

BAY AREA UASI

Grant Policies and Procedures

UASI POLICIES AND PROCEDURES

I. GRANTS ADMINISTRATION AND PLANNING

The Bay Area UASI administers and coordinates regional strategy and risk management planning activities funded by various federal grant programs. Within these planning activities, the UASI oversees regional capability assessment, planning and strategy development, resource allocation, implementation and evaluation of the Bay Area UASI program.

The staffing of the UASI consists of the Executive Director, Director of Strategy and Grant Compliance, an Administrative Manager, a Project and Program Manager, and Project Managers that oversee the development and implementation of the various projects within the various grant programs. The administration and planning staff are made up of City and County of San Francisco employees and representatives of other sub-recipient jurisdictions, who serve as program managers of UASI projects and liaisons with their home agencies.

Job descriptions of the UASI Administration and Planning staff are on file with the Bay Area UASI. Recruitment, hiring and performance evaluations of the UASI staff are subject to the policies of the City and County of San Francisco, or the home jurisdictions, whichever is applicable.

II. GRANTS MANAGEMENT

The City and County of San Francisco serves as the fiscal agent for the Bay Area UASI grant program. The Bay Area UASI Grants Management Unit, consisting of a Chief Financial Officer, grants managers and accounting staff, is responsible for the administration of federal grant awards to ensure compliance with federal laws, regulations, executive orders, OMB circulars, departmental policy, award terms and conditions, State, and local requirements, to make certain all activities carried out under the Bay Area UASI grant program are reasonable and allowable, and to maintain complete and accurate records of all program activities.

Effective grants management is a process of adequate overall oversight and monitoring of federal assistance awards that includes project resources, activities and results, and begins before the award is made. The purpose of effective grants management is accountability, accomplishment of program goals and objectives, accomplishment of performance milestones, compliance with grant terms, laws and regulations, expenditure of federal funds as awarded and budgeted, and stewardship of public funds.

Grants Management Unit

The Bay Area Grants Management Unit (GMU) is responsible for the following activities:

- Prepare Memorandum of Understanding between the Bay Area UASI and sub-recipients
- Develop contracts for regional projects, and review and approve contract procurement for sub-recipient projects.;

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- Maintain all records
- Establish Bay Area UASI Policies and Procedures consistent with Federal and State requirements
- Reimburse sub-recipients
- Process cash requests
- Prepare and submit all required reports
- Serve as the Point of Contact for the Bay Area UASI
- Coordinate and facilitate the processing of modifications, and submit required documentation (eg. EHP forms, sole source requests) that require approvals from the CalEMA and FEMA
- Conduct Grants Management Workshops to better inform the participating sub-recipient jurisdictions
- Reconcile financial records and respond to internal and external audits
- Monitor and review sub-recipients to ensure compliance with grant requirements.

Job Descriptions of the Grants Management Unit Staff are on file with the Bay Area UASI.

Sub-recipient Jurisdictions

Sub-recipient jurisdictions are responsible for the following activities:

- Approve and follow MOUs
- Ensure Financial Management Systems are in place
- Request Modifications when necessary
- Follow approval processes
- Request reimbursements
- Conduct sub-recipient monitoring, if applicable
- Comply with the Performance Milestones and complete projects within the Grant Performance Period
- Submit quarterly reports documenting progress in completing performance milestones and/or projects.

III. OVERVIEW

The purpose of the Bay Area UASI Sub-Recipient Grant Guide is to serve as a companion document to the guidance published by the United States Department of Homeland Security (DHS) and the California Emergency Management Agency (CalEMA). This guide also includes additional policies and requirements specific to the Bay Area Urban Area.

Common Rules and Regulations

This grant guide should be used in conjunction with applicable grant guidelines, application kits, special conditions, Department of Homeland Security (DHS)/FEMA Informational Bulletins, DHS and CalEMA policies and regulations, Office of Management and Budget (OMB) circulars, and government-wide common rules. Sub-

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recipients should be familiar with the following list of the most commonly used circulars and guidance.

Administrative Guidelines:

- **OMB Circular A-102:** Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments (44 CFR Part 13).
- **OMB Circular A-110:** Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations (2 CFR Part 215)
- **OMB Circular A-123:** Management's Responsibility for Internal Control (Effective FY 2006)

Cost Guidelines:

- **OMB Circular A-87:** Cost Principles for State, Local, and Indian Tribal Governments (2 CFR Part 225)
- **OMB Circular A-21:** Cost Principles for Educational Institutions (2 CFR Part 220)
- **OMB Circular A-122:** Cost Principles for Non-Profit Organizations (2 CFR Part 230)
- **48 CFR Part 31** Federal Acquisition Regulations, (FAR), Contract Cost Principles and Procedures

Audit Guidelines:

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

Federal Grant Guidance

Various Program Guidance and Application Kits

United States Department of Justice (USDOJ) Financial Guide, 2005

United States Department of Homeland Security Financial Management Guide, effective 2006

28 CFR Part 23 Criminal Intelligence Systems Operating Policies

28 CFR Part 66 Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments

28 CFR Part 69 New Restrictions on Lobbying

28 CFR Part 70 Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations

44 CFR Part 17 Government-wide Requirements for Drug-Free Workplace (Grants)

44 CFR Part 18 New Restrictions of Lobbying

State Grant Guidance

CalEMA Supplemental Grant Guidance

CalEMA Grants Management Memos

Order of Precedence

In determining the relevant standards for the conduct of grant operations, sub-recipients should consider the following, in precedential order:

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- Public laws
- Regulations
- Executive Orders
- OMB Circulars
- Departmental Policy
- Award Terms and Conditions
- State laws, policies and procedures
- Bay Area Urban Area policies and procedures
- Local Laws, policies, and procedures

Eligible Sub-recipients

All jurisdictions of the Bay Area Urban Area are considered sub-recipients and are eligible to submit an application for project funding to the Bay Area UASI for grant funds. A sub-recipient who receives notification of grant funding from the UASI must submit an eligibility package (listed below) prior to the release of any funding. The eligibility package will allow the Bay Area UASI Grants Management Unit to document the sub-recipients compliance with the following:

- NIMS compliant (to the current level established by DHS)
- Are not suspended or debarred from receiving federal funds
- Have a fully executed Memorandum of Understanding (MOU) or Letter of Agreement (LOA) on file with the Bay Area UASI Grants Management Unit
- Signed Grant Assurances (each page initialed)
- Have provided copies of the following:
 - Sub-recipient's procurement policy
 - Sub-recipient's travel policy
 - Sub-recipient's equipment control and disposition policy
 - Sub-recipient's insurance certifications
 - Sub-recipient's personnel policies and procedures, if applicable
 - Sub-recipient's most recent single audit (For Sub-recipients who have received \$500,000 or more federal funding in the last year)

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IV. MANAGING FEDERAL FUNDS

Financial Management System Requirements

All sub-recipients are required to establish and maintain accounting systems and financial records to accurately account for funds awarded to them. These records shall include both Federal funds and all matching funds where applicable. Sub-recipients shall follow the financial management requirements imposed on the Bay Area UASI by the State of California, which must comply with the requirements the Federal awarding agency has imposed on the State. In the instances where the Bay Area UASI is the grantee, sub-recipients shall expend and account for grant funds in accordance with the local laws and procedures for expending and accounting for their own funds as long as those requirements comply with applicable federal and state statutes, regulations, requirements, policies, guides, guidelines, and instructions.

Funds specifically budgeted and/or received for one project may not be used to support another without prior written approval by the UASI, the State and/or Federal awarding agency. Where a sub-recipient's accounting system cannot comply with this requirement, the sub-recipient shall establish a system to provide adequate fund accountability for each projects it has been awarded.

Where the conduct of a program or one of its components is delegated to a sub-sub-recipient, the direct sub-recipient jurisdiction is responsible for all aspects of the program, including proper accounting and financial recordkeeping by the sub-recipient. Responsibilities include the accounting of receipts and expenditures, cash management, maintenance of adequate financial records, and refunding expenditures disallowed by audits.

Sub-Recipient Accounting Responsibilities

- **Reviewing Financial Operations** – Direct recipients should be familiar with, and periodically monitor, sub-recipients' financial operations, records, systems, and procedures. Particular attention should be directed to the maintenance of current financial data.
- **Recording Financial Activities** – The sub-recipient's award or contract obligation, as well as cash advances and other financial activities, should be recorded in the books of the recipient in summary form. Sub-recipient expenditures should be recorded on the books of the recipient or evidenced by report forms duly filed by the sub-recipient. Non-federal contributions applied to programs or projects by sub-recipients should likewise be recorded, as should any program income resulting from program operations. All financial records must validate expenditures related to the respective grant(s).
- **Budgeting and Budget Review** – The UASI shall ensure that each sub-recipient prepares an adequate budget on which its award commitment will be based. The detail of each project budget should be maintained on file by the recipient.
- **Accounting for Non-Federal Contributions** – **Sub**-recipients will ensure that the requirements, limitations, and regulations pertinent to non-Federal contributions are applied.

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- **Audit Requirements** – Recipients must ensure that sub-recipients have met the necessary audit requirements contained in this Guide.
- **Reporting Irregularities** – Recipients and their sub-recipients shall promptly notify the Bay Area UASI Grants Management Unit, who in turn will notify the State and the Federal cognizant audit agency of any illegal acts or irregularities and of proposed and actual actions, if any. Illegal acts and irregularities include conflicts of interest, falsification of records or reports, and misappropriation of funds or other assets. Should a recipient become aware of any criminal activity related to Federal assistance, these criminal acts should be reported to the appropriate law enforcement agency.
- **Debarred and Suspended Organizations** – Recipients and sub-recipients must not award or permit any award at any level to any party that is debarred or suspended from participation in Federal assistance programs.
- **Bonding** – The awarding agency may require adequate fidelity bond coverage where the recipient lacks sufficient coverage to protect the Federal government interest (see OMB Circular A-110, Subpart C, paragraph 21© and OMB Circular A-122). Where the conduct of a program or one of its components is delegated to a sub-recipient, the direct recipient is responsible for all aspects of the program, including proper accounting and financial recordkeeping by the sub-recipient. Responsibilities include accounting for receipts and expenditures, cash management, maintaining adequate financial records, and refunding expenditures disallowed by audits.

Commingling of Funds

Federal agencies shall not require physical segregation of cash deposits or the establishment of any eligibility requirements for funds that are provided to a recipient. However, the accounting systems of all recipients and sub-recipients must ensure that agency funds are not commingled with funds from other awards or Federal agencies. Each award must be accounted for separately. Recipients and sub-recipients are prohibited from commingling funds on either a program-by-program or project-by-project basis without prior written approval of the awarding agency.

Conflicts of Interest

To avoid conflicts of interest, personnel and other officials connected with agency funded programs shall adhere to the following requirements:

No official or employee of a State or unit of local government or a non-governmental recipient/sub-recipient shall participate personally through decisions, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise in any proceeding, application, request for a ruling or other determination, contract, award, cooperative agreement, claim, controversy, or other particular matter in which award funds (including program income or other funds generated by Federally funded activities) are used, where to his/her knowledge, he/she or his/her immediate family, partners, organization other than a public agency in

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which he/she is serving as an officer, director, trustee, partner, or employee, or any person or organization with whom he/she is negotiating or has any arrangement concerning prospective employment, has a financial interest, or has less than an arms-length transaction.

In the use of agency project funds, officials or employees of State or local units of government and non-governmental recipient/sub-recipients shall avoid any action that might result in, or create the appearance of:

- Using his or her official position for private gain;
- Giving preferential treatment to any person;
- Losing complete independence or impartiality;
- Making an official decision outside official channels; or
- Affecting adversely the confidence of the public in the integrity of the government or the program. For example, where a recipient of federal funds makes sub-awards under any competitive process and an actual conflict or an appearance of a conflict of interest exists, the person for whom the actual or apparent conflict of interest exists should recuse himself or herself not only from reviewing the application for which the conflict exists, but also from the evaluation of all competing applications.

Violations of the conflict of interest standards may result in criminal, civil, or administrative penalties.

Supplanting

Sub-recipients of federal funds shall not replace funding appropriated from State and local governments with their Federal grant funding. **It is the purpose of these grants to increase the overall amount of resources available to any federally funded organization in order to bolster preparedness and to increase services and opportunities.** Current levels of activities or programs funded by State, local or non-

governmental entity resources should only be increased by receipt of Federal funding. Sub-recipients therefore must ensure they do not reduce the current overall level of funding support to preparedness missions, absent exigent circumstances.

For example, if a State pays the salaries of three intelligence analysts, it cannot begin to pay the salary of one of them with Federal grant funding. It could, however, hire a fourth analyst.

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

A confirmation during the application process may be requested by the awarding agency or recipient agency stating that Federal funds will not be used to supplant State or local funds.

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V. ADMINSTRATIVE POLICIES AND PROCEDURES

Required Pre-Approvals

Sub-recipients shall obtain pre-approval from the Bay Area UASI GMU for the following:

- All sole source purchases regardless of the amount (Appendix E: Sole Source Policy)
- All training costs (Appendix C: Training and Exercise Policy)
- All contracts that exceed \$100,000 (*copies of contracts shall be provided to the GMU for approval **prior** to execution*)
- All exercise costs (Appendix C: Exercise Policy)
- Purchase of equipment
- Purchase of all vehicles, including aviation and watercraft
- EOC enhancements
- Food and/or beverage expenses

Memorandum of Understanding, Assurances, and Certifications

In order to be eligible to receive Bay Area UASI grant funds, the sub-recipient must have provided and have on file in the Bay Area UASI GMU copies of the following documents:

- Fully executed Memorandum of Understanding
- Signed copy of the Grant Assurances with initials on each page
- Required Insurance Certification
- Certification Regarding Ineligibility, Suspension and Debarment as required by Executive Order 12549
- Certification and Disclosure Regarding Lobbying
- Copy of sub-recipient's NIMCAST to certify NIMS compliance
- Copy of sub-recipient's most recent single audit

Agreements Drafted by Sub-Recipients

All agreements in excess of \$100,000 must be approved by the Bay Area UASI GMU prior to the agreement being executed by the sub-recipient. Sub-recipients often enter into contracts under federal grants. While the federal government is not a party to the contracts, the sub-recipient must comply with any requirements imposed by federal laws, regulations, or terms of the grant agreement. The federal requirements that apply to procurements under grants depend on whether the sub-recipient is a state, other governmental organization, or a non-governmental organization. [references A-102 Common Rule for States] "... sub-recipient will be safe if it follows the standards [of the Common Rule]. Sub-recipients should examine their procurement standards to ensure that they answer every question the Common Rule addresses." Below is a list of common issues of which the sub-recipient should be aware.

- *Grantee/Sub-recipient Responsibility to Comply* – Federal procurement standards, federal laws, and executive orders
- *Bay Area UASI Grants Management Unit Review* – May require submission of procurement documents for a pre-award review
- *Sub-recipient Standards* – Establish own procurement procedures, in compliance with federal procurement regulations (Federal Acquisition Regulation or FAR)

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and good business management and sound business management principles. Sub-recipients must be aware of restraints to prohibit wasteful and ineffective procurement practices

- *Code of Conduct* – Ethics and conflict of interest
- Identification of Federal fund source required in all contracts supported by federal assistance
- *Competition* – Maximum open and free competition, for contracts and sub-contracts
- *Economic Purchases* – Avoidance of unnecessary or duplicate items
- *Accurate and Fair Description of Scope of Work or Specifications* – No specific brand names. “Brand name or equal” is allowable
- *Small and Minority Business Opportunity* – Demonstrate efforts to solicit:”Grantees are directed to get small, minority and women-owned and labor surplus area businesses to compete for contracts.”
- *Geographic Preference* – Prohibited
- *Contract Types* – Prohibition from using cost-plus-a-percentage-of-cost contracts in which profit is calculated as a percentage of recognized contractor costs (profits increase as costs increase)
- *No contingency allowance is allowed for sub-recipients to administer sub-recipient contracts*
- *Contractor Qualifications* – Successfully meet the terms and conditions in the proposal, and Suspension/Debarment certification for contracts greater than \$25,000
- *Cost/Price Analysis* – Determine reasonableness of the proposal's cost
- *Documentation* – Detail the history of a procurement
- *Contract Administration* – By the sub-recipient to ensure contractor performance
- *Standard Contract Provisions*

VI. ALLOWABLE EXPENDITURES BY SOLUTION AREA

Allowable Expenditures UASI Grants

All allowable UASI grant expenditures fall into one of six categories/solution areas and must support the eight National Priorities, and the Bay Area Urban Area and State homeland security strategies, and enhance regional capabilities. These categories/solution areas are:

Planning - Personnel

Refer to the specific grant year of the DHS/FEMA Homeland Security Grant Program Guidance and Application Kit for allowable planning activities and expenses. If you have any questions, please contact the Bay Area UASI Grants Management Unit.

Personnel cost associated with grant eligible and authorized planning activities must include a written job description (grant specific), deliverables, and performance period. Overtime and backfill are allowable only to the extent the payment for such services is in accordance with the policies of the state or unit(s) of local government **AND** has the approval of the Bay Area UASI GMU. In no case is dual compensation allowable.

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Fringe benefits on overtime hours are limited to Federal Insurance Contributions Act (FICA), Workers' Compensation and Unemployment Compensation. Leave Benefits (e.g., vacation, sick leave, administrative leave), of personnel may be charged to the grant based on the time accrued during the grant performance period. Compensatory time may be allowable and any compensatory time off must be taken before the end of the performance period. Please refer to Appendix A: Personnel Reimbursement Policy for more details.

The UASI and its sub-recipient jurisdictions shall follow their relevant local HR policies and processes for recruitment, hiring, and performance evaluations.

Planning – Contracts

Contract agreements associated with grant eligible and authorized planning activities must include written scopes of services (grant specific), tangible deliverables, and performance periods. Contracts should be procured according to the contract procurement guidelines set forth below, including any requirements for competitive processes and requests for sole sources.

Consultant Rates: Compensation for individual consultant services is to be reasonable and consistent with the amount paid for similar services in the market place. Consideration can be given to compensation, including fringe benefits, for those individuals whose employers do not provide the same. Time and effort reports are required for consultants. Competitive bidding for consultant services is encouraged¹. All contracts for consultant services must be reviewed and approved by the UASI GMU, regardless of contract amount.

Organization

Refer to the specific grant year of the DHS/FEMA Homeland Security Grant Program Guidance and Application Kit for allowable organizational activities and expenses. If you have any questions, please contact the Bay Area UASI Grants Management Unit.

Equipment

Refer to the specific grant year of the DHS/FEMA Homeland Security Grant Program Guidance and Application Kit and the Authorized Equipment List (AEL) for allowable equipment expenses. If you have any questions, please contact the Bay Area UASI Grants Management Unit.

Effective September 2, 2009, Equipment listed on the RKB website containing a green box will require the submission of an Environmental and Historic Preservation (EHP) form and approval from CalEMA and/or the awarding agency prior to purchase of the

¹ It should be noted that for COPSTECH grant funds, approval of consultant fees in excess of \$550 per day, when the consultant is hired through a non-competitive bidding process, must be obtained from the COPS Office.

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equipment. Equipment listed on the RKB website with a blue box will require the submission of FBI certification and approval from CalEMA and/or the awarding agency prior to purchase of the equipment.

The allowable equipment categories for each grant year are listed on the web-based Authorized Equipment List (AEL) on the Responder Knowledge Base (RKB) www.rkb.us. Unless otherwise stated in program guidance, equipment must meet all mandatory regulatory and/or DHS-adopted standards to be eligible for purchase using UASI funds. Sub-recipients will be responsible for obtaining and maintaining all necessary certifications and licenses for the purchased equipment.

“Equipment” means an article of non-expendable, tangible personal property having a useful life of more than one year and an acquisition cost which equals or exceeds the lesser of the capitalization level established by the governmental unit for financial statement purpose, or \$5,000.

Exception – Interoperable Communications Equipment – Portable Radios

The UASI Approval Authority has established that the priority for the region is to fully develop the infrastructure needed for the Bay Area Interoperable Communications System or BAYRICS. Until the BAYRICS infrastructure is fully developed, regional UASI grant allocations shall not be used to purchase portable Land Mobile Radios (LMR), or “subscriber units,” for use by a subrecipient jurisdictions. However, caches of portable LMR radios may be purchased to ensure interim interoperability until a fully operable BAYRICS infrastructure is completed.

Disposition and Inventory of all grant funded Equipment.

The sub-recipient is responsible for all equipment purchased by or transferred to the sub-recipient. The sub-recipient must ensure all equipment is maintained in good working order and is available for deployment. The sub-recipient is responsible for maintaining, repairing, and/or replacing any damaged, lost or stolen equipment during the life of the equipment. Should any equipment become damaged, lost or stolen, the sub-recipient will immediately notify the Bay Area UASI GMU in writing and will, as soon as practical, repair or replace the equipment.

Sub-recipients shall maintain a ledger for each item of Equipment acquired for the program. This record must be updated bi-annually and forwarded to the Bay Area UASI GMU. The record shall include: (a) description of the item of Equipment; (b) manufacturer’s model and serial number; (c) Federal Stock number, national stock number, or other identification number; (d) the source of acquisition of the Equipment, including the award number; (e) date of acquisition; (f) the per unit acquisition cost of the Equipment; (g) records showing maintenance procedures to keep the Equipment in good working order; and (h) location and condition of Equipment. Records must be retained pursuant to 44 CFR Part 13.32.

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All equipment obtained by the sub-recipient shall, when practicable, be prominently marked as follows: "Purchased with funds provided by the U.S. Department of Homeland Security."

A physical inventory of the equipment shall be taken and the results reconciled with the equipment records at least once every year or prior to any UASI, State, or Federal monitor visits.

Sub-recipient shall make equipment available for use on other projects or programs currently or previously supported by the Federal Government, providing such use will not interfere with the work on the projects or program for which it was originally acquired. First preference for other use shall be given to other programs or projects supported by the awarding agency.

To the extent possible, sub-recipient shall test and exercise UASI funded equipment at an annual regional exercise.

All equipment will be made available pursuant to applicable terms of the California Disaster and Civil Defense Master Mutual Aid Agreement and deployed with personnel trained in the use of such equipment in a manner consistent with the California Law Enforcement Mutual Aid Plan or the California Fire Services and Rescue Mutual Aid Plan.

Equipment shall be used by the sub-recipient in the program or project for which it was acquired as long as needed, whether the project or program continues to be supported by Federal funds. When no longer needed for the original program or project, the equipment may be used in other activities currently or previously supported by a Federal agency. When the equipment has reached the end of its serviceable life, the equipment will be disposed of in accordance with sub-recipients established policy. The sub-recipient shall obtain approval from the Bay Area UASI GMU prior to disposing of any equipment.

Sub-recipients should follow their own internal procurement policies as long as they comply with federal guidelines.

Training

Refer to the specific grant year of the DHS/FEMA Homeland Security Grant Program Guidance and Application Kit for allowable training expenses. If you have any questions, please contact the Bay Area UASI Grants Management Unit.

All training must be pre-approved by CalEMA. Effective September 2, 2009, the sub-recipient must complete the Environmental and Historic Preservation (EHP) screening memo form and submit it to the Bay Area UASI GMU. The Bay Area UASI Management Team will assist with obtaining approval from the CalEMA. The Bay Area UASI Management Team will support training based upon the most recent needs assessment/gap analysis and identified training priorities and will consider requests

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based on their individual merit and regional applicability. Please see Appendix C: Training and Exercise Policy for training request and reimbursement procedures.

Exercises

Refer to the specific grant year of the DHS/FEMA Homeland Security Grant Program Guidance and Application Kit for allowable exercise expenses. If you have any questions, please contact the Bay Area UASI Grants Management Unit.

Overtime and Backfill costs associated with 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 state or unit(s) of local government and has the approval of the State and the awarding agency, whichever is applicable. In no case is dual compensation allowable. Fringe benefits on overtime hours are limited to Federal Insurance Contributions Act (FICA), Workers' Compensation, and Unemployment Compensation. Please see Appendix C: Training and Exercise Policy for exercise request and reimbursement procedures.

Effective September 2, 2009, the sub-recipient must complete the Environmental and Historic Preservation (EHP) screening memo form and submit it to the Bay Area UASI GMU. The Bay Area UASI Management Team will assist with obtaining approval from the CalEMA.

Management and Administration

Funds allocated for the management and administration of the grant may only be used by the Bay Area UASI.

Travel Expenses

Travel costs are expenses for transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official business of the governmental unit. Such costs may be charged on an actual cost basis or on a per diem basis. Proposed travel costs must be pre-approved by the Bay Area UASI Director of Strategy and Grant Compliance prior to scheduling.

Cost incurred by employees and officers for travel, including costs of transportation, lodging, other subsistence, and incidental expenses, shall be considered reasonable and allowable only to the extent such costs do not exceed charges normally allowed by the sub-recipient's written local travel policy and does not conflict with Federal guidelines.

In the absence of an acceptable, written local travel policy, reimbursement rates shall not exceed the rates and amounts established by the Federal domestic and foreign lodging, maximum travel per diem allowances, meals and incidental expense breakdown. www.gsa.gov

International Travel

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From time to time, travel to attend official, grant allowable, events and activities in foreign countries may be authorized. All foreign travel must be authorized and approved by the State CalEMA and Federal DHS, before grant funds can be used. Subgrantees and Sub-recipients should allow for a minimum of six (6) months (180 days) to obtain all approvals for international travel.

Approval of international travel should be obtained using the following procedures:

1. A request for international travel must be submitted, on agency letterhead, to the UASI 6 months before the scheduled travel dates. The request should include:
 - a. The dates and locations and proposed itinerary for the international travel;
 - b. The purpose of the international travel, including a description of the event, training, or exercise to be attended.
 - c. The number, names, titles, and roles of each individual scheduled for this international travel event.
 - d. The estimated expense budget for the international travel, including estimated air fare, lodging, per diem, and any other associated expense.
 - e. The expected benefit to the sub-recipient and to the UASI grant, if the international travel is approved.
2. If the overseas travel involves a training activity, the requesting agency must submit, on agency letterhead, a separate written request that describes:
 - a. Name/address/contact information of the training provider.
 - b. Proposed Agenda of day to day activities.
 - c. The estimated expense budget for the international training activity, including registration/tuition, estimated air fare, ground transportation, lodging, meal per diem, and any other associated expense.
3. Travel and budgetary approvals from CalEMA and DHS can take up to 5 months. Subrecipients should provide updated budget and itinerary information, as needed by CalEMA or DHS, and before final travel arrangements are made.
4. Authorized international travel must follow the sub-recipient's local travel policy. However, in the absence of any international travel policy, the sub-recipient must adhere to the Federal Travel Regulations (41 CFR, Chapters 300-304).
5. Upon receipt of all approvals, the sub-recipient shall ensure that all necessary grant modifications are requested from the UASI, and training feedback numbers are obtained for the international travel event.

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6. Upon completion of the international travel, and before expenses are invoiced and reimbursed, sub-recipient shall submit a travel report that assesses the relative success or failure of the trip, knowledge or training gained from the trip, and quantifies any benefits to the UASI grant.

State and Local Sales Taxes

State and local sales taxes are generally allowable costs, unless the tax is levied solely on Federal programs or Federal funding.

Food and Beverages

Food and/or beverage expenses provided by sub-recipients are allowable costs if:

- (1) The food and/or beverages are provided to participants at training sessions, meetings, or conferences that are allowable activities under the UASI program guidelines; and
- (2) Expenses incurred for food and/or beverages and provided at training sessions, meetings, or conferences satisfy the following tests:
 - a. the cost of the food and/or beverages provided is considered to be reasonable;
 - b. the food and/or beverages provided are subject of a work-related event;
 - c. participation by all participants is mandatory;
 - d. The food and/or beverages provided are not related directly to amusement and/or social events. (Any event where alcohol is being served is considered a social event; therefore, costs associated with that event are not allowable).

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

Sub-recipients must submit requests to provide food/or beverages at training sessions, exercises, meetings, or conferences to the Bay Area UASI GMU. Sub-recipients must receive pre-approval from the Bay Area UASI and CalEMA prior to the expenditure of funds.

CAVEAT: While food and beverage under the above guidelines are considered allowable grant costs, the State Cal EMA scrutinizes food and beverage expenses with extreme care and applies a higher standard to such requests. Unless it can be shown that the expenses are mandatory and integrally required for the success of an activity within each solution area, food and beverage expenses are considered gift of public funds and are deemed unallowable.

Non-Allowable Costs

- Indirect costs
- Tips
- Bar charges/Alcoholic beverages
- Entertainment

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- Sporting events
- Bonuses and/or Commissions
- Lobbying
- Fund-raising
- Land acquisition

VII. PROCUREMENT

Sub-recipients shall use their own procurement procedures and regulations, provided their procurement procedures and regulations conform to applicable Federal law and standards.

The sub-recipient shall obtain a signed *Certification Regarding Debarment, Suspension and Other Responsible Matters* from parties involved in all transactions that exceed \$25,000. The sub-recipient shall also use the Excluded Parties List System (EPLS) located at <http://epls.gov> to verify the parties involved in the transaction have not been disbarred or suspended from receiving federal funds.

Sub-recipients shall obtain a signed Certification Regarding Lobbying from all parties that are involved in transactions with the sub-recipient and sub-recipient shall ensure language regarding this requirement is included in all agreements and contracts entered into by the sub-recipient.

Simplified Acquisition Threshold

The Federal Government allows local agencies to follow their own local procurement policies for any procurement/contract under \$100,000. However, it is expected that some form of simplified or expedited bid procedure is followed. Such procedures could include:

1. Informal request for 2 or more proposals/quotes/bids
2. fax proposals/quotes/bids
3. any other electronically submitted bid proposal
4. A sole source bid as determined by local policy

Selection of Procurement Method

Sub-recipients should follow their own established procurement policies provided that the procurement conforms to applicable Federal law and standards and State grant guidance. Sub-recipient shall provide the Bay Area UASI GMU a copy of their procurement policies. These policies should detail the following procurement methods and when it is permissible to use them:

- **Small purchase or simplified bid procedure** – The contracting agency must obtain price or rate quotations from an adequate number of qualified sources to ensure that the procurement is competitive.
- **Sealed bids** – An Invitation for Bid (IFB) is issued. The contracting agency must make a firm fixed-price award to the bidder whose bid is the most advantageous to the grantee. If factors other than price are considered in determining the

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winning bid, the invitation for bids must describe clearly these other factors and how they will be applied in calculating the bid award.

- **Competitive proposals** – Fixed-price or cost-reimbursement type contract. A Request for Proposals/Information (RFP/RFI) must identify all evaluation factors and their relative importance, considering price and other factors.
- **Non-competitive proposals – Sole source procurements.** Used only when the small purchase, sealed-bid or competitive proposals methods are not feasible, and one of the following circumstances exists:
 - The item is only available from one source;
 - There is a public exigency or emergency need for the item that will not permit the delay associated with competitive solicitation
 - The awarding agency (CalEMA/Bay Area UASI) authorizes non-competitive proposals
 - After solicitation of a number of sources, competition is determined inadequate (i.e., only one respondent).

Sole Source Procurements

Any procurement where only one qualified and responsive vendor is determined shall require a sole source approval from the State CalEMA. Upon submittal of the sole source documentation by the sub-recipient, the Bay Area UASI shall request the sole source approval from CalEMA. All sole source requests must be submitted and approved before the purchase contract can be executed.

Reasonableness of Cost/Price

Sub-recipients are required to perform some form of price or cost analysis to determine the reasonableness of the proposal's cost. This is not necessary if the sealed bid method is used, as the market of competitive bidding brings forth the most reasonable prices. Without performing a proper analysis, there is simply no certainty that fair and reasonable prices are being charged.

The single overriding requirement is that a sub-recipient must examine every cost element listed in an offer. To do so, the contractor must have an accounting system that properly tracks costs and allocates them to the proper categories. Through a cost analysis, determinations are made on which costs are real and reasonable, allowable under grantee regulations or rules, and properly allocated to the work to be performed under proposed contracts.

Documentation

Sub-recipients are required to maintain records sufficient to detail the history of the procurement process:

- The rationale for the method of procurement (small purchase, sealed bid, etc.);
- The selection of contract type (fixed price, cost reimbursement, etc.)
- Contractor selection or rejection
- The basis of the contract price

UASI POLICIES AND PROCEDURES

If a procurement exceeds the small purchase amount, the sub-recipient must include in its procurement records and files:

- The basis for contractor selection
- Justification for lack of competition when competitive bids or offers were not obtained
- The basis for the award cost or price

Bay Area UASI Grants Management Unit Review

The Bay Area UASI Grants Management Unit may require sub-recipients to submit procurement documents such as requests for proposals, invitations for bids, or cost estimates for a pre-award review when:

- Contracts over the simplified acquisition threshold specify a 'brand name' product
- The sub-recipient plans to award contracts over the simplified acquisition threshold (\$100,000) to a firm that is not the low bidder under a sealed bid;
- A proposed contract modification changes the scope of a contract or increases the contract cost by more than the amount of the simplified acquisition threshold;
- The sub-recipient plans to award contracts over the simplified acquisition threshold without competition or receives only one bid.

VIII. OTHER GRANT REQUIREMENTS

Records Retention

Sub-recipients are required to retain all documentation related to any expense reimbursed under the Bay Area UASI for a period of three years. This retention period will commence upon final close-out of the grant. The Bay Area UASI will notify sub-recipients when the CalEMA provides notification of the final close-out of the applicable grant. All records associated with UASI reimbursed expenses must be made available to the Bay Area UASI grant staff, CalEMA staff, and DHS staff upon request.

Single Audit

If the sub-recipient expends more than \$500,000 in federal assistance, they must perform a single audit and provide a copy of the audit results to the Bay Area UASI GMU. The \$500,000 threshold in federal assistance is an aggregate total and is not limited only to UASI funds. (Refer to OMB Circular A-133).

Performance Bonds

Sub-recipients are required to purchase "performance bonds" for any equipment item that exceeds \$250,000, or for any vehicle, aircraft or watercraft financed with homeland security funds. Performance bonds must have 100% coverage of the item and is based on the total purchase. The cost of the "performance bond" is an allowable expense under the UASI grant program. "Performance bonds" were established to protect against vendor bankruptcies. The Department of Homeland Security allows us to obtain a "performance bond", purchase the equipment item(s) by the end of the grant period,

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and pay for the items in advance. Under a performance bond, deadline for delivery and installation of the equipment is 6 months beyond the UASI's performance period.

IX. GRANT MATCH

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 allowable with Federal funds in compliance with the program guidance and/or program regulations. Refer to 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 such as the reasonable value of property or services in lieu of cash. "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*.

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.

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

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- 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 sub-applicant 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

X. GRANT MODIFICATIONS

All requests for programmatic and/or administrative changes must be submitted in a timely manner by the sub-recipient. All requests for changes to the MOU shall be carefully reviewed by the Bay Area UASI for both consistency with the project goals and objectives and Bay Area Homeland Security Strategy. Changes in approved budgets of Projects in excess of 10 percent of the total allocation or \$250,000, whichever amount is greater, must be approved by the Approval Authority.

CalEMA accepts one modification request per quarter. In order to coordinate the submittal of modification requests to the state, the Bay Area UASI GMU will establish a schedule and deadline for sub-recipient modification requests. Once the Bay Area UASI receives approval from CalEMA for the modifications, the Bay Area UASI GMU will notify sub-recipients. Sub-recipients should not expend funds until the modification has been approved.

Notification of Changes

All sub-recipients must give notification in writing to the Bay Area UASI GMU of changes in mailing address, authorized signatories to the MOUs, grants administrators, grants managers, and any other changes in key personnel.

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Request for Extension of the Performance Period

Sub-recipients should notify the Bay Area UASI Project Manager and Grants Management Unit in the event the sub-recipient may not be able to meet their performance milestones as approved in their Memorandum of Understanding with the Bay Area UASI Grants Program. A request for an extension of the Performance Period should be at least 90 calendar days before the end date of the performance period if not sooner. A narrative justification must be submitted with the project or program extension request on agency letterhead. Complete details must be provided, including the justification and the extraordinary circumstances that require the proposed extension, and a certification that there are adequate funds remaining to support the extension. Explain the effect of a denial of the request on the project or program.

The Bay Area UASI Management Team will evaluate the request in consultation with the sub-recipient and make a recommendation to the General Manager.

XI. REIMBURSEMENT PROCESS

Bay Area UASI grants program are reimbursement grants, meaning the grantee (State), sub-grantee (Bay Area UASI), and sub-recipient (local jurisdiction) must first expend their funds prior to seeking reimbursement. The sub-recipient will first expend their local general funds to pay for pre-approved allowable Bay Area UASI grants program expenses, and then submit for reimbursement from the Bay Area UASI GMU. Once the Bay Area UASI GMU has reimbursed the sub-recipient, the Bay Area UASI GMU will seek reimbursement from CalEMA.

The Bay Area UASI GMU will establish a schedule for reimbursements requests. The Bay Area UASI GMU will reimburse the sub-recipients within 45 business days as long as the supporting documentation is complete and compliant. Partial reimbursements will be remitted if the supporting documentation is not sufficient. The sub-recipient must submit requested supporting documentation within 45 business days of the final deadline for claims. If the documentation is not submitted within this period, the sub-recipient may not be reimbursed.

All of the grants share some common reimbursement requirements. However, some grants have unique reimbursement requirements. The following is a breakdown of reimbursement requirements:

Planning

Documentation to be submitted with reimbursement request.

- Invoice from sub-recipient which summarizes expenses by solution area
- Copies of all invoices received and paid by sub-recipient
- Copies of all payments made by sub-recipient (checks issued, electronic payment)
- Copies of all Requisitions and Purchase Orders
- Copies of contracts and contract amendments, if applicable

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- Final reimbursement request must be accompanied by the work product developed using the funds
- Personnel Cost – copies of payroll records verifying hourly rate, overtime/backfill rate, and benefits. All hours worked and charged to the grant must be recorded on a functional timesheet

Forms to use:

- **“Reimbursement Request” (Appendix C)**
This form documents the total reimbursement amount being requested and is signed to certify all expenses are allowable
- **“Functional Timesheet”**
This form documents time and effort charged to each project being paid for using grants and is signed to certify all information is accurate
- **“Financial Management Workbook”**
This form documents all the expenditures, performance milestones, and reimbursements to date on the Planning Ledger

Organization

Documentation to be submitted with reimbursement request:

- Invoice from sub-recipient which summarizes expenses by solution area
- Copies of all invoices received and paid by sub-recipient
- Copies of all payments made by sub-recipient (checks issued, electronic payment)
- Copies of all Requisitions and Purchase Orders
- Copies of contracts and contract amendments, if applicable
- Final reimbursement request must be accompanied by the work product developed using the funds
- Personnel Cost – copies of payroll records verifying hourly rate, overtime/backfill rate, and benefits. All hours worked and charged to the grant must be recorded on a functional timesheet

Forms to use:

- **“Reimbursement Request” (Appendix C)**
This form documents the total reimbursement amount being requested and is signed to certify all expenses are allowable.
- **“Functional Timesheet”**
This form documents time and effort charged to each project being paid for using grants and is signed to certify all information is accurate.
- **“Financial Management Workbook”**
This form documents all the expenditures, performance milestones, and reimbursements to date.

Equipment

Documentation to be submitted with reimbursement request:

- Invoice from sub-recipient which summarizes expenses by solution area
- Copies of all invoices received and paid by sub-recipient

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- Copies of all payments made by sub-recipient (checks issued, electronic payment)
- Copies of all Requisitions and Purchase Orders
- Copies of contracts and contract amendments, if applicable

Forms to use:

- **“Reimbursement Request” (Appendix C)**
This form documents the total reimbursement amount being requested and is signed to certify all expenses are allowable.
- **“Financial Management Workbook”**
This form documents all the expenditures, performance milestones, equipment tracking information, and reimbursements to date on the Equipment Ledger.

Training

Documentation to be submitted with reimbursement request.

- Invoice from sub-recipient which summarizes expenses by solution area
- Copies of all invoices received and paid by sub-recipient
- Copies of all payments made by sub-recipient (checks issued, electronic payment)
- Copies of all Requisitions and Purchase Orders
- Copies of contracts and contract amendments, if applicable
- Copies of certificate of completion or class roster signed by the instructor to verify attendance
- Copies of all receipts for tuition, travel, lodging, and per diem. If the sub-recipient’s travel policy indicates actual costs will be reimbursed, the sub-recipient must submit all receipts. If the sub-recipient’s travel policy is to provide a daily per diem, the records must be provided that document the amount of per diem provided (e.g., travel itinerary and training/workshop/conference agenda)
- Personnel Cost – copies of payroll records verifying hourly rate, overtime/backfill rate, and benefits. All hours worked and charged to the grant must be recorded on a functional timesheet

Forms to use:

- **“Reimbursement Request” (Appendix C)**
This form documents the total reimbursement amount being requested and is signed to certify all expenses are allowable.
- **“Functional Timesheet”**
This form documents time and effort charged to each project being paid for using grants and is signed to certify all information is accurate.
- **“Training Request and Reimbursement Requests”**
This form documents the training class attended, person attending the training, costs associated with attending the training, and approvals
- **“Financial Management Workbook”**

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This form documents all the expenditures, performance milestones, CalEMA Training Tracking Numbers, and reimbursements to date on the Training Ledger

Exercises

Documentation to be submitted with reimbursement request:

- Invoice from sub-recipient which summarizes expenses by solution area
- Copies of all invoices received and paid by sub-recipient
- Copies of all payments made by sub-recipient (checks issued, electronic payment)
- Copies of all Requisitions and Purchase Orders
- Copies of contracts and contract amendments, if applicable
- Copies of the After Action Report and verification that it was posted on the portal, if applicable
- Personnel Cost – copies of payroll records verifying hourly rate, overtime/backfill rate, and benefits. All hours worked and charged to the grant must be recorded on a functional timesheet

Forms to use:

- **“Reimbursement Request” (Appendix C)**
This form documents the total reimbursement amount being requested and is signed to certify all expenses are allowable
- **“Functional Timesheet”**
This form documents time and effort charged to each project being paid for using grants and is signed to certify all information is accurate
- **“Financial Management Workbook”**
This form documents all the expenditures, performance milestones, After Action Report, and reimbursements to date on the Exercise Ledger

Note: Additional documentation such as quotes, proposals, procurement history, deliverables, photographs of equipment with serial numbers pre- and post- installation, etc. may be requested of the Sub-Recipient by the Bay Area UASI GMU to ensure the sub-recipient’s reimbursement request is complete and compliant.

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XII. GRANTS MONITORING

The Grants Management Unit (GMU) is responsible for monitoring sub-recipients to determine:

- Effectiveness and efficiency of operations,
- Reliability of reporting and recordkeeping, and
- Compliance level.

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.

Desk-based Financial Monitoring

The Grants Management Unit will review all transactions through a desk review prior to processing reimbursement requests to ensure compliance with federal regulations and the terms and conditions of the Memoranda of Understanding with recipient jurisdictions. Desk-based financial monitoring results in the identification of exceptions and potential issues related to a sub-recipient's administration of the grant funds. Examples of potential issues include financial reporting anomalies, inaccurate expenditure reporting or a misunderstanding of or non-compliance with federal cash management requirements. Desk reviews provide high-level assurance for grants financial monitoring in which GMU can centrally collect and analyze information to assess a sub-recipients' capacity to manage federal funds.

On-site Financial Monitoring

The Grants Management Unit will conduct site visits led by Grants Managers in conjunction with Program Managers to assess sub-recipient's capability, performance and compliance against the applicable elements that make up each grant, including administrative regulations and public policy requirements, and terms and conditions contained in the Memoranda of Understanding with recipient jurisdictions. The goal of the on-site financial monitoring activities is to ensure that sub-recipients possess adequate policies, processes, and systems to manage federal grant awards and to guard against fraud, waste or mismanagement of funds. On-site financial monitoring activities involve collecting and analyzing information on the business functions and grant administration practices of the sub-recipients, including verification of equipment purchased with grant funds. Through these reviews, GMU assesses its sub-recipients' capacity to administer grants in compliance with federal regulations and evaluated sub-recipient performance in grant administration areas.

Sub-recipient Responsibilities

The sub-recipient is responsible for carrying out all terms and conditions of the MOU and must maintain complete and accurate records of all program activities. These records must be made available to GMU for monitoring purposes. The sub-recipient is responsible for resolving any monitoring findings (i.e., findings of non-performance or non-compliance) in a timely manner by a Corrective Action Plan and technical assistance in association with GMU staff.

To assist the sub-recipient in preparing for the monitoring visit, GMU will provide the document the Grants Management Unit will be using in the monitoring review of the sub-recipients compliance with the various governing rules and regulations.

Overview of the Monitoring Process

There are seven basic steps to a monitoring review:

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1. Pre-visit Notification Letter: The Grants Management Unit (GMU) begins the monitoring process by emailing the sub-recipient a formal pre-visit notification letter informing them that a monitoring visit will occur. The letter will announce when the monitoring visit will take place, which is usually done over a period of one-to-four days depending on the period(s) being monitored. The pre-visit letter will also explain the purpose of the visit; the process that will take place during the monitoring visit; and a document request list highlighting various items that the sub-recipient must have available for the GMU grants manager at the start of the visit. The letter will include the name and contact information for the Grants Manager(s) who will conduct the monitoring.
2. Field Document: The GMU Grants Manager will email the sub-recipient a field document at least four weeks prior to the monitoring visit. This field document reflects the scope of the monitoring review and guides the Grants Manager in deeming the level of compliance.
3. Entrance Conference: The GMU Grants Manager will conduct an entrance conference at the beginning of the monitoring visit with the Authorized Agent or other top official of the organization to make sure the sub-recipient has a clear understanding of the purpose, scope, and schedule.
4. Documentation Review and Data Analysis: The GMU Grants Manager will keep a record of the information reviewed and conversations held with the sub-recipient during the visit. The documentation reviewed and obtained will serve as the basis for conclusions drawn from the visit.
5. Exit conference: The GMU Grants Manager will meet again with key representatives of the sub-recipient at the conclusion of the monitoring visit to:
 - a. Present preliminary results of the monitoring visit
 - b. Provide an opportunity for the sub-recipient to secure any additional, requested documentation
 - c. Explain the Monitoring Report, which may include areas of non-compliance or non-performance noted during the visit
 - d. Explain the Corrective Action Plan process or provide technical assistance (if applicable)
6. Monitoring Narrative Report: Within four to six weeks after the monitoring visit, the Grants Manager will provide the sub-recipient with a formal narrative report of the results of the monitoring review. This letter will point out area for improvement as well as recognize successes. In addition, the monitoring letter creates a permanent record of what was found during the review. The letter will outline any findings of non-compliance identified during the visit and the corrective action required to be in compliance.
7. Corrective Action Plan: If the Monitoring Report notes any findings identified during the visit, the sub-recipient must provide to the Grants Management Unit a detailed Corrective Action Plan within 190 days of the date of the Monitoring Report. The Plan must detail the corrective action steps the sub-recipient has undertaken, or will undertake, in addressing the noted areas of non-compliance or non-performance. If additional time is needed, a request for an extension must be submitted in writing 15 business days prior to the end of the 190 day period and approved by the Grants Manager.

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XIII. MEDIATION PROCESS FOR RESOLVING DISPUTES

A sub-recipient may request reconsideration of any award or determination of eligibility of UASI grant funds. A request must be submitted in writing to the Director of Strategy and Compliance of the Bay Area UASI. The request shall be discussed and acted upon at the first opportunity as defined below:

1. Allocation reconsiderations. The regional working group shall discuss the request and recommend a solution to the UASI Advisory Committee. The UASI Advisory Committee shall make their recommendation to the UASI Approval Authority. The decision of the UASI Approval Authority is final.
2. Determination of Eligibility. A sub-recipient may request a clarification of the eligibility of a grant expenditure. UASI grants management staff shall provide an initial determination. If the initial determination is appealed, UASI grants management staff shall consult with CalEMA or FEMA as needed.

XIV. INTEROPERABLE COMMUNICATIONS PROJECT POLICIES

Personnel costs and sustainment of personnel costs – It is the policy of the UASI to fund start up project costs only, which may include eligible and allowable personnel costs of directors, or other staffing needed to establish organizational infrastructure required to maintain interoperable communication systems.

Sustainment of personnel costs beyond the grant allocation period, or the grant itself, is the responsibility of the sub-recipient.

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Glossary of Terms

Accrual Basis is the method of recording revenues in the period in which they are earned, regardless of when cash is received, and reporting expenses in the period when the charges are incurred, regardless of when payment is made.

Administrative Requirements are standards for consistency and uniformity in the administration of grants, cooperative agreements, and sub awards.

Amusement/social event is an informal gathering that is not mandatory for all participants to attain the necessary information. An indicator of a social/amusement event is a cash bar.

Awarding agency is the Federal government or the next highest authority, i.e., the State agency administering the formula award or the Federal agency administering the discretionary award.

Awards may include funding mechanisms such as grants, cooperative agreements, interagency agreements, contracts, and/or other agreements.

Breaks are short pauses in an ongoing informational program at trainings, meetings, conferences, or retreats. Typically, an all-day event may include one break during a morning session and one break during an afternoon session.

Break foods consist of cookies, sodas, and fruits or other snack items, and may be served at a training program, a meeting, or a conference.

Budget Period is the period for which a budget is approved for an award. The budget period may be equal to or shorter than the project period for an award, but cannot be longer than the project period.

Cash Basis is the method of reporting revenues and expenses when cash is actually received or paid out.

Closeout is a process in which FEMA/GPD determines that all applicable administrative actions and all required work of the award have been completed by the recipient and FEMA/GPD.

Cognizant Federal agency is the Federal agency that generally provides the most Federal financial assistance to the recipient of funds. Cognizance is assigned by the Office of Management and Budget (OMB). Cognizant agency assignments for the largest cities and counties are published in the Federal Register. The most recent publication was dated January 6, 1986. The cognizant agency is generally the agency that will negotiate an organization's indirect cost rate agreement. The cognizant agency is also responsible for resolution of A-133 audit findings.

Conference or meeting is a formal event involving topical matters of general interest (i.e., matters that will contribute to improved conduct, supervision, or management of the agency's functions or activities) to Federal agency and non-Federal agency participants, rather than a routine business meeting primarily involving day-to-day agency operations and concerns. "Meeting" includes other designations, such as a conference, congress, convention, seminar, symposium, training for grantees or contractors, and workshop.

Consultant is an individual who provides professional advice or services.

Continental breakfast means a light breakfast that may include a selection of coffees, teas, juices, fruits, and assorted pastries, and is allowable provided several hours of substantive material directly follows the continental breakfast. Grant recipients are reminded that the least expensive of the available selections should be chosen. If a meal is provided to the recipient, per diem must be reduced accordingly.

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Contracts are entered into by the awarding agency, recipients or sub-recipients, and commercial (profit making) and non-profit organizations. With the exception of a few justified sole source situations, contracts are awarded via competitive processes to procure a good or service.

Cooperative agreements are awarded to States, units of local government, or private organizations at the discretion of the awarding agency or as stipulated by law. Cooperative agreements are utilized when substantial involvement is anticipated between the awarding agency and the recipient during performance of the contemplated activity.

Discretionary awards are made to States, units of local government, or private organizations at the discretion of the awarding agency or as stipulated by law. Most discretionary awards are competitive in nature in that there are limited funds available and a large number of potential recipients.

Domestic travel includes travel within and between Canada and the United States and its territories and possessions.

Equipment is tangible, nonexpendable, personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. A recipient/sub-recipient may use its own definition of equipment provided that such definition would at least include all equipment defined above.

Federal contractor is a person or entity that contracts with the Federal government to provide supplies, services, or experimental, developmental, or research work. Entities may include commercial organizations, educational institutions, construction and architectural engineering companies, State and local governments, and non-profit organizations.

Federal employees are people employed in or under an agency of the United States Federal Government.

Federal grantee means the component of a State, local, or Federally recognized Indian tribal government, educational institution, hospital, or a for profit or non-profit organization that is responsible for the performance or administration of all or some part of a Federal award.

Focus group means a gathering of Federal government employees to discuss results and improvements of programs in the field. The focus group should follow a prepared agenda, be led by an expert in the subject matter, and serve to educate Federal employees.

Formal agenda provides a list of all activities that shall occur during the event, using an hour-by-hour time line. It must specifically include the times during the event when food and beverages will be provided.

Formula awards are awarded to the States to provide assistance to State and local units of government for programs in accordance with legislative requirements.

Grants are awarded to States, units of local government, or private organizations at the discretion of the awarding agency or on the basis of a formula. Grants are used to support a public purpose of support or stimulation authorized by Federal statute.

High risk is a determination made by the awarding agency of a recipient's ability to financially administer Federal project funds. Additional requirements, such as reporting and/or monitoring, may be imposed.

Incidental means relating to a formal event where full participation by participants mandates the provision of food and beverages.

Indirect costs are costs of an organization that are not readily assignable to a particular project, but are necessary to the operation of the organization and the performance of the

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project. The cost of operating and maintaining facilities, depreciation, and administrative salaries are examples of the types of costs that are usually treated as indirect.

Interagency agreements and purchase of service arrangements are usually entered into by two governmental units or agencies. Such funding arrangements are negotiated by the entities involved.

Match is the recipient share of the project cost. Match may either be “in-kind” or “cash.” In-kind match includes the value of donated services. Cash match includes actual cash spent by the recipient and must have a cost relationship to the Federal award that is being matched.

Nonexpendable personal property includes tangible personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. A recipient may use its own definition of nonexpendable personal property provided that the definition would at least include all tangible personal property.

Obligation means a legally binding liability to pay under a grant, sub grant, and/or contract determinable sums for services or goods incurred during the grant period.

Pass-through is an obligation on the part of the States to make funds available to units of local governments, combinations of local units, or other specified groups or organizations.

Personal property means property of any kind except real property. It may be tangible (having physical existence) or intangible (having no physical existence, such as patents, inventions, and copyrights).

Preagreement/Pre-award costs are defined as costs that are considered necessary to the project but occur prior to the starting date of the award period.

Prior approval means written approval by the authorized official (the next highest authority except for sole source) evidencing consent prior to a budgetary or programmatic change in the award.

Program income means gross income earned by the recipient during the funding period as a direct result of the award. Direct result is defined as a specific act or set of activities that are directly attributable to grant funds and that are directly related to the goals and objectives of the project. Determinations of “direct result” will be made by the awarding agency for discretionary grants and by the State for formula sub-awards. Fines/penalties are not considered program income. Program income may be used only for allowable program expenses.

Project Period is the period for which implementation of a project is authorized. The project period may be equal to or longer than the budget period for an award, but cannot be shorter than the budget period.

Real property means land, land improvements, structures, and appurtenances thereto, excluding movable machinery and equipment.

Reasonable costs are costs that a prudent person would have incurred under the circumstances prevailing at the time the decision to incur the cost was made. Costs to consider when making judgments about reasonableness include the cost of food and beverage, total cost of the event, and costs incurred relative to costs in the geographical area. The exception to this definition is lodging costs for events of 30 or more participants, when the event is funded with a FEMA/GPD award. For these events, reasonable is defined as the Federal per diem rate for lodging.

Reception means an informal gathering that is not mandatory for all event participants to obtain necessary information. Indicators of a reception include a cash bar, inadequate seating for the entire group, food items from a reception menu (such as finger foods), and a longer break (than

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utilized throughout the day) between the substantive meetings and the reception. Receptions are expressly **prohibited** and are considered to be an **unallowable cost** with Federal funds.

Recipient is an individual and/or organization that receive Federal financial assistance directly from the Federal agency.

Social event is any event with alcoholic beverages served, available, or present. Social events are expressly prohibited and are considered to be an unallowable cost with Federal funds.

Stipend is an allowance for living expenses. Examples of these expenses include, but are not limited to, rent, utilities, incidentals, etc.

Sub award is an award of financial assistance in the form of money to an eligible sub-recipient or a procurement contract made under an award by a recipient.

Sub-recipient is an individual and/or organization that receives Federal financial assistance from the direct recipient of Federal funds. This may include entities receiving funds as a result of formula awards.

Supplanting is to deliberately reduce State or local funds because of the existence of Federal funds. For example, when State funds are appropriated for a stated purpose and Federal funds are awarded for that same purpose, the State replaces its State funds with Federal funds, thereby reducing the total amount available for the stated purpose.

Working dinner means a formal and mandatory dinner necessary for all participants to have full participation in the conference or event. A working dinner must include a formal agenda including a program or speakers that will impart necessary information important for full understanding of the subject matter of the conference. There should be several hours of informative sessions providing substantive information scheduled both before and after a working dinner. Indicators of a working dinner include seating for all participants. If a meal is provided to the recipient, per diem must be reduced accordingly.

Working lunch is a formal and mandatory lunch necessary for all participants to have full participation in the conference or event. A working lunch must include a formal agenda including a program or speakers that will impart necessary information important for full understanding of the subject matter of the conference. There should be several hours of informative sessions providing substantive information scheduled both before and after a working lunch (exhibits are not included). Indicators of a working lunch include seating for all participants. If a meal is provided to the recipient, per diem must be reduced accordingly.

Work-related event is a conference or meeting involving a topical matter of interest within the purview of the agency's mission and function.