

WEST VIRGINIA

Homeland Security Program

SUB-GRANT ADMINISTRATIVE MANUAL



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**James W. Spears, Cabinet Secretary
West Virginia Department of Military Affairs and Public Safety**

Homeland Security State Administrative Agency (SAA)

PREFACE

This manual provides procedures for the administration of Homeland Security Sub-grants issued from the West Virginia Homeland Security State Administrative Agency (SAA). When revisions and corrections are deemed necessary, appropriately changed pages will be issued.

The staff of SAA will be pleased to discuss any questions/issues which are not adequately covered in this manual and will be receptive to recommendations that might make the administration of grant funds easier and more efficient. Questions that arise during the grant cycle that have not been previously addressed should be discussed with the SAA before any action is taken. For further information, clarification, materials, or submission of ideas, please contact the SAA.

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TABLE OF CONTENTS

PREFACE

CHAPTER 1 GENERAL INFORMATION

CHAPTER 2 APPLICATION PROCESS

CHAPTER 3 MATCHING FUNDS

CHAPTER 4 ALLOWABILITY OF COSTS

CHAPTER 5 SUB-GRANTEE REPORTING

CHAPTER 6 ACCOUNTING AND PROGRAM RECORDS

CHAPTER 7 GENERAL FISCAL AND ADMINISTRATIVE
REQUIREMENTS

CHAPTER 8 PROCUREMENT

CHAPTER 9 EQUIPMENT MANAGEMENT STANDARDS

CHAPTER 10

MONITORING

APPENDIX A

FORMS

Chapter 1

GENERAL INFORMATION

A. Description

A federally funded program, which assists state and local emergency prevention, preparedness, and response personnel to enhance their capacity to prevent and respond to incidents of terrorism – particularly those involving chemical, biological, radiological, nuclear and explosive (CBRNE) incidents. This is accomplished through coordinated planning, exercises, training, and equipment acquisition activities. It is the intent of the Federal Government that actual operational activities must be supported with local and/or state funds.

The U.S. Department of Homeland Security and the SAA are committed to working with West Virginia's response community in the national effort to combat terrorism and secure our homeland. This is accomplished using Federal funds to plan, practice (exercises), train and equip communities.

B. Administration of Federal Funds

The U.S. Department of Homeland Security awards funds appropriated by Congress to the SAA, of the Department of Military Affairs and Public Safety (MAPS), which has been designated by the Governor as the state agency responsible for the administration of the Homeland Security Grant Program.

Chapter 2

APPLICATION PROCESS

A. General

Receipt of federal funds by state and local governmental agencies are initiated by completing a sub-grant application when the SAA releases the applications for either the (1) State Homeland Security Program (SHSP); (2) Law Enforcement Terrorism Prevention Program (LETPP); or, (3) Citizen Corps Program, and submitting a completed application to the SAA.

A standard application will be used for each of the programs. Copies of these applications are made available by SAA when funds are available.

B. Application Process

The application process consists of the following steps:

1. Applications will be promptly acknowledged upon receipt and reviewed for completeness, adherence to both federal and state requirements and whether or not the request is consistent with and supportive of the overall implementation of the State's Homeland Security Strategy.
 - All Homeland Security Grant applications, which are not received by the grant application deadline or are incomplete, will not be considered for funding by the SAA.
 - The SAA will not accept ineligible Homeland Security Grant applications for review.

2. Staff will assess the merit, overall need of the project, and whether or not the project is consistent with and supportive of the overall implementation of the State's Homeland Security Strategy. Staff will also evaluate how the specific project will satisfy goals and objectives stated in the application. The merits of the application will include, but not necessarily be limited to:
 - a. Compliance of the proposed project application with all applicable Federal guidelines.
 - b. The eventual assumption of costs by the applicant agency if any.
 - c. Probability that the grant will achieve its goal(s) and objective(s).
 - d. Adequate fiscal capabilities.
 - e. Adequate grants management (programmatic) capabilities.
 - f. Certification that federal funds will not be used to supplant or replace state or local funds.
 - g. Coordination of efforts with state and local jurisdictions and federal grant programs.
 - h. Whether or not the project is consistent with and supportive of the overall implementation of the State's Homeland Security Strategy.
 - i. Application is thoroughly completed and all required information provided.
3. The SAA shall review applications and make funding recommendations to the Cabinet Secretary of MAPS. It may be required that an individual who is familiar with the proposed project be available during review to answer staff questions or address concerns, either in person or via phone, fax or email.

Applicants should note that the authority to make grant awards is vested only by the Cabinet Secretary for MAPS. The SAA recommendations are advisory only and should not be considered as indicative of the final action by the Cabinet Secretary.

C. Award

If a project is not operational within 90 days of the original starting date of the grant period, the sub-grantee must submit a statement to the SAA explaining the implementation delay. Upon receipt of the 90- day letter, the SAA may cancel the project and redistribute the funds to other project areas or under extenuating circumstances, extend the project period.

Chapter 3

MATCHING FUNDS

A. General

There is no match requirement of sub-grantees when applying for Homeland Security Grant funds; however, sub-grantees are encouraged to leverage any available state and/or local funds (matching) with awarded federal funds, provided that those matching funds adhere to all federal and state matching requirements. **If** the applicant indicates that matching funds will be utilized for the successful implementation and completion of any SAA funded projects, the applicant is responsible for ensuring that a commitment for those funds is available **prior to** submitting an application.

The applicant must certify as part of its application that the funds leveraged as “matching funds” are available and will be expended during the grant period. Regardless of the source of the match, it must be expended during the project period.

All sub-grantees must maintain records that clearly show the source, the amount, and the timing of all matching contributions.

Chapter 4

ALLOWABILITY OF COSTS

A. General

When completing a sub-grant application, applicants should utilize the program guidance to determine allowability or unallowability of costs. If specific questions arise, the applicant should contact the SAA for clarification. When making sub-grant awards, the SAA will only approve expenditures in an application that are allowable per the Federal guidelines.

B. Basic Principles On Allowable Costs

This is a basic guide in determining allowability of costs. Costs associated with Homeland Security Planning, Equipment, Training and Exercises are allowable. Allowable costs include but are not limited to the following:

- Meeting expenses (conference facilities, materials, supplies)
- Travel expenses
- Contractor expenses for trainings and exercises
- OT for training and exercise attendance
- Equipment and related expenses on the Authorized Equipment List (AEL)
- Public education and outreach

C. Basic Principles On Unallowable Costs

Several costs are generally prohibited including but not limited to the following:

- General use software, computers and related equipment
- General use vehicles and licensing fees
- Weapons and ammunition
- Hiring of public safety personnel for traditional duties
- OT for public safety personnel for traditional duties
- Construction and renovations
- All equipment and related expenses not on the Authorized Equipment List (AEL)

Chapter 5

SUB-GRANTEE REPORTING

A. General

Sub-grantees are required to constantly monitor performance under grant-supported activities to assure that time schedules are being met, projected work units by time periods are being accomplished, and other performance goals are being achieved.

B. Types of Reports

Sub-grantees are required to prepare and submit the following types of reports. Copies of all reports can be found in Appendix A.

1. Financial Report

This report must be prepared and submitted monthly to report expenditures of funds. The financial report is due at the SAA no later than 20 days following the close of the month. Copies of invoices as well as proof of payment **must** be attached to verify expenditures.

2. Request for Reimbursement

All grant funds are awarded on a reimbursement basis. A Request for Reimbursement Form must be prepared and submitted with and supported by the Financial Report and Progress Report to receive reimbursement funds from the SAA. The total request should agree with

amounts listed on the Financial Report. *Invoices are proof that an expense was incurred. The date on the invoice (not the purchase order) must be within the grant project period.*

3. **Progress Reports**

This report is used to report progress, achievements, and results since the submission of the last report. Comments should directly relate to the accomplishments of the objectives, goals and impact of the project. This report must be prepared and submitted to the SAA monthly and is due no later than 20 days following the close of the month.

4. **Equipment Listing**

This report must be prepared and submitted to the SAA monthly. The equipment listing report is due at the SAA no later than 20 days following the close of the reporting month. **All Authorized Equipment List (AEL) equipment purchased must be accurately listed on this form.**

5. **Timesheet**

If applicable, a timesheet must be completed and submitted on a monthly basis and is due at the SAA no later than 20 days following the close of the month. Each project employee and their supervisor should sign the timesheet. If the sub-grantee has a formal timesheet already in use, it may be used with approval from the SAA.

6. Travel Form

Sub-grantees may utilize their own travel form; however the State travel form can be utilized if the sub-grantee wishes to do so. It is important that the travel form that is used provide the purpose for travel as well as a detailed breakdown of all expenses. Expenses may not exceed ceilings established by either West Virginia State Travel Regulations or the local unit of government's travel regulations, whichever are stricter.

Chapter 6

ACCOUNTING AND PROGRAM RECORDS

A. General

Sub-grantee must maintain accounting records in accordance with generally accepted accounting principles, which will ensure that federal and sub-grantee matching funds are adequately accounted for. The minimum requirements for such records are explained below. During on-site monitoring visits the SAA will review records to ensure minimum requirements are achieved.

B. Minimum Requirements

In addition to complying with regular accounting principles followed by the sub-grantee, the sub-grantee must maintain an organized sub-grant file with the following information:

1. A copy of the official award packet. (Award Document, Certifications, Application)
2. Copies of all financial reports submitted to the SAA as well as copies of corresponding invoices and proof of payment documents.
3. Copies of all progress reports submitted to the SAA.
4. Copies of all equipment listing forms submitted to the SAA.
5. Copies of all timesheets submitted to the SAA.
6. Copies of monitoring reports completed by the SAA and issued to the sub-grantee.
7. Copies of sub-grant adjustment notices (GANs) issued by the SAA.
8. Copies of completed audits which are relative to the sub-grant project.
9. Copies of correspondence deemed relative by the sub-grantee.
10. Copies of any additional documents which the sub-grantee deemed relative.

Chapter 7

GENERAL FISCAL AND ADMINISTRATIVE REQUIREMENTS

A. Budget Deviations

Sub-grantee may not deviate from the approved budget. If a budget adjustment is needed, sub-grantee must submit an **advanced** written request with a detailed new proposed budget. These requests will be reviewed by SAA staff, and if approved, a Sub-grant Adjustment Notice (GAN) will be issued to the sub-grantee communicating approval of the new budget. A GAN must be issued by the SAA before any expenditures occur relative to the budget adjustment request.

B. Written Approval of Changes

Sub-grantee must obtain prior written approval from the SAA for major project changes. These include: (1) changes in substance and project activities, design, or research plans set forth in the approved application, (2) changes in the project director, authorized official, fiscal officer or key professional personnel, (3) changes in the length of the project period. The SAA will issue a GAN if such requests are approved.

C. Obligation of Funds

Project funds (federal and sub-grantee) may not be obligated prior to the effective date or subsequent to the closing or termination date of the project period. Obligations outstanding as of the closing or termination date shall be liquidated within 30 days. All invoices shall have a date that falls within the approved project period.

D. Travel Regulations and Rates

These costs are to include travel expenses incurred by the program personnel for the purpose of meeting the objectives of the program. Expenses may not exceed ceilings established by either West Virginia State Travel Regulations or the local unit of government's travel regulations, whichever are stricter.

E. Special Conditions and Assurances

Sub-grantees shall be aware of and adhere to all special conditions and assurances that are included on the sub-grant application.

Chapter 8

PROCUREMENT

When it is necessary to procure goods and/or services in order to accomplish the goals of a program the following apply:

A. General

A sub-grantee shall follow the same State and local procurement policies and procedures it uses for procurement from its non-Federal funds, provided that those policies and procedures conform to applicable Federal laws and Standards.

B. Adequate Competition

All procurement transactions, whether negotiated or competitively bid shall be conducted in a manner so as to provide maximum open and free competition. Sub-grantees shall be alert to organizational conflicts of interest or non-competitive practices among contractors that may restrict or eliminate competition.

C. Sole Source Procurement

If a sub-grantee elects to award a contract without competition, a sole source justification may be necessary. The sub-grantee must contact the SAA prior to awarding a sole source contract to determine documentation necessary for proper justification.

Chapter 9

EQUIPMENT MANAGEMENT STANDARDS

A. General

All sub-grantees utilizing grant funds for the acquisition of equipment must comply with these standards and are responsible for establishing and maintaining systems for the effective management of equipment acquired.

B. General Standards

Sub-grantees must comply with the following proper standards:

1. Acquisition – Sub-grantees are required to be prudent as well as follow all local and state guidelines in the acquisition and management of equipment acquired with grant funds. Expenditures of grant funds for acquisition of new equipment, when suitable equipment required for the successful execution of a project is already available within the sub-grantee organization will be considered unnecessary expenditures.
2. Loss, Damage or Theft of Equipment – Sub-grantees shall be responsible for replacing or repairing equipment which is willfully or through negligence, lost, stolen, damaged or destroyed. Any loss, damage, or theft of nonexpendable property shall be investigated, fully documented and reported to the SAA.
3. Record Keeping Requirements – **Sub-grantees are required to maintain a readily identifiable inventory of equipment purchased in whole or in part with grant funds. This inventory is to be made a part of the grantee's official records and be available for review by authorized state personnel.** Property records shall be maintained accurately and provide for: a description of the property; manufacturer's serial number or other identification number; acquisition date and cost; source of the property; location, use, and condition of the property, and ultimate disposition data including sales price or the method used to determine current fair market value if the grantee reimburses the grantor agency for its share. Each piece of equipment shall be entered on and maintained on the equipment listing form.

In addition to the above, sub-grantee property management records should contain copies of the purchase order and invoice.

4. Inventory - A physical inventory of equipment shall be constantly maintained to verify the existence, current utilization and continued need for the property.
5. Maintenance - Adequate maintenance procedures shall be established to keep the property in good condition.
6. Loaning of Equipment – If a sub-grantee wishes to temporarily loan a piece of sub-grant funded equipment to another jurisdiction for purposes which fall within the federal guidelines, an equipment loan form must be completed and maintained with the sub-grantees records. An example of an equipment loan form can be found in Appendix A.
7. Excess Property - Proper sales procedures shall be established for unneeded property which would provide for competition to the maximum extent practicable and result in the highest possible return.
8. Record Retention Period - Records for equipment which was acquired in whole or in part with federal grant funds must be retained for three years after final disposition of the equipment.

Chapter 10

MONITORING

A. On-Site

SAA staff or designated representative may make at least one on-site visit to each sub-grant program during the project period to monitor the performance of grant-supported activities. Site visits will:

1. Determine progress made toward achieving project goals and objectives;
2. Determine compliance with all terms, conditions, and purposes of grant;
3. Identify technical assistance needs; and
4. Provide guidance of future design or funding of similar projects.

A formal monitoring report will be prepared and filed in the official sub-grant file, as well as distributed to the sub-grantees. The report will outline the findings of the monitoring visit. An example of the monitoring report can be found in Appendix A. If significant discrepancies and/or areas of concern are discovered, these discrepancies will be communicated to the SAA Point of Contact as well as the Homeland Security Advisor to determine appropriate corrective action to be implemented.

The SAA will conduct monthly desk monitoring of all sub-grant projects and if needed schedule an on-site monitoring visit if the need presents itself or if a sub-grantee requests a monitoring visit.

B. Desk

The SAA desk monitoring is a monthly process in which the SAA reviews and processes the following reports for each sub-grantee: Progress Report, Financial Report, Request for Reimbursement and Equipment Listing. This process ensures that the SAA only issues checks to the sub-grantee on a reimbursement basis after the financial report has been reviewed for accuracy and all supporting documentation such as invoices and proof of payment has been reviewed for allowability. This process ensures complete compliance with guidelines and no expenses are supported with the program which are not allowable.

Due to the fact that desk monitoring ensures complete expense accountability, the on-site monitoring focuses on equipment management and utilization as well as how well records are maintained and organized.

APPENDIX A

Forms