The purpose of this Information Bulletin (IB) is to (1) provide clarification on the amount that sub-
grantees receiving a pass-through from the Fiduciary Agent (FA) may retain for management and
administrative (M&A) purposes; and (2) provide clarification on the 25 percent non-federal share cost
share requirement for Tier I and Tier II Fiduciary Agents under the FY 2007 Supplemental Port Security
Grant Program (PSGP).

1. Per the 2007 Supplemental PSGP Guidance, a maximum of 3 percent of the total award may
be retained by the applicant to be used solely for management and administrative purposes
associated with the PSGP Award. For Tier I and Tier II port areas, applicants under the FY 2007
Port Security Grant Program Supplemental are the Fiduciary Agents.

The FA is also the conduit through which federal grants may be passed onto sub-recipients, also
known as sub-grantees. Sub-grantees receiving pass-through funds from the FA may use up to
2.5 percent of their sub-award for management and administration purposes. This guidance is
consistent with other Infrastructure Protection Program grant programs.

M&A costs are defined as:

- Costs associated with the hiring of full-time or part-time staff, contractors or
  consultants and M&A expenses related to pre-application submission management
  activities and application requirements or meeting compliance with grant reporting or
data collection requirements, including data calls,
- Costs incurred for the development of operating plans for information collection and
  processing necessary to respond to DHS data calls; and
- Travel expenses.
The FA serves as the principal point of contact with FEMA for application, management and administration of the FY 2007 Supplemental PSGP award. However, the FA is not the sole decision maker on the use of these funds. The awards are conditioned so that a regional consensus, in conjunction with the Port-Wide Risk Management/Mitigation and Business Continuity/Resumption of Trade Plan, must be reached on how the funding is to be used.

Fiduciary Agents are responsible for ensuring that all sub-recipients are compliant with the terms and conditions of the award and that all sub-recipients are in compliance with organizational audit requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

2. For projects submitted through the FA as Investment Justification requests under the Port Wide Strategic Risk Management Plan, the non-federal cost share requirement is 25 percent of the total project cost. Because the FA represents and serves on behalf of the AMSC, a public sector entity, the public cost share of requirement of 25 percent is applicable.

Public and private entities are encouraged to work together to meet the cost share requirements. Grant recipients are reminded that they have the full 36 month award period to provide the cost share. The cost share does not have to be provided up-front.

For programmatic questions regarding the FY 2007 Supplemental PSGP, please e-mail portsecuritygrants@dhs.gov or contact your Program Manager.