omb/grants/spoc.html). The names and addresses of the SPOCs are listed on OMB's home page available at: <http://www.whitehouse.gov/omb/grants/spoc.html>.

E. Funding Restrictions

DHS grant funds may only be used for the purpose set forth in the grant and must be consistent with the statutory authority for the award. Grant 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.

Pre-award costs are allowable only with the written consent of DHS and if they are included in the award agreement.

In administering the FY 2010 THSGP grant award, the tribe must comply with the following general requirements:

- 1. THSGP Priorities Threshold.** As noted before, FY 2010 THSGP applies to all capabilities with an emphasis on the eight National Priorities.
- 2. Law Enforcement Terrorism Prevention.** Per the 9/11 Act, tribal grantees are required to ensure that at least 25 percent of THSGP award funds are dedicated towards law enforcement terrorism prevention-oriented planning, organization, training, exercise, and equipment activities.
- 3. Management and Administration (M&A) Limits.** A maximum of up to five percent (5%) of funds awarded may be retained by the tribal grantee, and any funds retained are to be used solely for management and administration purposes associated with the THSGP award.
- 4. Allowable Costs.** The following pages outline global allowable costs guidance applicable to THSGP.

Allowable Investments made in support of the THSGP Priorities as well as other capability-enhancing projects must fall into the categories of planning, organization, equipment, training, or exercises. Additional detail about each of these allowable expense categories, as well as sections on additional activities including explicitly unallowable costs is provided. In general, grantees should consult their FEMA Headquarters Program Analyst prior to making any Investment that does not clearly meet the allowable expense criteria established by the guidance.

Planning Activities

THSGP grantees may use FY 2010 THSGP funds for planning efforts. This includes planning that enables them to prioritize needs, build capabilities, update preparedness strategies, allocate resources, and deliver preparedness programs across disciplines (e.g., law enforcement, fire, emergency medical service (EMS), health care systems,

public health, behavioral health, public works, rural water associations, agriculture, and information technology) and levels of government. Planning activities should focus on the four homeland security mission areas of prevention, protection, response, and recovery. All jurisdictions are encouraged to work through Citizen Corps Councils, nongovernmental entities, and the general public in planning activities.⁴ Tribes are encouraged to include disciplines responsible for the health, safety, education, and care of infants and children and those responsible for integrating the accessibility and functional needs of children and adults with disabilities.

Organization Activities

Section 2008 of the *Homeland Security Act of 2002*, as amended by the 9/11 Act, includes allowability for the following activities:

- Participating in and/or staffing State and Major Urban Area fusion centers
- Paying salaries and benefits for personnel to serve as qualified intelligence analysts

Tribes must justify proposed expenditures of THSGP funds to support organization activities within their IJ submission by using historical data or other analysis.⁵ All tribes are allowed to utilize up to 50 percent of their FY 2010 THSGP funding for personnel related costs, which include organizational activities.⁶ At the request of a recipient of a grant, the Administrator may grant a waiver of the limitation noted above (50 percent).

- **Intelligence Analysts** – Per the *Personnel Reimbursement for Intelligence Cooperation and Enhancement (PRICE) of Homeland Security Act* (Public Law 110-412), THSGP funds may be used to hire new staff and/or contractor positions to serve as intelligence analysts to enable information/intelligence sharing capabilities, as well as support existing intelligence analysts previously covered by THSGP funding. In order to be hired as an intelligence analyst, staff and/or contractor personnel must meet at least one of the following criteria:
 - Successfully 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 local, State, and/or tribal law enforcement intelligence unit

⁴ Nongovernmental entities include the private sector, private nonprofits, faith-based, community, volunteer, and other nongovernmental organizations.

⁵ The effectiveness of a request for the use of funds for allowable organizational costs will be judged on the Investment Justification's ability to illustrate the need for such resources to effectively achieve a capability that will have a meaningful impact in the reduction of risk.

⁶ Both organizational costs (e.g., intelligence analysts, operational overtime) and planning, equipment, training, exercise personnel costs are applied towards the 50 percent personnel cap.

All intelligence analyst training should be in accordance with the Global Justice Information Sharing Initiative's (Global) [Minimum Criminal Intelligence Training Standards for Law Enforcement and Other Criminal Justice Agencies in the United States](#), which outlines the minimum categories of training needed for intelligence analysts. These include subject-matter expertise, analytic methodologies, customer-service ethics, information handling and processing skills, critical thinking skills, computer literacy, and objectivity and intellectual honesty. A certificate of completion of such training must be on file with the tribe and must be made available to FEMA Headquarters Program Analysts upon request.

- **Overtime costs.** Overtime costs are allowable for personnel to participate in information, investigative, and intelligence sharing activities specifically related to homeland security and specifically requested by a Federal agency. Allowable costs are limited to overtime associated with Federally-requested participation in eligible fusion activities including anti-terrorism task forces, Joint Terrorism Task Forces (JTTFs), Area Maritime Security Committees (as required by the *Maritime Transportation Security Act of 2002*), DHS Border Enforcement Security Task Forces, and Integrated Border Enforcement Teams. Grant funding can only be used in proportion to the Federal man-hour estimate, and only after funding for these activities from other Federal sources (i.e., FBI JTTF payments to tribal agencies) has been exhausted. Under no circumstances should DHS grant funding be used to pay for costs already supported by funding from another Federal source.

Equipment Activities

The 21 allowable prevention, protection, response, and recovery equipment categories and equipment standards for FY 2010 THSGP are listed on the web-based version of the Authorized Equipment List (AEL) on the Responder Knowledge Base (RKB), at <https://www.rkb.us>. Unless otherwise stated, equipment must meet all mandatory regulatory and/or DHS-adopted standards to be eligible for purchase using these funds. In addition, agencies will be responsible for obtaining and maintaining all necessary certifications and licenses for the requested equipment.

Tribes that are using FY 2010 THSGP funds to purchase interoperable communications equipment (Category 6) must consult SAFECOM's coordinated grant guidance, which outlines standards and equipment information to enhance interoperable communications. This guidance can be found at <http://www.safecomprogram.gov>. Additionally, grantees are required to coordinate with other local and State partners in integrating their interoperable communications plans and projects as outlined in each State's Statewide Communication Interoperability Plan.

Training Activities

Tribes are strongly encouraged to use THSGP funds to develop or enhance a tribal homeland security training program. Allowable training-related costs under THSGP include the establishment, support, conduct, and attendance of training specifically

identified under THSGP and/or in conjunction with emergency preparedness training by other Federal agencies (e.g., HHS, DOT). Allowable training topics include, but are not limited to, CBRNE, terrorism, cyber/agriculture/food security, intelligence gathering and analysis, NIMS-related training, citizen and community preparedness, and interoperable and emergency communications. Additional training topics should include training for volunteers, infants and children, and individuals with disabilities in disasters, pediatric medical surge, and evacuation and sheltering with particular emphasis on children, keeping children with parents or guardians, addressing needs of unaccompanied minors, and integrating the accessibility and functional needs of children and adults with disabilities (see *Comprehensive Preparedness Guide 301 [CPG-301]: Interim Emergency Management Planning Guide for Special Needs Populations* and other resources for additional information).

Training conducted using THSGP funds should address a performance gap identified through an After Action Report/Improvement Plan (AAR/IP) or contribute to building a capability that will be evaluated through an exercise. Exercises should be used to provide the opportunity to demonstrate and validate skills learned in training, as well as to identify training gaps. Any training or training gaps should be identified in the AAR/IP. All training and exercises conducted with THSGP funds should support the development and testing of the jurisdiction's Emergency Operations Plan (EOP) or specific annexes, where applicable they may also include development of plans tied to the 15 national planning scenarios, or other tribe-specific planning scenarios.

Exercise Activities

Exercises conducted with FEMA support must be managed and executed in accordance with the Homeland Security Exercise and Evaluation Program (HSEEP). Tribes are encouraged to exercise their capabilities with regards to infants and children across all aspects of response and recovery, including medical surge capabilities and integrating the accessibility and functional needs of children and adults with disabilities. HSEEP Guidance for exercise design, development, conduct, evaluation, and improvement planning is located at <https://hseep.dhs.gov>. The HSEEP Library provides sample exercise materials and templates.

All exercises using THSGP funding must be NIMS compliant. More information is available online at the NIMS Resource Center, <http://www.fema.gov/emergency/nims/index.shtm>.

Personnel Activities

Personnel hiring, overtime, and backfill expenses are permitted under this grant in order to perform allowable FY 2010 THSGP planning, training, exercise, and equipment activities.

- A personnel cap of up to 50 percent of total THSGP program funds may be used for personnel activities as directed by the *Personnel Reimbursement for Intelligence Cooperation and Enhancement (PRICE) of Homeland Security Act* (Public Law 110-412). Grantees who wish to seek a waiver from the personnel

cap must provide documentation explaining why the cap is unacceptable; waiver requests will be considered only under extreme circumstances. In general, the use of THSGP funding to pay for staff and/or contractor regular time or overtime/backfill is considered a personnel cost. Activities that are considered “personnel,” and therefore count against the personnel cap of 50 percent include, but are not limited to:

- Operational overtime
- Overtime/backfill to participate in approved training or exercise deliveries
- Salaries and personnel costs of intelligence analysts
- Overtime to participate in intelligence sharing activities
- Salaries and personnel costs of planners, equipment managers, exercise coordinators, and/or training coordinators
- Salaries and personnel costs under the M&A category
- Contractor costs associated with performing the above activities

These activities are also subject to the funding and eligibility requirements detailed under the allowable cost categories. For further details, THSGP grantees should contact their FEMA Headquarters Program Analyst.

FY 2010 THSGP funds may not be used to support the hiring of any personnel for the purposes of fulfilling traditional public safety duties or to supplant traditional public safety positions and responsibilities.

The following are definitions for the terms as used in this grant guidance:

- **Hiring** – Tribal entities may use grant funding to cover the salary of newly hired personnel who are exclusively undertaking allowable FEMA program activities as specified in this guidance. This may not include new personnel who are hired to fulfill any non-FEMA program activities under any circumstances. Hiring will always result in a net increase of full-time employees.
- **Overtime** – These expenses are limited to the additional costs which result from personnel working over and above 40 hours of weekly work time as a direct result of their performance of FEMA-approved activities specified in this guidance. Overtime associated with any other activity is not eligible.
- **Backfill-related Overtime** – Also called “Overtime as Backfill,” these expenses are limited to overtime costs which result from personnel who are working overtime (as identified above) to perform the duties of other personnel who are temporarily assigned to FEMA-approved activities outside their core responsibilities. Neither overtime nor backfill expenses are the result of an increase of full-time equivalent employees.
- **Supplanting** – 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 grantees 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.

Construction and Renovation

Use of THSGP funds for construction is generally prohibited except as outlined below. Such construction shall be strictly limited and allowable only when it is a necessary component of a security system at critical infrastructure facilities. Project construction not exceeding \$1,000,000 is allowable, as deemed necessary.

The following types of projects are considered to constitute construction or renovation, and must be submitted to FEMA for compliance review and approval under the Federal environmental planning and historic preservation (EHP) laws and requirements prior to initiation of the project:

- Construction of and renovation to guard facilities which are intended to provide enhanced security at grantee-designated critical infrastructure sites
- Renovation of and modifications, including the installation of security and communication equipment, to buildings and structures that are 50 years old or older
- Any other construction or renovation efforts that change or expand the footprint of a facility or structure, including security enhancements to improve perimeter security
- Physical security enhancements, including but not limited to:
 - Lighting
 - Fencing
 - Closed-circuit television (CCTV) systems
 - Motion detection systems
 - Barriers, doors, gates, and related security enhancements

In addition, the erection of communications towers that are included in a jurisdiction's interoperable communications plan is allowed, subject to all applicable laws, regulations, and licensing provisions. Communication tower projects must be submitted to FEMA for EHP review. Per the Department of Homeland Security Appropriations Act, 2010 (Public Law 111-83), communications towers are not subject to the \$1,000,000 construction cap.

In order to draw down funds for construction and renovation costs under THSGP, grantees must provide to FEMA:

- A description of the asset or facility, asset location, whether the infrastructure is publicly or privately owned, and the construction or renovation project
- Certification that a facility vulnerability assessment has been conducted
- An outline addressing how the construction or renovation project will address the identified vulnerabilities from the assessment
- Consequences of not implementing the construction or renovation project
- Any additional information requested by FEMA to ensure compliance with Federal environmental and historic preservation requirements

For more information on FEMA's EHP requirements, THSGP grantees should refer to FEMA's Information Bulletin #329, *Environmental Planning and Historic Preservation Requirements for Grants*, available at <http://www.fema.gov/pdf/government/grant/bulletins/info329.pdf>. Additional information and resources can also be found at <http://www.fema.gov/plan/ehp/ehp-applicant-help.shtm>.

Law Enforcement Terrorism Prevention Activities Allowable Costs

Sections 2006 and 2008 of the *Homeland Security Act of 2002*, as amended by the 9/11 Act, includes, but is not limited to, the following allowable activities:

- Overtime expenses consistent with a homeland security plan, including enhanced operations in support of Federal agencies, including border security and border crossing enforcement
- Supporting the operations of fusion centers
- Paying salaries and benefits for personnel to serve as qualified intelligence analysts
- Information sharing and analysis
- Target hardening
- Threat recognition
- Terrorist interdiction
- Any other terrorism prevention activity authorized by the Administrator

Other Allowable Costs – Maintenance and Sustainment

The use of FEMA preparedness grant funds for maintenance contracts, warranties, repair or replacement costs, upgrades, and user fees are allowable under all active and future grant awards, unless otherwise noted. Grantees are reminded to be sensitive to supplanting issues. Maintenance contracts, warranties, repair or replacement costs, upgrades, and user fees previously purchased with tribal, State, and/or local funds cannot be replaced with Federal grant funding. Routine upkeep (e.g., gasoline, tire replacement, routine oil changes, monthly inspections, grounds and facility maintenance) is the responsibility of the grantee and may not be funded with preparedness grant funding.

- **Maintenance Contracts and Warranties.** To increase the useful life of the equipment, maintenance contracts and warranties may be purchased using grant funding from one fiscal year (FY) to cover equipment purchased with funding from a different fiscal year. The use of grant funding for the purchase of maintenance contracts and warranties must meet the following conditions:
 - Maintenance contracts and warranties may only be purchased for equipment that has been purchased using FEMA preparedness grant funding
 - To avoid supplementing Congressional appropriations for specific programs, maintenance contracts and warranties must be purchased using funds from the same grant program used to purchase the original equipment
 - The term of the maintenance contract or warranty shall not exceed the period of performance of the grant to which the contract is being charged

- **Repair and Replacement Costs.** The cost of repair and replacement parts for equipment purchased using FEMA preparedness grant funding is an allowable expense.
 - Repair and replacement parts may only be purchased for equipment that has been purchased using FEMA preparedness grant funding
 - To avoid supplementing Congressional appropriations for specific programs, repair and replacement parts must be purchased using the same grant program used to purchase the original equipment

- **Upgrades.** FEMA preparedness grant funding may be used to upgrade previously purchased allowable equipment. For example, if the grantee purchased risk management software with HSGP funds in FY 2005 and would like to use FY 2009 grant funding to upgrade the software, this is allowable.
 - Upgrades may only be purchased for equipment that has been purchased using FEMA preparedness grant funding
 - To avoid supplementing Congressional appropriations for specific programs, upgrades must be purchased using the same grant program used to purchase the original equipment

- **User Fees.** User fees are viewed as costs for specific services required to maintain and provide continued operation of equipment or systems. An example would be the recurring service fees associated with handheld radios or mobile data computers.
 - User fees may only be paid for equipment that has been purchased using FEMA preparedness grant funding
 - To avoid supplementing Congressional appropriations for specific programs, user fees must be paid for using the same grant program used to purchase the original equipment. The service time purchased shall not exceed the period of performance of the grant to which the user fee is being charged

- **Implementation.** Planned or actual expenditures for maintenance contracts and warranties, repair and replacement costs, upgrades and user fees must be reflected in the Initial Strategy Implementation Plan (ISIP) or Biannual Strategy Implementation Report (BSIR).

Grantees must comply with all the requirements in 44 CFR Part 13 and 2 CFR Part 215.

Other Allowable Costs - Secure Identification

In addition to the expenditures outlined above, THSGP funds may be used to support the development and production of enhanced tribal documents (e.g., Enhanced Tribal Cards [ETCs]) designed to meet the requirements of the Western Hemisphere Travel Initiative (WHTI). More information on the WHTI may be found at http://www.dhs.gov/files/programs/gc_1200693579776.shtm or http://www.getyouhome.gov/html/eng_map.html.

F. Other Submission Requirements

Federal employees are prohibited from serving in any capacity (paid or unpaid) on any proposal submitted under this program. Federal employees may not receive funds under this award.

PART V.

APPLICATION REVIEW INFORMATION

A. Review Criteria

FY 2010 THSGP funds will be allocated based on two factors: tribal eligibility per the 9/11 Act (pre-determined), and the effectiveness of the applicant's THSGP Investment Justification (IJ) (as determined through a peer review process).

With respect to the effectiveness criteria, THSGP IJ's will be evaluated through a peer review process for completeness, adherence to programmatic guidelines and the anticipated effectiveness of the proposed Investments. Only the information included in the IJ will be scored in the review process.

Tribes are strongly encouraged to participate as reviewers in the FY 2010 peer review process. Participation in the process will provide reviewers the unique opportunity to gain insight into the evaluation process and to learn innovative ideas being utilized by their peers.

Please refer to Part VIII – “Other – THSGP Application ‘Investment Justification’ Template and Instructions” for the IJ questions and scoring criteria.

B. Review and Selection Process

The following process will be used to make awards under the THSGP:

- FEMA will verify tribal eligibility per the 9/11 Act
- FEMA will verify compliance with all administrative and eligibility criteria identified in the application kit, to include the required submission of an IJ by the established due dates
- Eligible applications will be reviewed and scored through a peer review process to analyze the anticipated effectiveness of proposed Investments
- FEMA will use the results of the peer review effectiveness scores to make recommendations for funding to the Secretary of Homeland Security

Note: Upon award, THSGP recipients may only fund Investments that were included in the FY 2010 IJs that were submitted to FEMA and evaluated through the peer review process.

C. Anticipated Announcement and Award Dates

FEMA will evaluate and act on applications within 90 days following close of the application period, consistent with the *Department of Homeland Security Appropriations Act, 2010* (Public Law 111-83). Awards will be made on or before September 30, 2010.

PART VI.

AWARD ADMINISTRATION INFORMATION

A. Notice of Award

Upon approval of an application, the grant will be awarded to the grant recipient. The date that this is done is the “award date.” Notification of award approval is made through the Grants Management System (GMS). Once an award has been approved, a notice is sent to the authorized grantee official. Follow the directions in the notification to accept your award documents. The authorized grantee official should carefully read the award and special condition documents. If you do not receive a notification, please contact your FEMA Program Analyst for your award number. Once you have the award number, contact the GMS Help Desk at (888) 549-9901, option three, to obtain the username and password associated with the new award.

The period of performance is 36 months and begins on the Project Period/Budget Period start date listed in the award package. Any unobligated funds will be de-obligated at the end of the close-out period. Extensions to the period of performance will be considered only through formal requests to FEMA with specific and compelling justifications why an extension is required. All extension requests must be submitted to FEMA at least 60 days prior to the expiration of the grant period of performance. The justification must address:

- Reason for delay
- Current status of the activity/activities
- Approved period of performance termination date and new project completion date
- Remaining available funds, both Federal and non-Federal
- Budget outlining how remaining Federal and non-Federal funds will be expended
- Plan for completion including milestones and timeframe for achieving each milestone and the position/person responsible for implementing the plan for completion
- Certification that the activity/activities will be completed within the extended period of performance without any modification to the original Statement of Work approved by FEMA

B. Administrative and National Policy Requirements

The recipient and any sub-recipient(s) must, in addition to the assurances made as part of the application, comply and require each of its subcontractors employed in the completion of the project to comply with all applicable statutes, regulations, executive orders, OMB circulars, terms and conditions of the award, and the approved application.

1. Standard Financial Requirements. The grantee and any subgrantee(s) shall comply with all applicable laws and regulations. A non-exclusive list of regulations commonly applicable to DHS grants are listed below:

1.1 – Administrative Requirements.

- 44 CFR Part 13, *Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*
- 2 CFR Part 215, *Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations* (formerly OMB Circular A-110)

1.2 – Cost Principles.

- 2 CFR Part 225, *Cost Principles for State, Local, and Indian tribal Governments* (formerly OMB Circular A-87)
- 2 CFR Part 220, *Cost Principles for Educational Institutions* (formerly OMB Circular A-21)
- 2 CFR Part 230, *Cost Principles for Non-Profit Organizations* (formerly OMB Circular A-122)
- Federal Acquisition Regulations (FAR), Part 31.2 *Contract Cost Principles and Procedures, Contracts with Commercial Organizations*

1.3 – Audit Requirements.

- OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*

1.4 – Duplication of Benefits. There may not be a duplication of any Federal assistance, per 2 CFR Part 225, Basic Guidelines Section C.3 (c), which states: Any cost allocable to a particular Federal award or cost objective under the principles provided for in this Authority may not be charged to other Federal awards to overcome fund deficiencies, to avoid restrictions imposed by law or terms of the Federal awards, or for other reasons. However, this prohibition would not preclude governmental units from shifting costs that are allowable under two or more awards in accordance with existing program agreements. Non-governmental entities are also subject to this prohibition per 2 CFR Parts 220 and 230 and FAR Part 31.2.

2. Payment. DHS/FEMA uses the Direct Deposit/Electronic Funds Transfer (DD/EFT) method of payment to Recipients. To enroll in the DD/EFT, the Recipient must complete a Standard Form 1199A, Direct Deposit Form.

FEMA uses the FEMA Payment and Reporting System (PARS) for payments made under this program, <https://isource.fema.gov/sf269/> (Note: Link connects to Federal Financial Report [SF-425])

2.1 – Advance Payment. In accordance with Treasury regulations at 31 CFR Part 205, the Recipient shall maintain procedures to minimize the time elapsing

between the transfer of funds and the disbursement of said funds (See 44 CFR Part 13.21(c)) regarding payment of interest earned on advances. In order to request an advance, the Recipient must maintain or demonstrate the willingness and ability to maintain procedures to minimize the time elapsing between the transfer of funds from DHS and expenditure and disbursement by the Recipient. When these requirements are not met, the Recipient will be required to be on a reimbursement for costs incurred method.

2.2 – Forms. In order to download the Standard Form 1199A, the Recipient may use the following Internet site: <http://www.fms.treas.gov/eft/1199a.pdf>.

NOTE: FUNDS WILL NOT BE AUTOMATICALLY TRANSFERRED UPON ISSUANCE OF THE GRANT. GRANTEES MUST SUBMIT A REQUEST FOR ADVANCE/REIMBURSEMENT IN ORDER FOR THE FUNDS TO BE TRANSFERRED TO THE GRANTEE’S ACCOUNT.

3. 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 grantees 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.

4. Technology Requirements.

4.1 – National Information Exchange Model (NIEM). FEMA requires all grantees to use the latest NIEM specifications and guidelines regarding the use of Extensible Markup Language (XML) for all grant awards. Further information about the required use of NIEM specifications and guidelines is available at <http://www.niem.gov>.

4.2 – Geospatial Guidance. Geospatial technologies capture, store, analyze, transmit, and/or display location-based information (i.e., information that can be linked to a latitude and longitude). FEMA encourages grantees to align any geospatial activities with the guidance available on the FEMA website at <http://www.fema.gov/grants>.

4.3 – 28 CFR Part 23 Guidance. FEMA requires that any information technology system funded or supported by these funds comply with 28 CFR Part 23, *Criminal Intelligence Systems Operating Policies*, if this regulation is determined to be applicable.

4.4 – Best Practices for Government Use of CCTV. DHS recommends that grantees seeking funds to purchase and install closed circuit television (CCTV) systems, or funds to provide support for operational CCTV systems, review and utilize the guidance in *Best Practices for Government Use of CCTV: Implementing*

the *Fair Information Practice Principles* available on the DHS Privacy Office website at http://www.dhs.gov/xlibrary/assets/privacy/privacy_rpt_cctv_2007.pdf.

5. Administrative Requirements.

5.1 – Freedom of Information Act (FOIA). FEMA recognizes that much of the information submitted in the course of applying for funding under this program or provided in the course of its grant management activities may be considered law enforcement sensitive or otherwise important to national security interests. While this information under Federal control is subject to requests made pursuant to the *Freedom of Information Act* (FOIA), 5 U.S.C. §552, all determinations concerning the release of information of this nature are made on a case-by-case basis by the FEMA FOIA Office, and may likely fall within one or more of the available exemptions under the Act. The applicant is encouraged to consult its own State and local laws and regulations regarding the release of information, which should be considered when reporting sensitive matters in the grant application, needs assessment, and strategic planning process. The grantee should be familiar with the regulations governing Sensitive Security Information (49 CFR Part 1520), as it may provide additional protection to certain classes of homeland security information.

5.2 – Protected Critical Infrastructure Information (PCII). The PCII Program, established pursuant to the *Critical Infrastructure Act of 2002* (Public Law 107-296) (CII Act), created a framework which enables members of the private sector, States, local jurisdictions, and tribal nations to voluntarily submit sensitive information regarding critical infrastructure to DHS. The Act provides statutory protection from public disclosure and civil litigation for CII that is validated as PCII. When validated as PCII, the information can only be shared with government employees who complete the training requirement, who have homeland security duties, and a need to know.

PCII accreditation is a formal recognition that the covered government entity has the capacity and capability to receive and store PCII appropriately. DHS encourages all States, local jurisdictions, and tribal nations to pursue PCII accreditation to cover their government agencies. Accreditation activities include signing a memorandum of agreement (MOA) with DHS, appointing a PCII Officer and developing a standard operating procedure for handling PCII. For additional information about PCII or the accreditation process, please contact the DHS PCII Program Office at pcii-info@dhs.gov.

5.3 – Compliance with Federal Civil Rights Laws and Regulations. The grantee is required to comply with Federal civil rights laws and regulations. Specifically, the grantee is required to provide assurances as a condition for receipt of Federal funds that its programs and activities comply with the following:

- *Title VI of the Civil Rights Act of 1964*, as amended, 42 U.S.C. §2000 et. seq. – Provides that no person on the grounds of race, color, or national origin be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination in any program or activity receiving Federal financial assistance. Title VI also extends protection to persons with Limited English Proficiency (LEP). (42 U.S.C. §2000d et seq.)
- *Title IX of the Education Amendments of 1972*, as amended, 20 U.S.C. §1681 et. seq. – Provides that no person, on the basis of sex, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any education program or activity receiving Federal financial assistance.
- *Section 504 of the Rehabilitation Act of 1973*, as amended, 29 U.S.C. §794 – Provides that no otherwise qualified individual with a disability in the United States, shall, solely by reason of his or her disability, be excluded from the participation in, be denied the benefits of, or subject to discrimination in any program or activity receiving Federal financial assistance.
- *The Age Discrimination Act of 1975*, as amended, 20 U.S.C. §6101 et. seq. – Provides that no person in the United States shall, on the basis of age, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity receiving Federal financial assistance.

Grantees must comply with all regulations, guidelines, and standards adopted under the above statutes. The grantee is also required to submit information, as required, to the DHS Office for Civil Rights and Civil Liberties concerning its compliance with these laws and their implementing regulations.

5.4 – Services to Limited English Proficient (LEP) Persons. Recipients of FEMA financial assistance are required to comply with several Federal civil rights laws, including Title VI of the *Civil Rights Act of 1964*, as amended. These laws prohibit discrimination on the basis of race, color, religion, natural origin, and sex in the delivery of services. National origin discrimination includes discrimination on the basis of limited English proficiency. To ensure compliance with Title VI, recipients are required to take reasonable steps to ensure that LEP persons have meaningful access to their programs. Meaningful access may entail providing language assistance services, including oral and written translation, where necessary. The grantee is encouraged to consider the need for language services for LEP persons served or encountered both in developing their proposals and budgets and in conducting their programs and activities. Reasonable costs associated with providing meaningful access for LEP individuals are considered allowable program costs. For additional information, see <http://www.lep.gov>.

5.5 – Certifications and Assurances. Certifications and assurances regarding the following apply:

- *Lobbying. 31 U.S.C. §1352, Limitation on use of appropriated funds to influence certain Federal contracting and financial transactions* – Prohibits the use of Federal funds in lobbying members and employees of Congress, as well as employees of Federal agencies, with respect to the award or amendment of any Federal grant, cooperative agreement, contract, or loan. FEMA and DHS have codified restrictions upon lobbying at 44 CFR Part 18 and 6 CFR Part 9. (Refer to form included in application package)
- *Drug-free Workplace Act*, as amended, 41 U.S.C. §701 et seq. – Requires the recipient to publish a statement about its drug-free workplace program and give a copy of the statement to each employee (including consultants and temporary personnel) who will be involved in award-supported activities at any site where these activities will be carried out. Also, place(s) where work is being performed under the award (i.e., street address, city, state and zip code) must be maintained on file. The recipient must notify the Grants Officer of any employee convicted of a violation of a criminal drug statute that occurs in the workplace. For additional information, see 44 CFR Part 17.
- *Debarment and Suspension* – Executive Orders 12549 and 12689 provide protection from fraud, waste, and abuse by debarring or suspending those persons that deal in an irresponsible manner with the Federal government. The recipient must certify that they are not debarred or suspended from receiving Federal assistance. For additional information, see 44 CFR Part 17.
- *Federal Debt Status* – The recipient may not be delinquent in the repayment of any Federal debt. Examples of relevant debt include delinquent payroll or other taxes, audit disallowances, and benefit overpayments. (OMB Circular A-129) (Refer to SF 424, item number 17)
- *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. §2225a, the recipient agrees to 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*, 15 U.S.C. §2225.

Grantees must comply with all regulations, guidelines, and standards adopted under the above statutes.

5.6 – Integrating Individuals with Disabilities into Emergency Planning.

Section 504 of the *Rehabilitation Act of 1973*, as amended, prohibits discrimination against people with disabilities in all aspects of emergency mitigation, planning, response, and recovery by entities receiving financial funding from FEMA. In addition, Executive Order 13347, *Individuals with Disabilities in Emergency Preparedness*, signed in July 2004, requires the Federal government to support safety and security for individuals with disabilities in situations involving disasters, including earthquakes, tornadoes, fires, floods, hurricanes, and acts of terrorism. Executive Order 13347 requires the Federal government to encourage consideration of the needs of individuals with disabilities served by State, local, and tribal governments in emergency preparedness planning.

FEMA has several resources available to assist emergency managers in planning and response efforts related to people with disabilities and to ensure compliance with Federal civil rights laws:

- **Comprehensive Preparedness Guide 301 (CPG-301): Interim Emergency Management Planning Guide for Special Needs Populations.** CPG-301 is designed to aid tribal, State, territorial, and local governments in planning for individuals with special needs. CPG-301 outlines special needs considerations for: Developing Informed Plans; Assessments and Registries; Emergency Public Information/Communication; Sheltering and Mass Care; Evacuation; Transportation; Human Services/Medical Management; Congregate Settings; Recovery; and Training and Exercises. CPG-301 is available at <http://www.fema.gov/pdf/media/2008/301.pdf>. CPG-301 and other guidance considers children as special needs populations. However, grantees are strongly encouraged to integrate the needs of infants and children into their planning process and into base plans rather than independently within the special needs framework.
- **Guidelines for Accommodating Individuals with Disabilities in Disaster.** The Guidelines synthesize the array of existing accessibility requirements into a user friendly tool for use by response and recovery personnel in the field. The Guidelines are available at <http://www.fema.gov/oer/reference/>.
- **Disability and Emergency Preparedness Resource Center.** A web-based “Resource Center” that includes dozens of technical assistance materials to assist emergency managers in planning and response efforts related to people with disabilities. The “Resource Center” is available at <http://www.disabilitypreparedness.gov>.
- **Lessons Learned Information Sharing (LLIS) Resource Page on Emergency Planning for Persons with Disabilities and Special Needs.** A true one-stop resource shop for planners at all levels of government, non-

governmental organizations, and private sector entities, the resource page provides more than 250 documents, including lessons learned, plans, procedures, policies, and guidance, on how to include citizens with disabilities and other special needs in all phases of the emergency management cycle.

LLIS.gov is available to emergency response providers and homeland security officials from the Federal, local, State, and tribal levels. To access the resource page, log onto <http://www.LLIS.gov> and click on *Emergency Planning for Persons with Disabilities and Special Needs* under *Featured Topics*. If you meet the eligibility requirements for accessing Lessons Learned Information Sharing, you can request membership by registering online.

5.7 – Environmental Planning and Historic Preservation Compliance. FEMA is required to consider the potential impacts to the human and natural environment of projects proposed for FEMA grant funding. FEMA, through its EHP Program, engages in a review process to ensure that FEMA-funded activities comply with various Federal laws including: *National Environmental Policy Act, National Historic Preservation Act, Endangered Species Act, the Clean Water Act, and Executive Orders on Floodplains (11988), Wetlands (11990), and Environmental Justice (12898)*. The goal of these compliance requirements is to protect our Nation's water, air, coastal, wildlife, agricultural, historical, and cultural resources, as well as to minimize potential adverse effects to low-income and minority populations.

The grantee shall provide all relevant information to FEMA GPD to ensure compliance with applicable Federal EHP requirements. Any project with the potential to impact natural or biological resources or historic properties cannot be initiated until FEMA has completed the required EHP review. In addition to a detailed project description that describes what is to be done with the grant funds, how it will be done, and where it will be done, grantees shall provide detailed information about the project (where applicable), including, but not limited to, the following:

- Project location (i.e., exact street address or map coordinates)
- Total extent of ground disturbance and vegetation clearing
- Extent of modification of existing structures
- Construction equipment to be used, staging areas, etc.
- Year that any affected buildings or structures were built
- Natural, biological, and/or cultural resources present within the project area and vicinity, including wetlands, floodplains, geologic resources, threatened or endangered species, or National Register of Historic Places listed or eligible properties, etc.
- Visual documentation such as good quality, color and labeled site and facility photographs, project plans, aerial photos, maps, etc.

- Alternative ways considered to implement the project (not applicable to procurement of mobile and portable equipment)

For projects that have the potential to impact sensitive resources, FEMA must consult with other Federal, State, and tribal agencies such as the U.S. Fish and Wildlife Service, State Historic Preservation Offices, and the U.S. Army Corps of Engineers, as well as other agencies and organizations responsible for the protection and/or management of natural and cultural resources, including Federally-recognized Indian tribes, Tribal Historic Preservation Offices, and the Department of the Interior, Bureau of Indian Affairs. For projects with the potential to have adverse effects on the environment and/or historic properties, FEMA's EHP review process and consultation may result in a substantive agreement between the involved parties outlining how the grantee will avoid the effects, minimize the effects, or, if necessary, compensate for the effects. Grantees who are proposing communication tower projects are encouraged to complete their Federal Communications Commission (FCC) EHP process prior to preparing their EHP review materials for GPD, and to include their FCC EHP materials with their submission to GPD. Completing the FCC process first and submitting all relevant EHP documentation to GPD will help expedite FEMA's review.

Because of the potential for adverse effects to EHP resources or public controversy, some projects may require an additional assessment or report, such as an Environmental Assessment, Biological Assessment, archaeological survey, cultural resources report, wetlands delineation, or other document, as well as a public comment period. Grantees are responsible for the preparation of such documents, as well as for the implementation of any treatment or mitigation measures identified during the EHP review that are necessary to address potential adverse impacts. Grantees may use grant funds toward the costs of preparing such documents. The use of grant funds for mitigation or treatment measures that are not typically allowable expenses will be considered on a case-by-case basis. Failure of the grantee to meet Federal, State, local and territorial EHP requirements, obtain required permits, and comply with any conditions that may be placed on the project as the result of FEMA's EHP review may jeopardize Federal funding.

Recipients shall not undertake any project without the prior approval of GPD, and must comply with all conditions placed on the project as the result of the EHP review. Any change to the approved project description will require re-evaluation for compliance with these EHP requirements. If ground disturbing activities occur during project implementation, the recipient must ensure monitoring of ground disturbance, and if any potential archeological resources are discovered, the recipient will immediately cease construction in that area and notify their GPD Program Analyst, and the appropriate State Historic Preservation Office. Any projects that have been initiated prior to approval will result in a non-compliance finding and will not be eligible for funding.

For more information on FEMA's EHP requirements, tribes should refer to FEMA's Information Bulletin #329, *Environmental Planning and Historic Preservation Requirements for Grants*, available at <http://www.fema.gov/pdf/government/grant/bulletins/info329.pdf>. Additional information and resources can also be found at <http://www.fema.gov/plan/ehp/ehp-applicant-help.shtm>.

5.8 – Royalty-free License. Applicants are advised that FEMA reserves a royalty-free, non-exclusive, and irrevocable license to reproduce, publish, or otherwise use, and authorize others to use, for Federal government purposes: (a) the copyright in any work developed under an award or sub-award; and (b) any rights of copyright to which an award recipient or sub-recipient purchases ownership with Federal support. Award recipients must agree to consult with FEMA regarding the allocation of any patent rights that arise from, or are purchased with, this funding.

5.9 – FEMA GPD Publications Statement. Applicants are advised that all publications created with funding under any grant award shall prominently contain the following statement: "This document was prepared under a grant from the Federal Emergency Management Agency's Grant Programs Directorate (FEMA/GPD) within the U.S. Department of Homeland Security. Points of view or opinions expressed in this document are those of the authors and do not necessarily represent the official position or policies of FEMA/GPD or the U.S. Department of Homeland Security."

5.10 – Equipment Marking. Awardees may consider marking equipment in the following manner, "Purchased with funds provided by the U.S. Department of Homeland Security," in order to facilitate their own audit processes, as well as Federal audits and monitoring visits, which may result from receiving Federal funding. Equipment maintenance requirements are outlined in 44 CFR Part 13.32.

5.11 – Disadvantaged Business Requirement. Applicants are advised that, to the extent that recipients of a grant use contractors or subcontractors, such recipients shall use small, minority, women-owned or disadvantaged business concerns and contractors or subcontractors to the extent practicable.

5.12 – National Preparedness Reporting Compliance. *The Government Performance and Results Act of 1993* (Public Law 103-62) requires that the Department collect and report performance information on all programs. For grant programs, the prioritized Investment Justifications and their associated milestones provide an important tool for assessing grant performance and complying with these national preparedness reporting requirements. FEMA will work with grantees to develop tools and processes to support this requirement. FEMA anticipates using this information to inform future-year grant program funding decisions. Award recipients must agree to cooperate with any assessments, national evaluation efforts, or information or data collection requests, including, but not limited to, the provision of any information required for the assessment or

evaluation of any activities within their grant agreement. This includes any assessments, audits, or investigations conducted by DHS, the Office of the Inspector General, or the U.S. Government Accountability Office (GAO).

C. Reporting Requirements

Reporting requirements must be met throughout the life of the grant (refer to the program guidance and the special conditions found in the award package for a full explanation of these requirements). Any reports or documents prepared as a result of this grant shall be in compliance with Federal “plain English” policies, directives, etc. Please note that PARS contains edits that will prevent access to funds if reporting requirements are not met on a timely basis.

- 1. Federal Financial Report (FFR) – required quarterly.** Obligations and expenditures must be reported on a quarterly basis through the FFR (SF-425), which is due within 30 days of the end of each calendar quarter (e.g., for the quarter ending March 31, the FFR is due no later than April 30). A report must be submitted for every quarter of the period of performance, including partial calendar quarters, as well as for periods where no grant activity occurs. Future awards and fund drawdowns may be withheld if these reports are delinquent. The final FFR is due 90 days after the end date of the performance period.

OMB has directed that the FFR SF-425 replace the use of the SF-269, SF-269A, SF-272, and SF-272A, which will no longer be available after October 1, 2009. The SF-425 is intended to provide Federal agencies and grant recipients with a standard format and consistent reporting requirements throughout the government.

FFRs **must be filed online** through PARS.

Reporting periods and due dates:

- October 1 – December 31; *Due January 30*
- January 1 – March 31; *Due April 30*
- April 1 – June 30; *Due July 30*
- July 1 – September 30; *Due October 30*

- 2. Semi-annual Assistance Progress Report (SAPR).** Following an award, the awardees will be responsible for providing updated obligation and expenditure information on a semi-annual basis. The applicant is responsible for completing and submitting the SAPR reports. The awardee should include a statement in the narrative field of the SAPR that reads: *See BSIR*

The SAPR is due within 30 days after the end of the reporting period (July 30 for the reporting period of January 1 through June 30; and January 30 for the reporting period of July 1 through December 31). Future awards and fund drawdowns may be withheld if these reports are delinquent.

SAPRs must be filed online at <https://grants.ojp.usdoj.gov>. Guidance and instructions can be found at <https://grants.ojp.usdoj.gov/gmsHelp/index.html>.

Required submission: SAPR (due semi-annually).

- 3. Biannual Strategy Implementation Reports (BSIR).** Following an award, the awardees will be responsible for providing updated obligation and expenditure information on a semi-annual basis. The applicable grantees are responsible for completing and submitting the BSIR reports which is a component of the SAPR. The BSIR submission will satisfy the narrative requirement of the SAPR. Grantees are still required to submit the SAPR with a statement in the narrative field that reads: *See BSIR.*

The BSIR is due within 30 days after the end of the reporting period (July 30 for the reporting period of January 1 through June 30; and January 30 for the reporting period of July 1 through December 31). Updated obligations and expenditure information must be provided with the BSIR to show progress made toward meeting strategic goals and objectives. Future awards and fund drawdowns may be withheld if these reports are delinquent.

- 4. Exercise Evaluation and Improvement.** Exercises implemented with grant funds should be capabilities and performance-based and should evaluate performance of the targeted capabilities required to respond to the exercise scenario. Guidance related to exercise evaluation and the implementation of improvements is defined in the Homeland Security Exercise and Evaluation Program (HSEEP) located at <https://hseep.dhs.gov>. Grant recipients must report on scheduled exercises and ensure that an After Action Report (AAR) and Improvement Plan (IP) are prepared for each exercise conducted with FEMA support (grant funds or direct support) and submitted to the FEMA Grants and Preparedness Community of Interest (COI) on the Homeland Security Information Network (HSIN) within 90 days following completion of the exercise.

The AAR documents the demonstrated performance of targeted capabilities and identifies recommendations for improvements. The IP outlines an exercising jurisdiction(s) plan to address the recommendations contained in the AAR. At a minimum, the IP must identify initial action items and be included in the final AAR. Guidance for the development of AARs and IPs is provided in the HSEEP manual.

Required submissions: AARs and IPs (as applicable).

- 5. Financial and Compliance Audit Report.** Recipients that expend \$500,000 or more of Federal funds during their fiscal year are required to submit an organization-wide financial and compliance audit report. The audit must be performed in accordance with GAO, *Government Auditing Standards*, located at <http://www.gao.gov/govaud/ybk01.htm>, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, located at

<http://www.whitehouse.gov/omb/circulars/a133/a133.html>. Audit reports are currently due to the Federal Audit Clearinghouse no later than nine months after the end of the recipient's fiscal year. In addition, the Secretary of Homeland Security and the Comptroller General of the United States shall have access to any books, documents, and records of recipients of FY 2010 THSGP assistance for audit and examination purposes, provided that, in the opinion of the Secretary or the Comptroller, these documents are related to the receipt or use of such assistance. The grantee will also give the sponsoring agency or the Comptroller, through any authorized representative, access to, and the right to examine all records, books, papers or documents related to the grant.

The State shall require that subgrantees comply with the audit requirements set forth in *OMB Circular A-133*. Recipients are responsible for ensuring that sub-recipient audit reports are received and for resolving any audit findings.

- 6. Monitoring.** Grant recipients will be monitored periodically by FEMA staff, both programmatically and financially, to ensure that the project goals, objectives, performance requirements, timelines, milestone completion, budgets, and other related program criteria are being met. Programmatic monitoring may also include the Regional Federal Preparedness Coordinators, when appropriate, to ensure consistency of project investments with regional and national goals and policies, as well as to help synchronize similar investments ongoing at the Federal, State, tribal, and local levels.

Monitoring will be accomplished through a combination of desk-based reviews and on-site monitoring visits. Monitoring will involve the review and analysis of the financial, programmatic, performance, and administrative issues relative to each program and will identify areas where technical assistance and other support may be needed.

The recipient is responsible for monitoring award activities, to include sub-awards, to provide reasonable assurance that the Federal award is administered in compliance with requirements. Responsibilities include the accounting of receipts and expenditures, cash management, maintaining of adequate financial records, and refunding expenditures disallowed by audits.

- 7. Grant Close-Out Process.** Within 90 days after the end of the period of performance, grantees must submit a final FFR and final SAPR detailing all accomplishments throughout the project. After these reports have been reviewed and approved by FEMA, a close-out notice will be completed to close out the grant. The notice will indicate the project as closed, list any remaining funds that will be deobligated, and address the requirement of maintaining the grant records for three years from the date of the final FFR. The grantee is responsible for returning any funds that have been drawn down but remain as unliquidated on grantee financial records.

Required submissions: (1) final SF-425, due 90 days from end of grant period; and (2) final SAPR, due 90 days from the end of the grant period.

PART VII.

FEMA CONTACTS

This section describes several resources that may help applicants in completing a FEMA grant application.

- 1. Centralized Scheduling and Information Desk (CSID).** CSID is a non-emergency comprehensive management and information resource developed by DHS for grants stakeholders. CSID provides general information on all FEMA grant programs and maintains a comprehensive database containing key personnel contact information at the Federal, State, and local levels. CSID can be reached by phone at (800) 368-6498 or by e-mail at ASKCSID@dhs.gov, Monday through Friday, 8:00 a.m. – 6:00 p.m. EST.
- 2. Grant Programs Directorate (GPD).** FEMA GPD will provide fiscal support, including pre- and post-award administration and technical assistance, to the grant programs included in this solicitation. Additional guidance and information can be obtained by contacting the FEMA Call Center at (866) 927-5646 or via e-mail to ASK-GMD@dhs.gov.
- 3. National Exercise Division (NED).** The NED within the FEMA National Preparedness Directorate maintains program management for the Homeland Security Exercise and Evaluation Program (HSEEP). All questions pertaining to HSEEP may be addressed to hseep@fema.gov or contact the NED at (202) 786-9873.
- 4. Homeland Security Preparedness Technical Assistance Program (HSPTAP) and Planning Support.** The HSPTAP provides direct support assistance on a first-come, first-served basis (and subject to the availability of funding) to eligible organizations to enhance their capacity and preparedness to prevent, protect against, respond to, and recover from terrorist and all hazard threats. In addition to the risk assessment assistance already being provided, FEMA also offers a variety of other direct support assistance programs.

The HSPTAP also provides access to planning support. The planning support aids jurisdictions by increasing their understanding of the complex issues faced in planning for various hazards and threats. This support includes leveraging subject-matter experts from around the country as well as enabling knowledge transfer from jurisdiction to jurisdiction.

More information can be found at http://www.fema.gov/about/divisions/pppa_ta.shtm or by e-mailing FEMA-TARequest@fema.gov or NPD-planning@dhs.gov.

- 5. Lessons Learned Information Sharing (LLIS) System.** LLIS is a national, online, secure website that houses a collection of peer-validated lessons learned, best practices, and other relevant homeland security documents. LLIS facilitates improved preparedness nationwide by providing response professionals with access to a wealth of validated front-line expertise on effective planning, training, equipping, and operational practices for homeland security.

The LLIS website also includes a national directory of homeland security officials, as well as an updated list of homeland security exercises, events, and conferences. Additionally, LLIS includes online collaboration tools, including secure email and message boards, where users can exchange information. LLIS uses strong encryption and active site monitoring to protect all information housed on the system. The LLIS website is <http://www.LLIS.gov>.

- 6. Information Bulletins.** Information Bulletins (IBs) provide important updates, clarifications, and policy statements related to FEMA preparedness grant programs. Grantees should familiarize themselves with the relevant publications. Information Bulletins can be found at <http://www.fema.gov/government/grant/bulletins/index.shtm>.
- 7. Information Sharing Systems.** FEMA encourages all State, regional, local, and tribal entities using FY 2010 funding in support of information sharing and intelligence fusion and analysis centers to leverage available Federal information sharing systems, including Law Enforcement Online (LEO) and the Homeland Security Information Network (HSIN). For additional information on LEO, contact the LEO Program Office at leoprogramoffice@leo.gov or (202) 324-8833. For additional information on HSIN and available technical assistance, contact the HSIN Help Desk at (703) 674-3003.
- 8. U.S. General Services Administration's (GSA) State and Local Purchasing Programs.** GSA offers two efficient and effective procurement programs for State and local governments to purchase products and services to fulfill homeland security and other technology needs. The GSA Schedules (also referred to as the Multiple Award Schedules and the Federal Supply Schedules) are long-term, indefinite delivery, indefinite quantity, government-wide contracts with commercial firms of all sizes.

- Cooperative Purchasing Program
Cooperative Purchasing, authorized by statute, allows State and local governments to purchase a variety of supplies (products) and services under specific GSA Schedule contracts to save time, money, and meet their everyday needs and missions.

The Cooperative Purchasing program allows State and local governments to purchase alarm and signal systems, facility management systems, firefighting and rescue equipment, law enforcement and security equipment, marine craft and related equipment, special purpose clothing, and related services off of Schedule 84 and Information Technology products and professional services

off of Schedule 70 and the Consolidated Schedule (containing IT Special Item Numbers) **only**. Cooperative Purchasing for these categories is authorized under Federal law by the *Local Preparedness Acquisition Act* (Public Law 110-248) and Section 211 of the *E-Government Act of 2002* (Public Law 107-347).

Under this program, State and local governments have access to GSA Schedule contractors who have voluntarily modified their contracts to participate in the Cooperative Purchasing program. The U.S. General Services Administration provides a definition of State and local governments as well as other vital information under the frequently asked questions section on its website at <http://www.gsa.gov/cooperativepurchasing>.

- Disaster Recovery Purchasing Program

GSA plays a critical role in providing disaster recovery products and services to Federal agencies. Now State and local governments can also benefit from the speed and savings of the GSA Federal Supply Schedules. Section 833 of the *John Warner National Defense Authorization Act for Fiscal Year 2007* (Public Law 109-364) amends 40 U.S.C. §502 to authorize GSA to provide State and local governments the use of all GSA Federal Supply Schedules for purchase of products and services to be used to facilitate recovery from a major disaster declared by the President under the *Robert T. Stafford Disaster Relief and Emergency Assistance Act* or to facilitate **recovery** from terrorism or nuclear, biological, chemical, or radiological attack.

Products and services being purchased to facilitate recovery from one of the above listed events may be purchased both in advance of and in the aftermath of a major disaster as long as the products and services being purchased will be used to facilitate recovery.

GSA provides additional information on the Disaster Recovery Purchasing Program website at <http://www.gsa.gov/disasterrecovery>.

State and local governments can find a list of contractors on GSA's website, <http://www.gsa/library.gsa.gov>, denoted with a  symbol.

Assistance is available from GSA on the Cooperative Purchasing and Disaster Purchasing Program at the local and national levels. For assistance at the local level, visit <http://www.gsa.gov/csd> to find a local customer service director in your area. For assistance at the national level, contact Tricia Reed at tricia.reed@gsa.gov or (571) 259-9921. More information is available on all GSA State and local programs at www.gsa.gov/stateandlocal.

PART VIII.
OTHER INFORMATION
Section A – THSGP Allowable Expenses

Overview

The following provides guidance on allowable costs within planning, equipment, training, and exercise activities.

Planning Activities Information

There are five broad categories of allowable planning costs. Following are examples of allowable costs for each of the categories. As noted on page five, an emphasis of this year's grant is to enhance and expand capabilities through partnerships. A specific emphasis should be placed on the preparedness of child congregate care systems, providers and facilities, and especially school districts and child/day care. Additional examples are group residential facilities operated by State and local child welfare authorities, and juvenile detention facilities.

- Developing scenario plans that incorporate the range of prevention, protection, response, and recovery activities for a scenario
- Developing and implementing homeland security support programs and adopting DHS national initiatives including but not limited to the following:
 - Implementing the *National Preparedness Guidelines*
 - Pre-event recovery planning
 - Costs associated with the adoption, implementation and adherence to NIMS compliance requirements; including implementing the NIMS National Credentialing Framework
 - Modifying existing incident management and Emergency Operations Plans (EOPs) to ensure proper alignment with the National Response Framework (NRF) coordinating structures, processes, and protocols
 - Establishing or enhancing mutual aid agreements
 - Developing communications and interoperability protocols and solutions
 - Conducting tribal program implementation meetings
 - Developing or updating resource inventory assets in accordance to typed resource definitions issued by the NIMS Integration Center (NIC)
 - Designing tribal geospatial data systems
 - Conducting public education and outreach campaigns, including promoting individual, family and business emergency preparedness; alerts and warnings education; and evacuation plans as well as improvised explosive device (IED) or bombing prevention awareness

- Developing and producing enhanced tribal documents (e.g., Enhanced Tribal Cards (ETCs)) designed to meet the requirements of the Western Hemisphere Travel Initiative (WHTI)
- Developing related terrorism prevention activities including:
 - Developing law enforcement prevention activities, to include participating in designated fusion centers
 - Hiring an IT specialist to plan, develop, and implement the IT applications necessary to share information with a fusion center
 - Participating in information/intelligence sharing groups
 - Integrating and coordinating the sharing of tribal public health care and health security data-gathering (threats to human and animal health) with State and Major Urban Area fusion centers to achieve early warning and mitigation of health events
 - Integrating and coordinating the sharing of information with the private sector
 - Acquiring systems allowing connectivity to Federal, local, State, and tribal, data networks, such as the National Crime Information Center (NCIC) and Integrated Automated Fingerprint Identification System (IAFIS), as appropriate
 - Planning to enhance security during heightened alerts, terrorist incidents, and/or during mitigation and recovery
 - Multi-discipline preparation across the first responder community, including EMS for response to catastrophic events and acts of terrorism
 - Conducting public education campaigns, including promoting individual, family, and business emergency preparedness, promoting the *Ready* campaign, and/or creating tribal, regional, local, State, or tribal preparedness efforts that build upon the *Ready* campaign. Information on the *Ready* campaign can be found online at <http://www.ready.gov/>
 - Evaluating Critical Infrastructure Protection (CIP) security equipment and/or personnel requirements to protect and secure sites
 - CIP cost assessments, including resources (e.g., financial, personnel) required for security enhancements/deployments
 - Multi-Jurisdiction Bombing Prevention Plans (MJBPP)⁷
 - Underwater Terrorist Protection Plans
- Developing and enhancing plans and protocols, including but not limited to:
 - Developing or enhancing EOPs and operating procedures
 - Developing or enhancing tribal strategic or tactical interoperable emergency communications plans

⁷ The tribal entity should examine current bombing prevention and explosive device response capabilities as an important risk reduction activity. An explosive device recognition capability analysis can assist in determining opportunities for increasing the capability to execute steady state and threat initiated tasks to prevent and respond to a bombing incident.

- o Developing protocols or standard operating procedures (SOPs) for specialized teams to incorporate the use of equipment acquired through this grant program
- o Developing terrorism prevention/deterrence plans
- o Developing plans, procedures, and requirements for the management of infrastructure and resources related to THSGP and implementation of Homeland Security Strategies
- o Developing plans for mass evacuation and pre-positioning equipment
- o Developing or enhancing border security plans
- o Developing or enhancing cyber security plans
- o Developing or enhancing secondary health screening protocols at major points of entry (e.g., air, rail, port)
- o Developing or enhancing cyber risk mitigation plans
- o Developing or enhancing agriculture/food security risk mitigation, response, and recovery plans
- o Developing public/private sector partnership emergency response, assessment, and resource sharing plans
- o Developing or enhancing plans to engage and interface with, and to increase the capacity of, private sector/non-governmental entities working to meet the human service response and recovery needs of victims
- o Developing or updating local or regional communications plans
- o Developing plans to support and assist jurisdictions, such as port authorities and rail and mass transit agencies
- o Developing or enhancing continuity of operations (COOP) and continuity of government plans
- o Developing or enhancing existing catastrophic incident response and recovery plans to include and integrate Federal assets provided under the NRF
- o Developing or enhancing evacuation plans
- o Developing mechanisms for utilizing the National Emergency Family Registry and Locator System (NEFRLS)
- o Developing or enhancing citizen surge capacity
- o Developing or enhancing plans for donations and volunteer management and the engagement/integration of private sector/non-governmental entities in preparedness, response, and recovery activities
- o Developing or enhancing Bombing Prevention Plans
- o Developing school preparedness plans
- o Developing preparedness plans for child congregate care facilities, including group residential facilities; juvenile detention facilities; and public/private child care facilities
- o Ensuring jurisdiction EOPs adequately address warnings, emergency public information, evacuation, sheltering, mass care, resource management from non-governmental sources, unaffiliated volunteer and donations management, and volunteer resource integration to support

- o each Emergency Support Function, to include appropriate considerations for special needs populations
 - o Developing and implementing civil rights, civil liberties and privacy policies, procedures, and protocols
 - o Designing and developing tribal geospatial data systems
- Developing or conducting assessments, including but not limited to:
 - o Developing pre-event recovery plans
 - o Conducting point vulnerability assessments at critical infrastructure sites/key assets and develop remediation/security plans
 - o Conducting or updating interoperable emergency communications capabilities assessments at the tribal level
 - o Developing border security operations plans in coordination with U.S. Customs and Border Patrol (CBP)
 - o Updating and refining threat matrices
 - o Conducting cyber risk and vulnerability assessments
 - o Conducting assessments and exercising existing catastrophic incident response and recovery plans and capabilities to identify critical gaps that cannot be met by existing local, State, and tribal resources
 - o Conducting Bombing Prevention Capability Analysis
 - o Activities that directly support the identification of specific catastrophic incident priority response and recovery projected needs across disciplines (e.g., law enforcement, fire, EMS, public health, behavioral health, public works, agriculture, information technology, and citizen preparedness)
 - o Activities that directly support the identification of pre-designated temporary housing sites
 - o Conducting community assessments, surveys, and research of vulnerabilities and resource needs, and determine citizen education and participation to meet the needs
 - o Soft target security planning (e.g., public gatherings)

Training Information and Requirements

1. **Training Information Reporting System (“Web-Forms”).** Web-Forms is an electronic form/data management system built to assist States and their designated Training Point of Contact (TPOC) with the reporting of State and Federal sponsored training supported by THSGP funds. Web-Forms are utilized by the State TPOC and can be accessed through the FEMA Toolkit located at <http://www.firstrespondertraining.gov/admin>.
2. **Types of Training.** FEMA facilitates a host of different training sources:
 - **FEMA Provided Training.** These courses or programs are developed and/or delivered by institutions and organizations funded directly by FEMA. This

includes the Center for Domestic Preparedness (CDP), the National Domestic Preparedness Consortium (NDPC), the Rural Domestic Preparedness Consortium (RDPC), National Emergency Training Center (National Fire Academy and the Emergency Management Institute), and FEMA Training Partners funded through the Competitive and Continuing Training Grant programs.

- **Training Not Provided by FEMA.** Tribes may attend State or Federal sponsored courses under the provision that the course deliveries are coordinated, and approved by the State TPOC, and fall within the FEMA mission scope to prepare personnel to prevent, protect against, respond to, and recover from acts of terrorism or catastrophic events.
- **State Sponsored Courses.** These courses are developed for and/or delivered by institutions or organizations other than Federal entities or FEMA and are sponsored by the State or their designated TPOC.
- **Approved State Sponsored Course Catalog.** This catalog lists State sponsored courses that local, State, tribal, and territorial officials can attend and that fall within the FEMA mission scope and have been approved through the FEMA course review and approval process. An updated version of this catalog can be accessed at <http://www.firstrespondertraining.gov/>.
- **Federal Sponsored Courses.** This catalog lists courses developed for and/or delivered by institutions funded by Federal entities other than FEMA.
- **Approved Federal Sponsored Course Catalog.** This catalog lists Federal-sponsored courses that local, State, tribal, and territorial officials can attend and that fall within the FEMA mission scope, and have been approved through the FEMA course review and approval process. An updated version of this catalog can be accessed at <http://www.firstrespondertraining.gov/>.

FEMA Provided Training. FEMA funds the direct delivery of a variety of courses that tribes can request to meet training needs. These courses are listed in the FEMA approved course catalog listed at <http://www.firstrespondertraining.gov/>.

Each FEMA training partner should be directly contacted by the designated State TPOC to schedule direct deliveries of course in locations that are appropriate for the training. Tribes are required to coordinate all FEMA provided training through their respective State TPOC. When the direct delivery funds are exhausted, the training partner can continue to offer the classes to the States and tribes through one of two methods - the Voluntary Training Enhancement Program (VTEP) or the Excess Delivery Acquisition Program (EDAP).

VTEP is a voluntary program designed to increase flexibility for tribes while enhancing FEMA's training delivery capability and complementing the current training partner pool. Funding from previous fiscal years **may** be used to support a State or tribe's implementation of this program. Through VTEP, the tribe has the authority to adopt various Training and Exercise Integration / Training Operations (TEI/TO) provided programs for delivery by institutions within its jurisdictions, and designate institutions as recognized providers for the identified standardized curriculum.

EDAP allows a FEMA training partner to charge for a course delivery when the Federal grant that developed the program is completed or more deliveries of a requested class are needed than the grant funds can accommodate. This cost per class is approved by FEMA so that States or tribes pay for the cost of instruction only, not the curriculum development costs that were paid by FEMA training grant funds. THSGP funds can be used to pay for the delivery of these classes to a tribe at the request of the State TPOC.

Attending Training Not Provided by FEMA (State or Federal Sponsored Courses).

Local, State, tribal, and territorial governments are not required to request approval from FEMA for personnel to attend training not provided by FEMA (State or Federal sponsored courses) provided that the training is coordinated with and approved by the tribe and State TPOC and falls within the FEMA mission scope and the tribe's EOP and strategy of preparing personnel or citizens to prevent, protect against, respond to, and recover from acts of terrorism or catastrophic events.

Tribes are required to submit training information to the State TPOC within 30 days after attendance. State TPOC's will submit attendance data into Web-Forms on all training not provided by FEMA, but supported with THSGP funds. This information will consist of the course title, course description, mission area, level of training, training provider, date of the course, number and associated disciplines of the individuals, and sponsoring jurisdiction. Tribes intending to use THSGP funds to support attendance at training not provided by FEMA must ensure these courses:

- Fall within the FEMA mission scope to prepare tribes to prevent, protect against, respond to, and recover from acts of terrorism and catastrophic events
- Build additional capabilities that: (a) support a specific training need identified by the tribe, and (b) comport with the State, tribe, or territory Homeland Security Strategy
- Address specific tasks and/or competencies articulated in FEMA's *Emergency Responder Guidelines* and the *Homeland Security Guidelines for Prevention and Deterrence*
- Address specific capabilities and related tasks articulated in the September 2007 version of the TCL
- Support the specific program training activities identified in the THSGP for which the funding will be used
- Comport with all applicable Federal, local, State, and tribal regulations, certifications, guidelines, and policies deemed appropriate for the type and level of training

In support of the continuing efforts to build common catalogs of approved training not provided by FEMA, the State TPOC will be allowed three deliveries of the same course within their respective State (to include tribes) before the course is required to go through the FEMA course review and approval process. Additional course deliveries will be authorized during the review period. However, if the course is disapproved as part of the process, no additional FEMA funds can be dedicated to attending the course.

State and Federal-Sponsored Course Catalogs. Courses approved by FEMA will be added to either the State Sponsored Course Catalog or the Federal Sponsored Course Catalog. Courses identified within these catalogs may be attended on an unlimited basis within any State/territory/tribe as long as the training is coordinated and approved by the State TPOC. A full description of the FEMA Course Development, Review, and Approval Process, as well as the approved course catalogs, can be found at <http://www.firstrespondertraining.gov/>.

FEMA will respond to the initial request for review within 15 days with one of the following outcomes:

- Course concept is approved as consistent with the State and/or tribal plan and the tribe should submit the full course package (through the State TPOC) for subject matter expert review and comment
- Course concept is disapproved as inconsistent with the tribal plan, FEMA guidance, or is exactly the same as another course in the catalog (no need for another approval, refer to the curriculum already developed and approved)

At any time, the State TPOC (for State-sponsored courses) or the Federal Agency POC (for Federal sponsored courses) may request the addition of a course to the corresponding approved catalog by submitting the associated Web-Form (i.e., Request for Addition to the Approved Tribe Sponsored Catalog) for review. If a class on the same subject is already in the catalog, the submitting tribe (coordinated through the State) should provide documentation as to why the course is unique, after contacting the owner(s) of the other courses to review the curriculum. This step is required to avoid unnecessary duplication of similar courses in the catalog, allow States and/or tribes to share course development costs, permit all States and tribes to have access to new or unique courses developed by other providers, and allow States and tribes to direct their training dollars to delivery rather than development. If it is determined that the proposed course meets the above listed criteria, the providing entity (State TPOC or Federal Agency POC) will be invited to submit the Course Review and Approval Request Form along with all supporting training materials.

For further information on developing courses using the instructional design methodology and tools that can facilitate the process, tribes and State TPOCs are encouraged to review the FEMA Strategy for Blended Learning and access the Responder Training Development Center (RTDC) available at <http://www.firstrespondertraining.gov/>.

FEMA funds must be used to supplement, not supplant, existing funds that have been appropriated for the same purpose. FEMA will conduct periodic reviews of all tribal training funded by FEMA. These reviews may include requests for all course materials and physical observation of, or participation in, the funded training. If these reviews determine that courses are outside the scope of this guidance, grantees will be asked to repay grant funds expended in support of those efforts.

Allowable Training Costs

Allowable training-related costs include, but are not limited to, the following:

- **Developing, Delivering, and Evaluating Training** – This includes costs related to administering the training, planning, scheduling, facilities, materials and supplies, reproduction of materials, and equipment.
- **Overtime and Backfill** – The entire amount of overtime costs, including payments related to backfilling personnel, which are the direct result of attendance at FEMA and/or approved training courses and programs, are allowable. These costs are allowed only to the extent the payment for such services is in accordance with the policies of the local or State unit(s) of government and has the approval of the State or the awarding agency, whichever is applicable. In no case is dual compensation allowable. That is, an employee of a unit of government may not receive compensation from their unit or agency of government AND from an award for a single period of time (e.g., 1:00 p.m. to 5:00 p.m.), even though such work may benefit both activities.
- **Travel** – Costs are allowable as expenses by employees who are on travel status for official business related to approved training.
- **Hiring of Full or Part-Time Staff or Contractors/Consultants** – Full or part-time staff may be hired to support training-related activities. Payment of salaries and fringe benefits must be in accordance with the policies of the tribe and have the approval of the awarding agency, whichever is applicable. Such costs must be included within the funding allowed for program management personnel expenses. In no case is dual compensation allowable (see above).
- **Certification/Recertification of Instructors** – Certification and/or recertification of instructors is an allowable cost. Tribes are encouraged to follow the FEMA Instructor Quality Assurance Program to ensure a minimum level of competency and corresponding levels of evaluation of student learning. This is particularly important for those courses that involve training of trainers. This information is contained in Information Bulletin #193, issued October 20, 2005.

Exercise Requirements

1. **Training and Exercise Plan Workshop.** Tribes are required to conduct an annual Training and Exercise Plan Workshop (TEPW) in accordance with HSEEP Guidance located at <https://hseep.dhs.gov>. In lieu of a Tribal TEPW, tribes may participate in a State and/or regional TEPW if coordinated with the appropriate State(s) in advance. A Multi-year Training and Exercise Plan (TEP) must be produced from the T&EPW and submitted to the tribe's respective Exercise Manager and Program Analyst. This plan must be updated annually. The plan and the schedule must be submitted to FEMA Grants Community of Interest (COI) on the HSIN website <https://portal.hsin.gov> within 90 days of the TEPW, and

should reflect all exercises that are being conducted by the tribe. All scheduled training and exercises must be entered in the National Exercise Schedule (NEXS) located in the HSEEP Toolkit on the HSEEP website <https://hseep.dhs.gov>. A template of the Multi-year TEP may be found in the HSEEP Library located at <https://hseep.dhs.gov>.

Tribes must complete a cycle of exercise activity during the period of this grant. Tribes are encouraged to use exercises as an opportunity to meet the requirements of multiple exercise programs. To this end, grantees are encouraged to invite representatives/planners involved with other Federally-mandated or private exercise activities. Tribes are encouraged to share, at a minimum, the multi-year TEP with those departments, agencies, and organizations included in the plan, and TEPs must be coordinated with the appropriate State(s).

Further guidance concerning Training and Exercise Plan Workshops can be found in the HSEEP Guidance.

- 2. Exercise Scenarios.** The scenarios used in THSGP-funded exercises must be based on the tribe's Homeland Security Strategy and plans. Acceptable scenarios for THSGP exercises include: chemical, biological, radiological, nuclear, explosive, cyber, agricultural, and natural or technological disasters. Exercise scenarios must be catastrophic in scope and size, as defined by the *National Response Framework*.

The scenarios used in THSGP-funded exercises must focus on validating existing capabilities and be large enough in scope and size to exercise multiple tasks and warrant involvement from multiple jurisdictions and disciplines and non-governmental organizations. Exercise scenarios should also be based on the Multi-year Training and Exercise Plan.

- 3. Special Event Planning.** If a tribe will be hosting a special event (e.g., Super Bowl, G-8 Summit) they are approved to participate in a Tier I or Tier II exercise as approved by the National Exercise Program (NEP) Executive Steering Committee per the NEP Implementation Plan, they should plan to use SHSP funding to finance training and exercise activities in preparation for those events. Tribes should also anticipate participating in at least one Regional Exercise annually. Tribes must include all confirmed or planned special events in the Multi-year Training and Exercise Plan.
- 4. Exercise Evaluation.** All exercises will be capabilities and performance-based and evaluated using Exercise Evaluation Guides (EEGs) found on the HSEEP website at <https://hseep.dhs.gov>. An After-Action Report/Improvement Plan (AAR/IP) must be prepared and submitted to the FEMA Grant Community of Interest (COI) on the HSIN website at <https://portal.hsin.gov> within 90 days, following every exercise, regardless of type or scope. All applicants are encouraged to use the Lessons Learned Information Sharing System (LLIS)

located at <http://www.llis.gov> as a source for lessons learned and to exchange best practices.

5. **Self-Sustaining Exercise Programs.** Tribes are expected to develop a self-sustaining exercise program. A self-sustaining exercise program is one that is successfully able to implement, maintain, and oversee the Multi-year Training and Exercise Plan, including the development and delivery of THSGP-funded exercises. The program must utilize a multi-disciplinary approach to the development and delivery of exercises, and build upon existing plans, training, and equipment.
6. **Role of Non-Governmental Entities in Exercises.** Non-governmental participation in all levels of exercises is strongly encouraged. Leaders from non-governmental entities should be included in the planning, conduct, and evaluation of an exercise. Tribal jurisdictions are encouraged to develop exercises that test the integration and use of non-governmental resources provided by non-governmental entities, defined as the private sector and private non-profit, faith-based, community, volunteer, and other non-governmental organizations. Non-governmental participation in exercises should be coordinated with the local Citizen Corps Council(s).

Allowable Exercise Costs

Allowable exercise-related costs include:

- **Funds Used to Design, Develop, Conduct, and Evaluate an Exercise.** Includes costs related to planning, meeting space and other meeting costs, facilitation costs, materials and supplies, travel, and documentation. Use of government facilities to conduct meetings and conferences is encouraged whenever possible.
- **Hiring of Full or Part-Time Staff or Contractors/Consultants.** Full or part-time staff may be hired to support exercise-related activities. Such costs must be included within the funding allowed for program management personnel expenses. The applicant's formal written procurement policy or the Federal Acquisition Regulations (FAR) – whichever is more stringent – must be followed. In no case is dual compensation allowable.
- **Overtime and Backfill.** The entire amount of overtime costs, including payments related to backfilling personnel, which are the direct result of time spent on the design, development, and conduct of exercises are allowable expenses. These costs are allowed only to the extent the payment for such services is in accordance with the policies of the local or State unit(s) of government and has the approval of the State or the awarding agency, whichever is applicable. In no case is dual compensation allowable. That is, an employee of a unit of government may not receive compensation from their unit or agency of government and from an award for a single period of time (e.g., 1:00 p.m. to 5:00 p.m.), even though such work may benefit both activities.
- **Travel.** Travel costs are allowable as expenses by employees who are on travel status for official business related to the planning and conduct of exercise

project(s) or HSEEP programmatic requirements as described in the HSEEP website (e.g. Improvement Plan Workshops, Training and Exercise Plan Workshops).

- **Supplies.** Supplies are items that are expended or consumed during the course of the planning and conduct of the exercise project(s) (e.g., copying paper, gloves, tape, non-sterile masks, and disposable protective equipment).
- **Other Items.** These costs include the rental of equipment (e.g., portable toilets, tents), food, refreshments, gasoline, exercise signs, badges, etc.

Unauthorized Exercise Costs

Unauthorized exercise-related costs include:

- Reimbursement for the maintenance and/or wear and tear costs of general use vehicles (e.g., construction vehicles) and emergency response apparatus (e.g., fire trucks, ambulances)
- Equipment that is purchased for permanent installation and/or use beyond the scope of exercise conduct (e.g., electronic messaging signs)

Section B – Allowable Planning, Training, and Exercise Examples Specific to Law Enforcement Terrorism Prevention-oriented Activities

Planning Activity Examples

Participation in Fusion Centers

- Participation in or assigning a liaison to designated State or Major Urban Area fusion centers
- Hiring an IT specialist to plan, develop, and implement the IT applications necessary to share information with a fusion center
- Participation in information/intelligence sharing groups

Other Allowable Planning Activity Examples:

- Developing mass evacuation plans
- Conducting point vulnerability analyses and assessments
- Soft target security planning (e.g., public gatherings)
- Developing border security operations plans in coordination with CBP
- Updating and refining threat matrices
- Integrating and coordinating the sharing of information with the private sector
- Developing and implementing civil rights, civil liberties and privacy policies, procedures, and protocols
- Acquiring systems allowing connectivity to data networks, such as the National Crime Information Center (NCIC) and Integrated Automated Fingerprint Identification System (IAFIS), as appropriate
- Designing and developing tribal geospatial data systems
- Costs associated with the adoption, implementation, and adherence to NIMS compliance requirements including implementing the NIMS National Credentialing Framework

Training Activity Examples

Law Enforcement Terrorism Prevention Protection-oriented funds may be used for a range of law enforcement terrorism prevention related training activities to enhance the capabilities of tribal personnel including the following:

Participation in Fusion Centers. Grant funds may be used to support intelligence analyst training in the following manners:

- **Participation in DHS Approved Intelligence Analyst Training.** Tribes wishing to develop or sponsor intelligence analyst courses for a national audience should submit courses to FEMA for review and approval in accordance with the process

outlined in Parts VI and VII of this guidance document. The list of approved courses will be constantly updated and can be accessed in the FEMA catalog at http://www.firstrespondertraining.gov/odp_webforms.

- **Limited Participation in non-FEMA Approved Intelligence Analyst Training.** Tribes may send students to attend non-approved intelligence analysis courses for up to three offerings in accordance with the training process outlined in Parts VI and VII of this guidance document.

A certificate of completion of all intelligence analyst training must be on file with the tribe and must be made available to FEMA Headquarters Program Analysts upon request upon the hiring of personnel.

Additional Allowable Training Activities

Allowable costs include training courses that focus on:

- Building information sharing capacities (especially among law enforcement, non-law enforcement, other government agencies, and the private sector)
- Methods of target hardening
- Facility law enforcement security personnel, to include facilities, vessels and ports
- CBRNE, agriculture, and cyber threats
- History of terrorism and social environments contributing to threats
- Surveillance and counter-surveillance techniques
- Privacy, civil rights, and civil liberties regulations, policies, procedures, and protocols
- Critical Infrastructure Protection training to include identifying/assessing critical infrastructure assets, vulnerabilities, and threats
- Cyber/agriculture/food security threats recognition and protective measures training
- Cultural awareness training for community engagement activities and undercover operations related to terrorist organizations
- Languages such as Arabic, Urdu, or Farsi which are spoken by known terrorists and terrorist organizations
- Utilizing National Virtual Translation Center (NVTC) services
- Joint training with other homeland security entities (e.g., U.S. Secret Service, CBP)
- Use of interoperable communications equipment
- Collection, analysis, mapping, integration, and dissemination of geospatial data and imagery
- Geospatial database use, design, development, and management training
- Volunteer participation to support law enforcement and community policing activities related to increased citizen awareness of terrorism activities, to include the Volunteers in Police Service and Neighborhood Watch programs

Exercise Activity Examples

Law enforcement terrorism prevention protection-oriented funds may be used to design, develop, conduct, and evaluate terrorism prevention-related exercises, including the following:

- Exercises to evaluate the effectiveness of information sharing plans, policies, procedures, and protocols
- Exercises to evaluate NIMS implementation. This includes costs associated with exercising components of the NIMS National Credentialing Framework
- Exercises to evaluate facility and/or vessel security protection
- Exercises to evaluate area maritime security protection
- Exercises to evaluate threat recognition capabilities
- Exercises to evaluate cyber security capabilities
- Exercises to evaluate agricultural/food security capabilities
- Exercises to evaluate prevention readiness and techniques
- “Red Team” (e.g., force on force) exercises
- Interoperable communications exercises
- Critical infrastructure vulnerability, protection, and/or attack exercises

Where practical, these exercises should involve the public sector, non-governmental partners, trained citizen volunteers, and the general public. Tribes should work with their Citizen Corps Councils to include volunteers from programs such as Volunteers in Police Service, Neighborhood Watch, and the general public. Tribes can find the contact information for their local Citizen Corps Councils at <http://www.citizencorps.gov/>.

Section C – THSGP Application “Investment Justification” Template and Instructions

Investment Justification Application Instructions

Tribes must use the Excel-based THSGP IJ Template for their FY 2010 THSGP application submission. If using a more recent version of Excel (e.g., Excel 2007) applicants should save the final version of the Investment Justification in the Excel 2003 format before submitting. The THSGP Investment Justification Template can be found at <http://www.fema.gov/grants> or www.grants.gov.

When applying for THSGP funding, it is strongly recommended that tribes use the name of the tribe as listed in the Federal Register, which can be found at <http://edocket.access.gpo.gov/2009/pdf/E9-19124.pdf>. Applicants can also contact the Centralized Scheduling and Information Desk (CSID) to confirm the tribe name as listed in the Federal Register. CSID can be reached by phone at (800) 368-6498 or by e-mail at ASKCSID@dhs.gov, Monday through Friday, 8:00 a.m. – 6:00 p.m. EST.

After the THSGP IJ Template has been completed in Excel, please upload the IJ Template as an attachment with the other required application materials (see Part IV) to www.grants.gov no later than 11:59 p.m. EDT April 19, 2010.

The Investment Justifications (IJs) will be reviewed according to the following criteria:

FY 2010 THSGP Investment Justification Outline

Individual Investment Level

QUESTION	SCORING CRITERIA
INVESTMENT INFORMATION	
<p>Investment Heading:</p> <ul style="list-style-type: none"> • Investment number and name • Tribe name 	<p>The information provided is not scored.</p>
BASELINE	
<p>I. Baseline – Previous THSGP Request Name and Funding:</p> <p><u>I.A. New or Ongoing:</u> If the Investment is ongoing, identify the corresponding: o FY 2008 - 2009 Investment Name(s) and Funding Amount(s) for each year, as applicable. (100 char. max per Investment name)</p>	<p>The information provided is not scored.</p>
STRATEGY (25%)	
<p>II. Strategy:</p> <p><u>II.A. Strategy - Investment Description:</u> Provide a description of this Investment and explain how the Investment supports your tribal homeland security strategy or similar plan. (2,500 char. max)</p> <p><u>II.B. Strategy – National Priorities:</u> Identify up to four National Priorities that are supported by this Investment.</p>	<p>Response provides a clear description of the Investment.</p> <p>The response will be evaluated based on how well the Investment contributes to building and/or sustaining at least one capability to prevent, protect against, respond to, or recover from acts of terrorism.</p>

Individual Investment Level (continued)

QUESTION	SCORING CRITERIA
FUNDING AND TARGET CAPABILITIES (25%)	
<p>III. Funding and Target Capabilities:</p> <p><u>III.A. Funding:</u> Provide the FY 2010 proposed THSGP funding amount for this Investment</p> <p><u>III.B. Target Capabilities:</u> From the 37 Target Capabilities, select all Target Capabilities supported by this Investment.</p> <p><u>III.C. Proposed Funding by Target Capabilities:</u> For each of the selected Target Capabilities, provide the proposed funding amount to be obligated from this Investment.</p> <p><u>III.D. Proposed Funding by Solution Area:</u> Provide the proposed funding amount to be obligated from this Investment towards Planning, Organization, Equipment, Training, and Exercises.</p> <p><u>III.E. Law Enforcement Terrorism Prevention Activities Funding (LETPA):</u> Provide the proposed funding amount that is expected to be obligated towards LETPA.</p> <p><u>III.F. Optional Cost Share:</u> If desired, provide the optional cost share source and funding amount for this Investment.</p>	<p>The response will be evaluated based on how well it demonstrates a comprehensive understanding of how the Investment supports the identified Target Capabilities.</p> <p>Effectiveness scores and allocations will not be impacted by an applicant's willingness to contribute optional cost share funds.</p>

Individual Investment Level (continued)

QUESTION	SCORING CRITERIA
PROJECT MANAGEMENT (25%)	
<p>IV. Project Management:</p> <p><u>IV. Project Management:</u> Identify up to ten milestones, with start and end dates, that will be achieved within the three-year, FY 2010 THSGP period of performance. Depending on the timing of award allocations, the FY 2010 period of performance is estimated to occur from approximately September 2010 - September 2013.</p>	<p>The response will be evaluated based on how well the identified milestones demonstrate progress toward achieving the Investment.</p>

Investment Justification (IJ) Level

QUESTION	SCORING CRITERIA
PORTFOLIO OF INVESTMENTS (25%)	
<p>All Investments will be evaluated together.</p>	<p>All Investments included as part of the applicant's Investment Justification will also be evaluated based on how well the proposed Investments present a coordinated portfolio.</p>

Section D – Match Guidance

FY 2010 Match Guidance

Introduction

Determining match for the purposes of submitting grant applications to any Federal Agency should be a coordinated process at the State and local level. It is highly recommended that programmatic staff at the State and local level consult with their financial staff prior to submitting any grant applications, especially those that identify cash or in-kind match.

Types of Match

- 1. Cash Match.** Cash (hard) match includes non-Federal cash spent for project-related costs, according to the program guidance. Allowable cash match must only include those costs which are in compliance with 2 CFR Part 225, *Cost Principles for State, Local, and Indian Tribal Governments* (OMB Circular A-87) and 44 CFR Part 13, *Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*.
- 2. In-kind Match.** In-kind (soft) match includes, but is not limited to, the valuation of in-kind services. “In-kind” is the value of something received or provided that does not have a cost associated with it. For example, if in-kind match (other than cash payments) is permitted, then the value of donated services could be used to comply with the match requirement. Also, third party in-kind contributions may count toward satisfying match requirements provided the grantee receiving the contributions expends them as allowable costs in compliance with 2 CFR Part 225, *Cost Principles for State, Local, and Indian Tribal Governments* (OMB Circular A-87) and 44 CFR Part 13, *Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*.

Definitions

- **Matching or Cost Sharing.** This means the value of the third party in-kind contributions and the portion of the costs of a federally-assisted project or program not borne by the Federal Government. All cost-sharing or matching funds claimed against a FEMA grant by State, local or Tribal governments must meet the requirements of the program guidance and/or program regulations, 44 CFR § 13, and 2 CFR § 225.
- **Cash Match (hard).** This includes cash spent for project-related costs under a grant agreement. Allowable cash match must include only those costs which are allowable with Federal funds in compliance with the program guidance and/or program regulations, 44 CFR § 13, and 2 CFR § 225.
- **In-kind Match (soft).** This means contributions of the reasonable value of property or services in lieu of cash which benefit a federally-assisted project or program. This type of match may only be used if not restricted or prohibited by

program statute, regulation or guidance and must be supported with source documentation. Only property or services that are in compliance with program guidance and/or program regulations, 44 CFR § 13, and 2 CFR § 225, are allowable.

Basic Guidelines

- For costs to be eligible to meet matching requirements, the costs must first be allowable under the grant program.
- The costs must also be in compliance with all Federal requirements and regulations (e.g., 44 CFR Part 13 and 2 CFR Part 225); the costs must be reasonable, allowable, allocable, and necessary.
- Records for all expenditures relating to cost sharing or matching must be kept in the same manner as those for the grant funds.
 - The following documentation is required for third-party cash and in-kind contributions: Record of donor; Dates of donation; Rates for staffing, equipment or usage, supplies, etc.; Amounts of donation; and Deposit slips for cash contributions. According to 44 CFR § 13.24, this documentation is to be held at the Applicant and/or subapplicant level.
- Except as provided by Federal statute, a cost sharing or matching requirement may not be met by costs borne by another Federal grant.
- The source of the match funds must be identified in the grant application.
- Every item must be verifiable, i.e., tracked and documented.
- Any claimed cost share expense can only be counted once.

Examples *(For additional examples of match, please contact your State finance office)*

- The Emergency Management Director has 50% of his/her salary paid from State funds and 50% paid from Federal grant funds, but he/she provides 60% effort in the Federal grant program that only pays 50% salary. The additional 10% of effort/time toward the Federal grant program can be claimed as soft match. All record keeping requirements to prove the 60% time allocation apply.
- Non-Federally funded equipment or facilities used during exercises can be claimed as soft match, but only at the time of donation. For example, only the fair market price for the use of the facility for the period of the exercise can be claimed as match.
- Third party in-kind contributions of salary, travel, equipment, supplies and other budget areas that are from third party sources must be in compliance with 44 CFR § 13.24, *Matching or Cost Sharing*. These types of contributions include voluntary contributions such as emergency personnel, lawyers, etc., who donate their time to a Federal grant program. The normal per hour rate for these professionals (acting in their professional capacity) can be used to meet the matching requirement. The value of the services provided is taken into consideration when determining the value of the contribution - not who is providing the service. For example, if a lawyer is volunteering his services to assist flood victims in filing legal paper work,

the lawyer's normal hourly rate is allowable. If the lawyer is volunteering his services and is working in a soup kitchen, the lawyer's hourly rate would not be applicable; it would be the hourly rate for a soup kitchen worker.

Governing Provisions

- 44 CFR Part 13, *Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*
 - Reference 44 CFR § 13.24, *Matching or Cost Sharing*
- 2 CFR Part 225, *Cost Principles for State, Local, and Indian Tribal Governments* (OMB Circular A-87)
- Program Guidance and/or Program Regulations

44 CFR Part 13, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments

44 CFR § 13.24, Matching or Cost Sharing.

(a) Basic rule: Costs and contributions acceptable. With the qualifications and exceptions listed in paragraph (b) of this section, a matching or cost sharing requirement may be satisfied by either or both of the following:

- (1) Allowable costs incurred by the grantee, subgrantee or a cost-type contractor under the assistance agreement. This includes allowable costs borne by non-Federal grants or by others cash donations from non-Federal third parties.
- (2) The value of third party in-kind contributions applicable to the period to which the cost sharing or matching requirements applies.

(b) Qualifications and exceptions:

- (1) Costs borne by other Federal grant agreements. Except as provided by Federal statute, a cost sharing or matching requirement may not be met by costs borne by another Federal grant. This prohibition does not apply to income earned by a grantee or subgrantee from a contract awarded under another Federal grant.
- (2) General revenue sharing. For the purpose of this section, general revenue sharing funds distributed under 31 U.S.C. 6702 are not considered Federal grant funds.
- (3) Cost or contributions counted towards other Federal costs-sharing requirements. Neither costs nor the values of third party in-kind contributions may count towards satisfying a cost sharing or matching requirement of a grant agreement if they have been or will be counted towards satisfying a cost sharing or matching requirement of another Federal grant agreement, a Federal procurement contract, or any other award of Federal funds.
- (4) Costs financed by program income. Costs financed by program income, as defined in § 13.25, shall not count towards satisfying a cost sharing or matching requirement unless they are expressly permitted in the terms of the assistance agreement (This use of general program income is described in § 13.25 (g)).

- (5) Services or property financed by income earned by contractors. Contractors under a grant may earn income from the activities carried out under the contract in addition to the amounts earned from the party awarding the contract. No costs of services or property supported by this income may count toward satisfying a cost sharing or matching requirement unless other provisions of the grant agreement expressly permit this kind of income to be used to meet the requirement.
- (6) Records. Costs and third party in kind contributions counting towards satisfying a cost sharing or matching requirement must be verifiable from the records of grantees and subgrantees or cost- type contractors. These records must show how the value placed on third party in-kind contributions was derived. To the extent feasible, volunteer services will be supported by the same methods that the organization uses to support the allocability of regular personnel costs.
- (7) Special standards for third party in kind contributions.
 - (i) Third party in kind contributions count towards satisfying a cost sharing or matching requirement only where, if the party receiving the contributions were to pay for them, the payments would be allowable costs.
 - (ii) Some third party in-kind contributions are goods and services that if the grantee, subgrantee, or contractor receiving the contribution had to pay for them, the payments would have been an indirect costs. Costs sharing or matching credit for such contributions shall be given only if the grantee, subgrantee, or contractor has established, along with its regular indirect cost rate, a special rate for allocating to individual projects or programs the value of the contributions.
 - (iii) A third party in-kind contribution to a fixed-price contract may count towards satisfying a cost sharing or matching requirement only if it results in:
 - (A) An increase in the services or property provided under the contract (without additional cost to the grantee or subgrantee); or
 - (B) A cost savings to the grantee or subgrantee.
 - (iv) The values placed on third party in kind contributions for cost sharing or matching purposes will conform to the rules in the succeeding sections of this part. If a third party in-kind contribution is a type not treated in those sections, the value placed upon it shall be fair and reasonable.

(c) Valuation of donated services:

- (1) Volunteer services. Unpaid services provided to a grantee or subgrantee by individuals will be valued at rates consistent with those ordinarily paid for similar work in the grantee's or subgrantee's organization. If the grantee or subgrantee does not have employees performing similar work, the rates will be consistent with those ordinarily paid by other employers for similar work in the same labor market. In either case, a reasonable amount for fringe benefits may be included in the valuation.
- (2) Employees of other organizations. When an employer other than a grantee, subgrantee, or cost-type contractor furnishes free of charge the services of an employee in the employee's normal line of work, the services will be valued at

the employee's regular rate of pay exclusive of the employee's fringe benefits and overhead costs. If the services are in a different line of work, paragraph(c)(1) of this section applies.

(d) Valuation of third party donated supplies and loaned equipment or space:

- (1) If a third party donates supplies, the contribution will be valued at the market value of the supplies at the time of donation.
- (2) If a third party donates the use of equipment or space in a building but retains title, the contribution will be valued at the fair rental rate of the equipment or space.

(e) Valuation of third party donated equipment, buildings, and land. If a third party donates equipment, buildings, or land, and title passes to a grantee or subgrantee, the treatment of the donated property will depend upon the purpose of the grant or subgrant, as follows:

- (1) Awards for capital expenditures. If the purpose of the grant or subgrant is to assist the grantee or subgrantee in the acquisition of property, the market value of that property at the time of donation may be counted as cost sharing or matching,
- (2) Other awards. If assisting in the acquisition of property is not the purpose of the grant or subgrant, paragraphs (e)(2) (i) and (ii) of this section apply:
 - (i) If approval is obtained from the awarding agency, the market value at the time of donation of the donated equipment or buildings and the fair rental rate of the donated land may be counted as cost sharing or matching. In the case of a subgrant, the terms of the grant agreement may require that the approval be obtained from the Federal agency as well as the grantee. In all cases, the approval may be given only if a purchase of the equipment or rental of the land would be approved as an allowable direct cost. If any part of the donated property was acquired with Federal funds, only the non-Federal share of the property may be counted as cost sharing or matching.
 - (ii) If approval is not obtained under paragraph (e)(2)(i) of this section, no amount may be counted for donated land, and only depreciation or use allowances may be counted for donated equipment and buildings. The depreciation or use allowances for this property are not treated as third party in-kind contributions. Instead, they are treated as costs incurred by the grantee or subgrantee. They are computed and allocated (usually as indirect costs) in accordance with the cost principles specified in § 13.22, in the same way as depreciation or use allowances for purchased equipment and buildings. The amount of depreciation or use allowances for donated equipment and buildings is based on the property's market value at the time it was donated.

(f) Valuation of grantee or subgrantee donated real property for construction/ acquisition. If a grantee or subgrantee donates real property for a construction or facilities acquisition project, the current market value of that property may be counted as cost sharing or matching. If any part of the donated property was acquired with Federal funds, only the non-Federal share of the property may be counted as cost sharing or matching.

(g) Appraisal of real property. In some cases under paragraphs (d), (e), and (f) of this section, it will be necessary to establish the market value of land or a building or the fair rental rate of land or of space in a building. In these cases, the Federal agency may require the market value or fair rental value be set by an independent appraiser, and that the value or rate be certified by the grantee. This requirement will also be imposed by the grantee on subgrantees.

2 CFR Part 225, Cost Principles for State, Local, and Indian Tribal Governments (OMB Circular A-87)

Basic Guidelines

- 1. Factors affecting allowability of costs.** To be allowable under Federal awards, costs must meet the following general criteria:
 - a. Be necessary and reasonable for proper and efficient performance and administration of Federal awards.
 - b. Be allocable to Federal awards under the provisions of 2 CFR Part 225.
 - c. Be authorized or not prohibited under State or local laws or regulations.
 - d. Conform to any limitations or exclusions set forth in these principles, Federal laws, terms and conditions of the Federal award, or other governing regulations as to types or amounts of cost items.
 - e. Be consistent with policies, regulations, and procedures that apply uniformly to both Federal awards and other activities of the governmental unit.
 - f. Be accorded consistent treatment. A cost may not be assigned to a Federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.
 - g. Except as otherwise provided for in 2 CFR Part 225, be determined in accordance with generally accepted accounting principles.
 - h. Not be included as a cost or used to meet cost sharing or matching requirements of any other Federal award in either the current or a prior period, except as specifically provided by Federal law or regulation.
 - i. Be the net of all applicable credits.
 - j. Be adequately documented.
- 2. Reasonable costs.** A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. The question of reasonableness is particularly important when governmental units or components are predominately federally-funded. In determining reasonableness of a given cost, consideration shall be given to:
 - a. Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the governmental unit or the performance of the Federal award.
 - b. The restraints or requirements imposed by such factors as: Sound business practices; arm's-length bargaining; Federal, State and other laws and regulations; and, terms and conditions of the Federal award.

- c. Market prices for comparable goods or services.
- d. Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the governmental unit, its employees, the public at large, and the Federal Government.
- e. Significant deviations from the established practices of the governmental unit which may unjustifiably increase the Federal award's cost.

3. Allocable costs.

- a. A cost is allocable to a particular cost objective if the goods or services involved are chargeable or assignable to such cost objective in accordance with relative benefits received.
- b. All activities which benefit from the governmental unit's indirect cost, including unallowable activities and services donated to the governmental unit by third parties, will receive an appropriate allocation of indirect costs.
- c. Any cost allocable to a particular Federal award or cost objective under the principles provided for in 2 CFR Part 225 may not be charged to other Federal awards to overcome fund deficiencies, to avoid restrictions imposed by law or terms of the Federal awards, or for other reasons.
- d. Where an accumulation of indirect costs will ultimately result in charges to a Federal award, a cost allocation plan will be required as described in Appendices C, D, and E to this part.

4. Applicable credits.

- a. Applicable credits refer to those receipts or reduction of expenditure-type transactions that offset or reduce expense items allocable to Federal awards as direct or indirect costs. Examples of such transactions are: Purchase discounts, rebates or allowances, recoveries or indemnities on losses, insurance refunds or rebates, and adjustments of overpayments or erroneous charges. To the extent that such credits accruing to or received by the governmental unit relate to allowable costs, they shall be credited to the Federal award either as a cost reduction or cash refund, as appropriate.
- b. In some instances, the amounts received from the Federal Government to finance activities or service operations of the governmental unit should be treated as applicable credits. Specifically, the concept of netting such credit items (including any amounts used to meet cost sharing or matching requirements) should be recognized in determining the rates or amounts to be charged to Federal awards.