



SOUTH DAKOTA
HOMELAND SECURITY

Homeland Security

Grant Administrative Manual

October 2010



Table of Contents

Section

| | |
|---|---------|
| Introduction | Page 3 |
| 1. General Grant Information..... | Page 4 |
| 2. South Dakota Homeland Security Investments | Page 6 |
| 3. Subgrantee Application Process | Page 8 |
| 4. Grant Award..... | Page 9 |
| 5. Procurement | Page 11 |
| 6. Property Management..... | Page 15 |
| 7. Allowable Costs | Page 17 |
| 8. Fiscal Responsibility | Page 20 |
| 9. Progress Reports | Page 23 |
| 10. Monitoring | Page 24 |
| 11. Records Management..... | Page 25 |
| 12. Grant Closeout..... | Page 27 |
| Forms and Resources | Page 28 |

Introduction

This manual provides guidelines for the administration of federal grants issued through the South Dakota Department of Public Safety, Office of Homeland Security.

The SD Office of Homeland Security administers the following federal Department of Homeland Security grants for the state of South Dakota:

- SHSP – State Homeland Security Program (includes law enforcement programming)
- PSIC – Public Safety Interoperable Communications
- IECGP – Interoperable Emergency Communications Grant Program
- CCP – Citizen Corps Program

The SD Office of Homeland Security administers the following federal Department of Justice grants for the state of South Dakota:

- Edward Byrne Memorial Justice Assistance Grant
- John R. Justice Prosecutors and Defenders Incentive Grant

The staff of the SD Office of Homeland Security would be happy to discuss any questions or issues which are not adequately covered in this manual. Please contact this office for more information about grants available through this office.

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Section 1

General Grant Information

A. Description

The Office of Homeland Security provides assistance to state agencies, law enforcement, counties, cities, tribes, and citizens to achieve the planning, organization, equipment, training, and exercises needed to prevent, respond, and recover from acts of terrorism and other catastrophic events.

Homeland Security projects supported through this office focus on building protection capabilities across the state, expanding regional collaboration, strengthening interoperable communications, and improving capabilities to detect and respond to hazardous materials and other disasters.

B. Administration of Federal Funds

Federal departments award funds appropriated by Congress to a State Administrative Agency (SAA) or grantee. For purposes of this administrative manual and the grants noted, the SD Office of Homeland Security is the SAA. Recipients of grant awards through this office are referred to as a *subgrantee*.

Proficient grant management ensures the grant program is operating efficiently, its internal control program is operating successfully, and any deficiencies detected in the grant program are corrected in a timely manner. The SAA is tasked with monitoring the progress of subgrantee projects to measure progress toward fulfillment of the project's goals; ensuring compliance with all terms, conditions, and purposes of the grant; identifying technical assistance needs; and providing guidance for future similar projects.

The following are standard conditions specific to federal Department of Homeland Security grants:

- All federal Department of Homeland Security grant programs follow the principles of the National Incident Management System (NIMS). NIMS provides standards that ensure compatible equipment, training and procedures across all responders. Subgrantees must be NIMS compliant. Please see the following link for NIMS information <http://www.fema.gov/emergency/nims/AboutNIMS.shtm> .
- Communication and data system equipment acquired through Department of Homeland Security grant programs must be interoperable.
- Equipment must be defined as allowable under the specific grant program on the DHS Authorized Equipment List (AEL) and must be approved by the SAA.

C. Special Conditions and Assurances

Subgrantees must be aware of and adhere to all special conditions and assurances that are included in the recipient agreement.

D. Publications

Subgrantees are required to submit a plan for publication and distribution of new self-authored commercial publications to the SAA before materials are developed if they will be paid for with federal funds.

All materials produced from grant award activities shall contain an acknowledgement of the federal and state awarding agency funding assistance. For example, if the federal awarding agency is the federal Department of Homeland Security, all materials shall prominently contain the following statement:

This document was prepared under a grant from the U.S. Department of Homeland Security and the South Dakota Office of Homeland Security. Points of view or opinions expressed in this document are those of the authors and do not necessarily represent the official position or policies of the U.S. Department of Homeland Security or the State of South Dakota.

E. Environmental Planning and Historic Preservation Compliance

Projects involving ground disturbance, communication towers, physical security enhancements, new construction, renovation, and modifications to buildings and structures that are 50 years old or older will be required to meet the requirements of FEMA's Environmental Planning and Historic Preservation (EHP) Program; more information is available at <http://www.fema.gov/plan/ehp/index.shtm> . The latest Grant Programs Directorate Information Bulletin, No. 345, issued on September 9, 2010, provides further information about what Homeland Security funded projects require EHP approval; please see <http://www.fema.gov/pdf/government/grant/bulletins/info345.pdf>

Projects fitting these criteria will receive a conditional approval until EHP requirements are fulfilled. Project work cannot be started until written approval is received from FEMA; FEMA has sole approval rights. The *EHP Screening Memo* (request for approval) form is available on the SD Office of Homeland Security website at www.homelandsecurity@state.sd.us .

The subgrantee must complete the EHP Screening Memo and submit it to the SAA with photographs of the proposed site or project. The SAA will submit the EHP Screening Memo to FEMA for approval; the outcome will be conveyed to the subgrantee.

F. Citizen Corps Program (CCP)

The SD Office of Emergency Management administers the federal Department of Homeland Security, Citizen Corps Program. Please see the following link for more information: http://dps.sd.gov/emergency_services/emergency_management/citizen_corps.aspx

Section 2

South Dakota Homeland Security Investments

The U.S. Department of Homeland Security has established a Target Capabilities List (TCL) to establish national guidance for preparing the Nation for major all-hazards events. The TCL describes capabilities related to the four homeland security mission areas: Prevent, Protect, Respond, and Recover. The current version of the TCL contains 37 core capabilities; for more information regarding the TCL, please see <http://www.fema.gov/pdf/government/training/tcl.pdf> .

Each state selects its priorities for Homeland Security activities from the Target Capabilities List; the South Dakota Homeland Security priorities are defined as *Investments*; the current Investments are described below.

State and Local Investments

- **Public Notification and Warning**

Government agencies and public and private sectors receive and transmit coordinated, prompt, useful, and reliable information regarding threats to the public's health, safety, and property, through clear, consistent information-delivery systems. This information is updated regularly and outlines protective measures that can be taken by individuals and their communities.

- **National Infrastructure Protection Plan**

The National Infrastructure Protection Plan is a nationwide, long-term plan to protect infrastructure through a wide range of activities such as improving security protocols, hardening facilities, building resiliency and redundancy, incorporating hazard resistance into facility design, initiating active or passive countermeasures, installing security systems, leveraging technology, promoting workforce security programs, implementing cyber security measures, training and exercises, business continuity planning, and restoration and recovery actions.

- **Counter-Terror Investigation and Law Enforcement**

Counter-Terror Investigation and Law Enforcement includes a broad range of activities undertaken by law enforcement and related entities to detect, examine, probe, investigate, and conduct operations related to potential terrorist activities. Current and emerging investigative techniques are used with an emphasis on training, legal frameworks, recognition of indications and warnings, source development, interdiction, and related issues specific to antiterrorism activities. Law enforcement is an integral part of the state's Joint Terrorism Task Force, comprise membership of SWAT teams, and provide intelligence gathering and terrorism threat investigations.

- **Communications**

Communications interoperability is the ability of public safety agencies (police, fire, EMS) and service agencies (public works, transportation, hospitals, etc.) to talk within and across agencies and jurisdictions via radio and associated communications systems, exchanging voice, data and/or video with one another on demand, in real time, when needed, and when authorized. It is essential that public safety builds its systems toward interoperability. Communication equipment that is purchased or upgraded must be digital, P25 compliant, meet narrow banding standards, and be compatible with the state radio network.

- **Chemical, Biological, Radiological, Nuclear and Explosive**

Detection of Chemical, Biological, Radiological, Nuclear, and Explosives (CBRNE) includes the ability to detect CBRNE materials at points of manufacture, transportation, and use. Critical tasks and preparedness measures must be applied separately to each CBRNE agent. Actions taken to prevent an incident or respond to the consequences of a CBRNE incident are addressed in other capabilities.

The CBRNE Detection capability includes technology, as well as the capacity to recognize potential CBRNE threats through equipment, education, and effective protocols. Training, communication, close coordination with key partners, including intelligence, law enforcement, public safety, public health, and international partners, and public and private sector awareness of CBRNE threats are all recognized as critical partners for this capability.

State Investments

- **Food and Agriculture Safety and Defense**

Food and Agriculture Safety and Defense is the capability to prevent, protect against, respond to, and recover from chemical, biological and radiological contaminants, and other hazards that affect the safety of food and agricultural products. This includes appropriate laboratory surveillance to detect human food borne illness or food product contamination; disposal of affected food or agricultural products and appropriate decontamination procedures.

- **Intelligence Information Sharing and Dissemination**

Intelligence Information Sharing and Dissemination is the exchange and dissemination of information and intelligence among the Federal, State, local, and tribal layers of government, the private sector, and citizens. Gathering and dissemination of intelligence information is centered in a Fusion Center which manages the development and flow of information and intelligence across all levels and sectors of government and the private sector on a continual basis. The goal of sharing and dissemination is to get the right information to the right people at the right time.

- **Community Preparedness and Preparation**

Community Preparedness and Participation brings nongovernmental organizations and entities together with government emergency planners through Citizen Corps Councils to integrate resources from nongovernmental organizations and entities into emergency response operations plans through pre-disaster planning, preparedness education, and training to develop more resilient community organizations and individuals.

Section 3

Subgrantee Application Process

A. General

An application for funding through the SAA must be completed and submitted by the deadline set by the SAA. The SAA will notify the subgrantees of their preliminary allocations when available. Grant programs may require specific applications.

Current application forms are available on the SD Office of Homeland Security website at www.homelandsecurity@state.sd.us.

B. Performance Period

The SAA determines the performance period of the grant for the subgrantees; the performance period will be stated in the grant reimbursement agreement.

C. Application Submittal

Applications will be reviewed for completeness, adherence to both federal and state requirements, and whether or not the request is consistent with and supportive of the mission of the SD Office of Homeland Security. The applicant will be contacted by phone, fax or email, to answer questions or address concerns about the application.

D. Subgrantee Application Process

The application form will describe eligibility requirements for each program.

Any applications that are not received by the deadline set by the SAA or are incomplete may jeopardize the overall amount of funding allocated to the State of South Dakota. The SAA will not accept ineligible, illegible, or incomplete grant applications for review.

E. Application Reviews

The SAA will evaluate applications; the merits of the application will include, but not necessarily be limited to:

- Compliance with all applicable federal guidelines.
- Whether or not the project is consistent with and supportive of the overall mission of the SD Office of Homeland Security, state priorities, and national priorities.
- Probability that the funded project will achieve its goals and objectives to increase the target capabilities of the subgrantee.
- Fiscal and programmatic capabilities.
- Certification that federal funds will not be used to supplant or replace state or local funds.
- Coordination of efforts with state and local jurisdictions and federal grant programs.

Section 4

Grant Award

A. Award

The SD Office of Homeland Security will notify subgrantees of grant awards. A Reimbursement Agreement is executed to finalize awards.

Regional grant awards may be preceded by Conditional Grant Awards; an award is allocated but is conditional upon application approval.

Expediting the return of the signed Conditional Grant Award, if applicable, and the final Reimbursement Agreement is essential; the agreement is not fully executed until the document has all of the required signatures. If a subgrantee does not sign and return the Conditional Grant Award and/or Reimbursement Agreement by the date required to the SAA, the funds cannot be encumbered for the project.

B. Donations or Contribution of Funds

Federal grant award subgrantees are not authorized to donate or contribute funds as per 2 CFR Part 225 (OMB Circular A-87) which states,

Donations and contributions rendered. Contributions or donations, including cash, property, and services, made by the governmental unit, regardless of the recipient, are unallowable.

C. Budget Detail Worksheets

The final approved budget detail worksheets will identify all projects in detail that will be funded including the Region, Item Number, Item Description, Estimated Month and Year of Acquisition/Completion, Investment, Budget Category, AEL number, whether any EHP issues are applicable to the grant source, the Unit Price, Quantity, and total Budget Request by line item.

D. Timelines for Projects

Subgrantees must indicate a timeline for completion or acquisition of all projects on the budget detail worksheet. In the event that a project is delayed beyond the control of the subgrantee, the SAA may cancel the project with de-obligation of funds and re-allocation to another subgrantee for other projects.

E. Revisions

A subgrantee may request a revision of their grant project. Circumstances must exist that require the specified project to be revised or cancelled by the subgrantee due to a re-evaluation of priorities, updated risk assessment, needs assessment or identification of a new target capability. The subgrantee must submit a *Grant Project Revision Request* form to the SAA, available on the SD Office of Homeland Security website at www.homelandsecurity@state.sd.us.

F. Re-allocation of Unspent Funds

Federal law mandates that unspent federal funds must be returned to the federal government at the end of the grant period. Consequently, the SAA will de-obligate and re-allocate unspent funds when sufficient time remains in the grant period for the expenditure of funds to complete new projects.

Unfunded projects that were received in the original grant application will be given consideration for funding with re-allocated dollars.

Subsequent consideration will also be given to projects that are deemed to be worthy of consideration and were not submitted by the subgrantee in the original grant application.

G. Grant Extensions

Subgrantees may request consideration of an extension to the grant period from the SAA in writing. The SAA is the only entity that may request an extension of the grant performance period from the federal awarding agency.

Section 5

Procurement

A. Overview

Counties and cities will follow their county or city procurement procedures provided they are compliant with the Code of Federal Regulations (CFR) and federal Office of Management and Budget (OMB) policies.

- CFR Title 2 Part 215 Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations (OMB A-110)
- CFR Title 2 Part 220 Cost Principles for Educational Institutions (OMB Circular A-21)
- CFR Title 2 Part 225 Cost Principles for State, Local and Indian Tribal Governments (OMB Circular A-87)
- CFR Title 2 Part 230 Cost Principles for Non-Profit Organizations (OMB Circular A-122)
- CFR Title 44 Part 13 Section 36 Procurement
- CFR Title 48 Part 31 For-profit Organizations
- OMB Circular A-102 Grants and Cooperative Agreements With State and Local Governments
- OMB Circular A-133 Audits of States, Local Governments and Non-Profit Organizations

The following procedures support federal procurement guidelines and apply to all expenditures, including but not limited to, contracts and leases, equipment, services, and supplies. Compliance with these procedures will reduce the overall time and effort involved in the procurement approval process.

In all cases, selection of other than the lowest bidder must be fully justified. All procurement transactions, whether on state or federal contracts or competitively bid, without regard to dollar value, will be conducted to provide maximum open and free competition.

The subgrantee will be alert to organizational conflicts of interest or noncompetitive practices among contractors which may restrict or eliminate competition or otherwise restrain trade. Contractors who develop or draft specifications, requirements, statements of work and/or Requests for Proposal (RFP) for a proposed procurement must be excluded from bidding or submitting a proposal to compete for the award of such procurement as such involvement provides an advantage over other bidders.

The SAA and subgrantees shall use procurement procedures and regulations that conform to applicable federal law and standards. The following procedures adhere to instructions contained in the 44 CFR Part 13 "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments"; 2 CFR Part 215 (OMB Circular A-110) Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations and the Grant Terms and Conditions; 2 CFR Part 225 (OMB Circular A-87) "Cost Principals for State, Local and Indian Tribal Governments"; OMB Circular A-102 "Grants and Cooperative Agreements to State and Local Governments" Amended 8/29/1997; and 28 CFR: Judicial Administration, Part 66 - Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments;

B. General Bidding Policy

Subgrantees must comply with proper competitive bidding procedures as required by the applicable above-referenced federal rules.

1. Items Requiring Federal Approval

Although items may be on the federal and/or state contracts, subgrantees must receive prior written approval from the SAA and federal awarding agency for those items which require prior federal approval (e.g. vehicles, boats, helicopters, etc) per the applicable grant guidance. This written approval is required in advance of purchase. The SAA will notify the subgrantee when a determination has been received from the federal awarding agency.

2. Purchasing Items From Federal and State Contract Lists

If an item(s) is purchased from the U.S. General Services Administration (GSA) Schedule 70 or GSA Schedule 84 or a state contract, no additional bidding is required unless permission to procure is required by federal guidance (e.g. vehicles, boats, helicopters, etc). Information on items that are on the GSA Schedule may be found at www.gsaschedule.com.

Information on items that are on state contract can be found on the South Dakota Office of Procurement website at www.state.sd.us/boa/opm/. Items purchased through South Dakota state surplus are exempt from any additional bidding process.

Subgrantees including state agencies and local governments who perform their own procurement must include the federal and/or state contract number on the invoice when submitting for reimbursement.

3. Pre-approval must be requested for any contracts to ensure compliance with state and federal procurement and contract guidelines, and that required federal clauses are incorporated. Monitoring the contractor for compliance and performance is the responsibility of the subgrantee.

4. Sole Source Procurement

Use of sole source procurement is discouraged. If, after completion of the competitive bidding process, only one responsive bid is received (less than two complete competitive bids received), then this is a sole source procurement (based on 44 CFR § 13.36). All sole source procurements require prior written approval of the SAA.

C. Procurement - Government Agencies Without Procurement Policy or Non-Government

Local governments should use their own procurement policy. If they do not have a policy, they must use the State Procurement Policy. The following is an outline of the State Procurement Policy and it applies to local government subgrantees without a procurement policy and non-government subgrantees.

Purchase of Printing and Goods

1. Printing and Goods less than \$1,000 can be purchased from one quote.
2. Printing and Goods between \$1,000 and \$10,000 require the agency to solicit

for written quotes from at least three (3) qualified sources. Justification will be required if the lowest quote is not accepted.

3. Printing and Goods greater than \$10,000 require a Request for Proposals be publicized and solicited from qualified sources.

Services

1. Services, including trainings and exercises, less than \$50,000 require approval from the SAA. At least two quotes should be obtained.
2. Services \$50,000 and more require a Request for Proposals be publicized and solicited from qualified sources. The source awarded the bid will be negotiated with the involvement of the SAA.

D. South Dakota Law

Two laws concerning purchase of service contracts are shown below apply to subgrantee procurement. Please see <http://legis.state.sd.us/> for more information.

5-18-57. Request for proposals for professional service contract--Contents--Publication. No agency of the state may award or renew a contract for professional services exceeding fifty thousand dollars without complying with the procedures set forth in §§ 5-18-55 to 5-18-62, inclusive. Any agency seeking such professional services shall issue a request for proposals. The agency shall publish any request for proposals issued pursuant to this section on the electronic procurement system maintained by the Bureau of Administration. The request for proposals shall include the procedures for the solicitation and award of the contract.
Source: SL 2009, ch 27, § 3.

5-18-58. Evaluation criteria. The request for proposals shall state the relative importance of evaluation criteria to be used in the ranking of prospective contractors. The agency shall include the following evaluation criteria in any request for proposals:

- (1) Specialized expertise, capabilities, and technical competence as demonstrated by the proposed approach and methodology to meet the project requirements;
- (2) Resources available to perform the work, including any specialized services, within the specified time limits for the project;
- (3) Record of past performance, including price and cost data from previous projects, quality of work, ability to meet schedules, cost control, and contract administration;
- (4) Availability to the project locale;
- (5) Familiarity with the project locale;
- (6) Proposed project management techniques; and
- (7) Ability and proven history in handling special project constraints.

Source: SL 2009, ch 27, § 4.

E. Documentation

A copy of the Request for Proposals, bids, and quotes must be retained in the subgrantees grant file. All documentation must be maintained in the subgrantee's files showing that written proposals, bids, or quotes have been obtained from the minimum number of qualified sources. All procurement information must be made available to the SAA or any of its duly authorized representatives upon request.

In order to receive reimbursement for these purchases, the subgrantee must submit a Payment Request Form to the SAA, or regional emergency management agency if applicable, along with the quote and the invoice from the chosen vendor.

F. Equipment and/or Non-expendable Supplies

1. Under federal Department of Homeland Security grant guidelines, equipment must be listed as “allowable” on Approved Equipment List at www.rkb.us under the appropriate grant program.

All equipment must be approved by the SD Office of Homeland Security to be reimbursed and equipment purpose must be linked to a South Dakota Homeland Security Investment Justification.

2. Requested equipment that is not listed as allowable on the AEL may only be purchased after receiving a written waiver from DHS. A formal written investment justification for the equipment must be submitted to the SAA who will forward the investment justification to DHS. This investment justification must include: the reason why there is a need for the equipment, how the purchase will support the State Homeland Security Strategy, the price of the equipment, the grant year and grant number. The grant number is available from the SAA. The SAA will notify the subgrantee of DHS’s decision.

G. Maintenance, Warranties and Service of Equipment

On November 20, 2009, the U.S. Department of Homeland Security issued Information Bulletin No. 336, which was immediately effective and allowed the use of grant funds for maintenance contracts, warranties, repair or replacement costs, upgrades, and user fees under all active and future grant awards.

States were reminded to be sensitive to supplanting issues. Maintenance contracts, warranties, repair or replacement costs, upgrades, and user fees previously purchased with State and or local funds cannot be replaced with Federal grant funding.

Section 6

Property Management

A. Property and Equipment Records

Federal guidelines and regulations require subgrantees to be prudent in the acquisition and management of property acquired with federal funds. Subgrantees must assure an effective system for property management exists; this assurance will be included in the reimbursement agreement with the SAA.

1. Subgrantee Inspection of Equipment

It is the responsibility of the subgrantee to inspect equipment upon receipt. The subgrantee is permitted to delegate the responsibility of inspecting the equipment to the end-user. If the equipment is not inspected upon receipt and, at a later date, the equipment is found to be faulty or the order incomplete, the subgrantee will assume responsibility for all costs (including original invoiced amount, shipping, handling, restocking and/or applicable taxes) related to replacing or repairing the damaged, incomplete, or incorrect equipment. When such equipment cannot be replaced or repaired, the SAA will take steps to recover these costs from the subgrantee since they are unallowable under the federal grant guidelines.

2. Equipment Transfer/Disposal Form

A subgrantee must inform the SAA within 30 days when transferring or disposing of equipment. Subgrantees must submit all such changes on the Equipment Transfer/Disposal Form, available on the SD Office of Homeland Security website at www.homelandsecurity@state.sd.us and retain a copy of the form in the applicable federal grant file.

3. Subgrantees must maintain mileage logs for vehicles procured with federal funds. The SAA may request mileage records at any time for a vehicle procured with federal funds to verify allowable vehicle use, for example, mileage for official response to CBRNE incidents.

B. Equipment Inventory System

A subgrantee must maintain an equipment inventory system for items that cost \$5,000 or more and are purchased as per 44 CFR § 13.32. The SAA is required to monitor capital assets/equipment; monitoring is described in a subsequent section of this manual.

1. Subgrantees are required to maintain accurate property and equipment records. These property and equipment records shall include:

- a. Description of the property (including make and model)
- b. Manufacturer's serial number or other identification number
- c. Vendor (source of the property)
- d. Acquisition date
- e. Cost of the property

- f. Percentage of federal participation in the cost of the property
- g. Location of the equipment
- h. Use and condition of the equipment as of the date the information is reported
- i. Ultimate disposition including the date of disposal, sale, or transfer

2. Conduct a Physical Equipment Inventory

Federal and SAA policies require the subgrantee to conduct a full equipment inventory every two years. Any discrepancies must be investigated. Equipment inventory reports are required beyond the performance period of the reimbursement agreement, continuing to the end of the equipment life cycle.

3. Implement Safeguards to Prevent Loss, Damage or Theft of Equipment

A control system shall be in effect to ensure adequate safeguards to prevent loss, damage, or theft of the property. A subgrantee must submit a description of its control system either in its grant application or when otherwise requested by the SAA. Subgrantees are responsible for replacing or repairing the property which is willfully or negligently lost, stolen, damaged or destroyed. Any loss, damage or theft of the property must be investigated and fully documented, and made part of the official grant record. The investigation report and documentation shall be submitted to the SAA.

4. Implement Equipment Maintenance Procedures

The end user of equipment must implement maintenance procedures to keep the property in good condition. Evidence of this requirement will be reviewed as part of the monitoring process.

5. Disposition of Equipment

If equipment is disposed, sold, or transferred, the subgrantee must notify the SAA by completion and submission of the Equipment Disposition/Transfer Form available on the SD Office of Homeland Security website at www.homelandsecurity@state.sd.us .

Section 7

Allowable Costs

A. General

When completing a grant application, applicants must utilize the federal and state program guidance to determine allowable or unallowable costs. The SAA will only approve expenditures that are allowable per the federal guidelines from the federal Department of Homeland Security or Department of Justice; links to these guidance documents are available on the SD Office of Homeland Security website at www.homelandsecurity@state.sd.us.

Not all categories listed in the Authorized Equipment List (AEL) are allowable expenditures under all grant programs. Refer to specific grant program guidelines and the grant allowability link at <https://www.rkb.us/> for the equipment item on the AEL. The SAA must approve allowable expenditures; approval is based on the AEL and state priorities.

B. Basic Principles on Unallowable Costs

Costs that are not allowable include, but are not limited to, the following:

- “Thank you” Gifts/Souvenirs/Awards/Dinners
- General use software, computers, website development, and related equipment
- General use vehicles, fuel, licensing fees and operational costs
- Vehicle registration fees
- Weapons and ammunition
- Hiring of public safety personnel for duties that aren’t specific to Homeland Security
- Overtime for public safety personnel for duties that aren’t specific to Homeland Security
- Construction and renovations
- Equipment not listed on the AEL
- Insurance policies
- Mileage for vehicles purchased with federal grant funds (actual fuel costs are allowable)
- Program income, i.e., generating income as a result of the grant funded activities
- Magnetic signage for vehicles
- Costs incurred in order to comply with local or state requirements

C. Basic Principles on Allowable Costs

Allowable costs include, but are not limited to, the following expenses if specific to Homeland Security activities:

- Cost of meetings and conferences, the primary purpose of which is the dissemination of technical information, are allowable. This includes rental of facilities, speaker’s fees and other items incidental to such meetings or conferences.
- Travel expenses for federally authorized training courses and federal grant-related and sponsored conferences.
- Contractor expenses for approved training and exercises.
- Salaries for the individuals providing shift coverage for those participating in SAA approved training and exercises, i.e. backfill.

- Equipment listed as allowable on the AEL as part of a pre-approved project that aligns with the investment justifications.
- Public education and outreach.

D. Goods and Services

Unless local procurement methods are more restrictive, the procurement guidelines stated in this manual must be followed. All requests for payment must be made on a signed Payment Request Form, certifying that the items have been received.

All procurement quotes for professional services must be obtained in writing and kept in the subgrantees grant file, available to the SAA upon request.

1. Limited reimbursement is allowed for food, beverages, and mileage or fuel. Please see the Reimbursement requests must include a roster of attendees and an agenda.

- Food may be reimbursed at state reimbursement rates when traveling away from your duty station, for exercises (full-scale, functional, or table-top), or activated Emergency Operations Center activities.

| Maximum Food Allowable | In-State | Out of State | When Leaving Before | When Returning After |
|------------------------|----------|--------------|---------------------|----------------------|
| Breakfast | \$5.00 | \$8.00 | 5:31 am | 7:59 am |
| Lunch | \$9.00 | \$11.00 | 11:31 am | 12:59 pm |
| Dinner | \$12.00 | \$17.00 | 5:31 pm | 7:59 pm |
| Total Per Day | \$26.00 | \$36.00 | | |

- Food reimbursement will not be made for planning activities, meetings, or trainings (unless travel away from duty station conditions apply).
- Non-alcoholic beverages are a separate allowable expense for exercises, planning activities, meetings, or trainings.

Mileage or fuel will be made at the following rates.

| Mileage/Fuel |
|--|
| Private Vehicle – reimbursement at a maximum of \$0.37 per mile |
| Government Vehicles – reimbursement for fuel costs with receipts |

In addition, food, beverages and mileage or fuel must:

- Not be directly related to amusement and/or social events (no alcohol allowed).
- No stand-alone working meals are allowed.
- Expenses must be included in the subgrantees approved project budget worksheet.

2. Office expenses, supplies, and support services

Office expenses, supplies, and support services are allowable provided that documentation is submitted that supports the necessity to approved grant projects.

3. Personnel Costs

- a. Direct costs related to management and administration of the grant program including salaries and fringe benefits are allowable. A "Direct Charge Certification" form must be completed and submitted semi-annually for personnel paid solely from Office of Homeland Security funds; if not paid for full-time services, timesheets and payroll records documenting hours worked are required.
- b. Direct costs related to planning, training and exercises of the grant program including the salaries and fringe benefits for personnel including planners, trainers, and exercise officers are allowable.
- c. Allowable training costs for applicable federal grants include overtime and backfill costs associated with attendance at federally funded and approved training courses (unless otherwise indicated by applicable grant guidance.)

E. Travel

- a. The subgrantee is responsible to ensure that all travel submitted for reimbursement is eligible under the appropriate year grant guidance. If the subgrantee does not have a form to summarize travel costs for grant activity participants, the subgrantee may use the SD Office of Homeland Security, Travel Detail Worksheet form available on the SD Office of Homeland Security website at www.homelandsecurity@state.sd.us .
- b. Travel expenses must follow current State rates described in the next section.

Documentation for travel must include:

- a. Unit cost for each traveler (departure and return times; destinations; airfare; lodging; meals, ground transportation to program activities, and other allowable expenses).
- b. Purpose of travel as it relates to program activities.
- c. Copy of the agenda or registration form.
- d. Meals will be reimbursed based on departure and return times; receipts for meals are not required.
- e. Unallowable: entertainment charges, tobacco, alcohol or bar charges, laundry charges, visa or passport charges, tips, phone calls, personal hygiene items, in-room movies, magazines, personal transportation (other than to program activities), travel insurance, credit card fees.

F. Reimbursement

Allowable expenses are paid on a reimbursement basis. A Payment Request Form available on the SD Office of Homeland Security website at www.homelandsecurity@state.sd.us must accompany appropriate documentation for expenses.

Section 8

Fiscal Responsibility

A. Quarterly Balances

Subgrantees will receive a copy of their grant balances on a quarterly basis from the SAA. Subgrantees must confirm the accuracy of the information contained therein, including the identification of any discrepancies along with supporting documentation within 10 working days to the SD Office of Homeland Security.

B. Reimbursement Request

Reimbursement requests must be submitted from the subgrantee to the SD Office of Homeland Security within 60 days of the expenditure. Subgrantees failing to meet this requirement, without prior written approval, are subject to de-obligation of funds.

The following items must be included with the Payment Request Form:

- a. The Payment Request Form must be completed, signed, and submitted with required documentation.
- b. Copies of invoices for each item clearly marked with the item number as it appears on the approved project budget detail worksheet.
- c. Acceptable documentation for personnel – time sheets and copies of the agency's payroll records which reflect the amount requested.
- d. Documentation for food and beverages relevant to Homeland Security activities.
- e. Documentation for travel.
- f. When a subgrantee is a state agency, a non-cash voucher with appropriate documentation is acceptable.
- g. The SAA may request proof of payment for any reimbursable expense. If a subgrantee does not submit a signed Payment Request Form, verifying receipt of items of expense, the subgrantee *must* provide proof of payment. The preferred proof of payment is a copy of the cancelled check.

C. Expenses Must Have Prior Approval

The SAA requires that all expenditures be fully documented and must be on the approved budget detail worksheet. The total reimbursement of expenditures will not be paid beyond the total federal amount awarded.

D. Supplemental Documentation

1. Personnel

An employee time record must be completed for each person paid by the grant. Submit actual expenses from your payroll records. Federal regulations prohibit the practice of

charging the grant according to the amount derived from dividing the personnel costs reflected in the grant by the number of months in the grant.

2. Travel

The SD Office of Homeland Security will reimburse travel expenses at the current South Dakota state travel reimbursement rates. Travel expenses must have prior approval through inclusion in the grant application and budget detail worksheet or other written approval from the SD Office of Homeland Security.

Subgrantees must provide a completed Travel Detail Worksheet or approved equivalent form with receipts for lodging, airfare, ground transportation, registration fees, and miscellaneous allowable expenses. Mileage will be calculated by distance traveled and meals are reimbursed based on departure and return times. Please see Section 6 Allowable Costs above.

3. Training

The subgrantee that hosts a training event must provide:

- a. An agenda or course curricula.
 - b. Name and contact information of the instructor(s).
 - c. Legible class roster with each individual's affiliation.
- Course evaluations must be available upon request by the SAA.

Similarly to training hosted by an agency, individuals who attend independent training events must provide documentation of the event such as an agenda, registration, or invitation letter showing the instructor(s) contact information and a completed Travel Payment Detail form or local equivalent form and any required receipts, summarized with a signed Payment Request Form.

Training conducted with federal funds must link to a target capability and apply to FEMA goals and objectives. The Office of Emergency Management, Training Coordinator, provides technical assistance for FEMA training and tracks training events and participants. A roster for training must be submitted to the Training Coordinator at the conclusion of the training before reimbursement will be processed.

Training for citizens in preparedness, prevention, response skills and volunteer activities must be coordinated through local Citizen Corps Councils (CCP), under the administration of the Office of Emergency Management, CCP Coordinator. Please refer to applicable federal grant guidelines for allowable training costs, approved courses, and reporting requirements or contact the CCP Coordinator for technical assistance.

Law Enforcement Terrorism Prevention funds may be used for a range of law enforcement terrorism prevention related training and equipment to enhance the capabilities of state and local personnel. Training conducted with DHS funding must demonstrate linkage to a target capability and be applicable to the state or regional homeland security strategies.

4. Exercises

Exercise funds may be used in accordance with the appropriate grant year guidance for allowable exercise costs. Exercises must be threat and performance-based, executed in accordance with the guidance, see https://hseep.dhs.gov/pages/1001_HSEEP7.aspx .

Exercises must be posted to the National Exercise Schedule System (NEXS) found on the HSEEP website and must follow the HSEEP Tool Kit. The Office of Emergency Management, Exercise Coordinator, provides technical assistance for FEMA exercise activities and must approve exercises prior to reimbursement.

E. Match Requirements

If applicable to the subgrantee grant award:

1. Match is restricted to the same use of funds and compliance requirements as are expenditures reimbursed by federal funds.
2. Cash match and in-kind contributions/match must be used for allowable costs in compliance with federal regulations and grant program guidance.
3. Federal funds cannot be used to match other federal funds. State and local funds can match federal funds.
4. Matching funds and contributions must be in addition to and supplement funds that would otherwise be available for the grant project activity.
5. Documentation for matching funds is the same as for reimbursable expenditures.

Section 9

Progress Reports

A. General

Subgrantees are required to monitor fiscal and program performance of grant-supported projects 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. Reports

Subgrantees are required to prepare and submit quarterly progress reports. The progress reports should provide a narrative of the accomplishments of the objectives, goals and impact of the project. This report must be prepared and submitted to the SAA as directed in the reimbursement agreement. Failure to submit the progress reports may result in a stop payment of all open grants to the subgrantee. Progress reports are due on the following schedule:

| Quarter | Report Due |
|-------------------------|-------------------|
| July 1 – September 30 | October 15 |
| October 1 – December 31 | January 15 |
| January 1 – March 31 | April 15 |
| April 1 – June 30 | July 15 |

The Quarterly Progress Report Form is available on the SD Office of Homeland Security website at www.homelandsecurity@state.sd.us.

Section 10

Monitoring

A. Purpose

The Office of Homeland Security, as a federal grantee, is responsible for monitoring subgrantees and insuring that all fiscal, compliance, and programmatic responsibilities are fulfilled based upon the regulations cited in Code of Federal Regulations, Title 44. This includes monitoring subgrantee reporting, recordkeeping, as well as internal operation and accounting control systems.

B. Overview

A monitoring team is composed of members of the SD Office of Homeland Security and other representatives of the SD Department of Public Safety. The team monitors the subgrantees' activities from award to closeout. Monitoring federal grants includes programmatic, financial, and capital/fixed asset (equipment) monitoring.

C. On-Site Monitoring

At least 30 days in advance of a proposed on-site visit, the monitoring team will contact the subgrantee to schedule an on-site monitoring visit, briefing the subgrantee on what monitoring areas and equipment assessed at \$5,000 or over will be monitored. The subgrantee will be asked to provide equipment location information in advance of the site visit to ensure on-site time is focused on monitoring assets instead of spending time locating said equipment. In addition, the monitoring team may request a copy of the agency's capital asset/equipment, property disposition, and procurement policies prior to the monitoring visit.

The monitoring team will visit the site where equipment is housed or stored that has been purchased with federal grant funds. The equipment will be inspected for proper marking as directed by federal regulations including inventory coding, security, maintenance logs, use logs and equipment condition.

If the subgrantee has received subgrants under several programs, all program grants are reviewed and monitored at the same time if possible.

D. Desk Monitoring

The monitoring team may choose to accomplish programmatic and financial monitoring by reviewing files and other documents relevant to a reimbursement agreement or other SAA funded project. Desk monitoring will include discussions with the subgrantee over the phone or via email rather than face-to-face as described in on-site monitoring above.

Section 11

Records Management

A. General

Monitoring activities will include review of record management practices to ensure minimum requirements are achieved and maintained. All records must be kept for a minimum of three years after the grant closes unless superseded by federal or state statute. Equipment records must be maintained for the life of the equipment and after disposition of the equipment for three years.

Equipment valued at \$5,000 or more at time of purchase is considered a capital asset and subject to specific federal property regulations. Please reference the Code of Federal Regulations, Title 44 Part 13.

B. Property

Property records must be maintained that include a description of the property, a serial number or other identification number, the source of property, who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the cost of the property, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.

At least once every two years, the subgrantee is required to perform a physical inventory of the property and reconcile the results with the property records.

A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft shall be investigated.

Adequate maintenance procedures must be developed to keep the property in good condition.

If the grantee or subgrantee is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return.

When original or replacement equipment acquired under a grant or subgrant is no longer needed for the original project or program or for other activities is currently or previously supported by Federal agency, disposition of the equipment will be made as follows:

1. Items of equipment with a current per-unit fair market value of less than \$5,000 may be retained, sold or otherwise disposed of with no further obligation to the SAA.
2. Items of equipment with a current per-unit fair market value in excess of \$5,000 may be retained or sold and the SAA shall have a right to an amount calculated by multiplying the current market value or proceeds from sale by the SAA's share of the equipment.
3. Equipment may be transferred to another agency with written approval from the SAA. Disposal, sale, or transfer of property must be documented with the submission of the Equipment Disposal/Transfer Form available on the SD Office of Homeland Security website at www.homelandsecurity@state.sd.us.

C. Accounting Records

The SD Office of Homeland Security and subgrantees must maintain accounting records in accordance with generally accepted accounting principles, which will ensure that federal and any matching funds are accounted for adequately. The minimum requirements for such records are explained below.

In addition to complying with regular accounting principles followed by the subgrantee, the subgrantee must maintain an organized subgrant file with the following information:

1. A copy of the official award packet should include the application, Conditional Grant Award, if applicable, approved Budget Detail Worksheet, executed Reimbursement Agreement with all attachments, and any grant award revisions.
2. Progress reports submitted to the SD Office of Homeland Security.
3. Copies of all purchase orders.
4. Copies of all financial reports, including balance reconciliation documentation, and copies of corresponding invoices and proof of payment documents.
5. Copies of the grant funded property inventory, receipt, transfer and inventory forms submitted to the SAA.
6. Copies of all time and attendance documentation if personnel are funded.
7. Copies of monitoring reports completed by the SD Office of Homeland Security and issued to the subgrantee.
8. Copies of completed audits which are relative to the subgrant project.
9. Copies of all grant related correspondence and documentation.

Section 12

Grant Closeout

A. Grant Closeout Timeline

All expenditures must be incurred by the subgrantee before the close of the grant award period. Requests for reimbursement must be received by the SD Office of Homeland Security within 60 of the end of the grant award period. The SD Office of Homeland Security has no obligation to reimburse requests for payments received after 60 days after the end of the grant award period. Final reimbursement will be processed when all progress reports and other required documentation are received.

Awarded funds not expended within the grant period will be de-obligated by the SD Office of Homeland Security. De-obligated funds may be reallocated through an independent application and award process.

The closeout of a grant does not affect the SAA's right to disallow costs and recover funds on the basis of a later audit.

Subgrantees are required to retain grant records and documentation for a minimum of three years unless superseded by federal or state statute after the final reports are submitted. The SD Department of Public Safety, the federal awarding agency, and the Comptroller General of the United States, or any of their authorized representatives, shall have the right of access to any pertinent books, documents, papers, or other records of grantees and subgrantees which are pertinent to the grant, in order to make audits, examinations, excerpts and transcripts.

Subgrantees who expend \$500,000 or greater in federal funds in a fiscal year are required to comply with the Single Audit Compliance regulation in OMB Circular A-133.

Forms and Resources

The following forms available on the SD Office of Homeland Security website:

[www.homelandsecurity@state.sd.us](mailto:homelandsecurity@state.sd.us)

1. Regional Project Application
2. (General) Project Application
3. Environmental and Historical Preservation Screening Memo Form
4. Grant Project Revision Request Form
5. Equipment Transfer/Disposal Form
6. Payment Request Form
7. Quarterly Progress Report Form
8. Travel Detail Worksheet

Additional federal grant regulations and policies relevant to Homeland Security grants are available at the following links.

- Federal OMB Circulars may be viewed on the Office of Management and Budget website at http://www.whitehouse.gov/omb/circulars_default/
- The Code of Federal Regulations may be viewed on the Electronic Code of Federal Regulations website at <http://www.gpoaccess.gov/cfr/>
- FEMA List of Acronyms: http://www.fema.gov/pdf/plan/prepare/faatlist07_09.pdf
- The following website accesses to the FEMA Authorized Equipment List: <https://www.rkb.us/FEMAGrants/DisplayFEMAGrants.cfm>
- Environmental and Historic Preservation:
 - Information Bulletin # 329 - September 2, 2009, Environmental Planning and Historic Preservation Requirements for Grants- ([PDF](#) 33KB, [TXT](#) 2KB)
 - Grantee Environmental and Historical Preservation Picture Documentation Instructions ([DOC](#) 116KB, [TXT](#) 2KB)
 - Environmental and historic preservation screening memo (EHPSM) ([DOC](#) 145KB, [TXT](#) 12KB)

To contact the SD Office of Homeland Security, email homelandsecurity@state.sd.us or by phone 605 773-3450.