



FEMA

**Grant Programs Directorate Information Bulletin
No. 379
February 17, 2012**

MEMORANDUM FOR: All State Administrative Agency Heads
All State Agency Points of Contact
All Urban Areas Security Initiative Points of Contact
All State Homeland Security Directors
All State Emergency Management Agency Directors

FROM: Elizabeth M. Harman
Assistant Administrator
Grant Programs Directorate

SUBJECT: Guidance to State Administrative Agencies to Expedite the
Expenditure of Certain DHS/FEMA Grant Funding

The purpose of this Information Bulletin is to provide FEMA Grant Programs Directorate (GPD) grantees guidance on the process to reprioritize and modify current investments and projects under open FY 2007-2011 grants, per Secretary Napolitano's guidance issued on February 13, 2012 titled "*Guidance to State Administrative Agencies to Expedite the Expenditure of Certain DHS/FEMA Grant Funding*".

In light of the current economic situation and the need for further economic stimulus, the Secretary announced the Department and FEMA's commitment to provide grantees with additional flexibility to accelerate the spending of remaining FY 2007 - FY2011 DHS/FEMA grant funds (including formula grant programs), consistent with existing laws, regulations and programmatic objectives¹. These measures will apply also to FY 2012 grant awards², to be issued later this calendar year, and are designed to support grantee efforts to put grant funding to work quickly by addressing immediate needs and building core capabilities that will support long-term preparedness. These measures apply to the following grants:

- Buffer Zone Protection Program (BZPP)
- Driver's License Security Grant Program (DLSGP)
- Emergency Operations Center (EOC)
- Freight Rail Security Grant Program (FRSGP)
- Homeland Security Grant Program (HSGP)
 - State Homeland Security Program (SHSP)
 - Urban Areas Security Initiative (UASI)

¹ This includes compliance with all applicable anti-discrimination laws regarding use of federal funds.

² Grantees are advised to refer to the applicable FY 2012 program guidance and application kit (i.e., SHSP, THSGP, NSPG, etc.) for the program which they seek to apply this Guidance to.

- Operation Stonegarden (OPSG)
- Metropolitan Medical Response Grants (MMRS)
- Citizen Corps Program (CCP)
- Intercity Bus Security Grant Program (IBSGP)
- Intercity Passenger Rail Security Grant Program (IPR)
- Interoperable Emergency Communications Grant (IECGP)
- Nonprofit Security Grant Program (NSGP)
- National Special Security Event (NSSE) Grant
- Port Security Grant Program (PSGP)
- Regional Catastrophic Preparedness Grant Program (RCPGP)
- Transit Security Grant Program (TSGP)
- Tribal Homeland Security Grant Program (THSGP)

Excerpts from the Secretary's Guidance are captured in Attachments A through D which outline the instructions to grantees for submitting requests to the grantees' respective GPD or Regional Program Analyst to accomplish any of the following actions: (A) reprioritization of grant funds; (B) waiver to existing program requirements such as personnel cost caps and/or program match requirements; (C) expansion of efforts that build and sustain capabilities; and (D) extending an award's period of performance based on extenuating circumstances.

Questions regarding this Information Bulletin may be directed to your assigned FEMA Program Analyst or the Centralized Scheduling and Information Desk at askcsid@fema.gov or 1-800-368-6498.

Attachment A

Reprioritization of Grant Funds

The Secretary's Guidance provides three measures which grantees may employ to reprioritize their grant funds to put grant funding to work quickly by addressing immediate needs and building core capabilities that will support preparedness in the long run. These measures are:

1. *“DHS/FEMA will allow grantees to apply previously awarded FY 2007-2011 grant balances towards more urgent priorities by way of an expedited project approval by DHS/FEMA Grant Programs Directorate (GPD). Specifically, this allows expenditure on general purpose equipment and overtime/backfill expenses for first responders engaged in protection or prevention activities consistent with grant guidance and the Homeland Security Act (6 USC 101 et seq.). As a condition of such application, both equipment purchases and overtime/backfill costs must align to and support one or more core capabilities in the National Preparedness Goal. Further, equipment must be sharable through the Emergency Management Assistance Compact (EMAC)³(see also Building and Sustaining Core Capabilities)*
2. *“DHS/FEMA will expand allowable expenses under the Port and Transit Security Grant Program, in accordance the SAFE Port Act and 9/11 Act, respectively. For the Port Security Grant Program (PSGP), allowable costs include those listed within 46 USC Section 70107(b) (eligible costs) that do not involve construction. Applicable transit program⁴ costs may include the eight (8) uses of operational funds as outlined in the 9/11 Act, Pub. L. No. 110-53, Section 1406(b)(2). To the extent possible, DHS/FEMA maintains its commitment to support existing critical infrastructure hardening projects under TSGP, and will seek to expedite the federal approval process for projects where a contract is currently in place, an environmental review has been completed, and the designs have been approved.”*
3. *DHS/FEMA may allow combating violent extremism (CVE) activities as defined by the Administration's CVE Strategy⁵ to be eligible in all grant years for the Homeland Security Grant Program (HSGP) (previously limited to FY 2011 HSGP under Priority Two: Building Prevention and Protection Capabilities).*

The *Reprioritization of Grant Funds* applies to any of the following situations:

- Reprogramming some portion of funding from an approved project to another approved project (under the same grant program and to the same grantee), both of which are currently underway;
- Canceling a project that was approved for funding but *has not yet begun* in order to fund either an already approved project or a *new* project not previously submitted to FEMA for approval, so long as the funds remain available for obligation and the new project is within the scope of the previously awarded funds; and

³ Except for American Samoa and Guam which are not currently affiliated under EMAC, although statutorily permitted to do so.

⁴ Includes Transit Security Grant Program (TSGP), the TSGP Intercity Passenger Rail, and the TSGP Freight Rail Security Grant Program (FRSGP).

⁵ http://www.whitehouse.gov/sites/default/files/empowering_local_partners.pdf

- Committing funds to an approved project to purchase equipment and/or incur costs that were not previously allowable under the grant guidance, but that are still within the scope of the previously awarded funds.

Grantees are advised to coordinate with their assigned FEMA Program Analyst (PA) should other unique situations exist where grantees are seeking to reprioritize funds.

Requests to reprioritize funds for projects that were submitted and awarded under the programs listed below may only be modified within the original project scope. No additional projects or investments will be considered:

- Nonprofit Security Grant Program (NSGP)
- Emergency Operations Center (EOC)
- Intercity Bus Security Grant Program (IBSGP)
- Freight Rail Security Grant Program (FRSGP)

Requests to reprioritize funds for projects that were submitted and awarded funding under the following grant programs may be modified to include additional investments or projects, so long as they are within the scope, purpose and intent of the program’s authorizing legislation, regulations, and programmatic objectives:

- Tribal Homeland Security Grant Program (THSGP)
- Homeland Security Grant Program (HSGP)
 - State Homeland Security Program (SHSP)
 - Urban Areas Security Initiative (UASI)
 - Operation Stonegarden (OPSG)
 - Metropolitan Medical Response Grants (MMRS)
 - Citizen Corps Program (CCP)
- Interoperable Emergency Communications Grant (IECGP)
- Intercity Passenger Rail Security Grant Program (IPR)
- Port Security Grant Program (PSGP), Group III and All Other Port Areas
- Transit Security Grant Program (TSGP), Tier II Transit Agencies
- Driver’s License Security Grant Program (DLSGP)
- Regional Catastrophic Preparedness Grant Program (RCPGP)
- Buffer Zone Protection Program (BZPP)⁶

Expanded Allowable Costs

The Secretary’s Guidance additionally authorizes “*expenditure on general purpose equipment and overtime/backfill expenses for first responders engaged in protection or prevention activities consistent with grant guidance and the Homeland Security Act (6 USC 101 et seq.)*”. Examples of general purpose equipment may include:

- General purpose law enforcement vehicles;
- General purpose emergency medical services (EMS) equipment and vehicles;
- General purpose fire service equipment and vehicles, to include hose, pump accessories, and foam concentrate for specialized CBRNE response;

⁶ Proposed project modifications/changes must be in direct support of the critical infrastructure/key resource (CIKR) site for the applicable fiscal year, as identified by the Department of Homeland Security’s (DHS) Office of Infrastructure Protection (OIP) and per the award made by FEMA Grant Programs Directorate (GPD)

- General purpose office equipment for staff⁷ engaged in homeland security program activity.

Requests for newly allowable equipment are restricted by the Authorized Equipment List (AEL) *but exceptions requiring prior approval may be considered on a case-by-case basis if* (1) the equipment identified to be purchased directly maps to a core capability contained within the National Preparedness Goal (NPG)⁸, and (2) the equipment's purpose (when operational) fall into the permitted use of funds in the 9/11 Act.

FEMA has expanded the scope of operational overtime as an allowable cost to include all first responder personnel deemed eligible to receive overtime in accordance with their position and parent agency policies. This expanded allowability applies *only* to those programs under which operational overtime is cited as an existing approved cost, which includes HSGP (SHSP, UASI, and OPSG) and THSGP. Operational overtime was previously limited to law enforcement personnel. Examples of permitted overtime costs include:

- Overtime expenses consistent with a State Homeland Security Plan, including enhanced operations in support of Federal agencies, border security, and border crossing enforcement;
- Operational overtime costs resulting from a National Terrorism Advisory System (NTAS) alert⁹
- Costs in support of special event "surge" operations for law enforcement and other first responder disciplines; and
- Costs in support of increased security measures at critical infrastructure sites.

Per applicable grant program guidance, grantees are reminded that operational overtime costs not associated with an NTAS alert must receive prior approval in writing by the FEMA Administrator. This guidance does not waive that requirement. FEMA GPD will consider requests for special event activities up to a year in advance, however such requests must be within the award's current period of performance and not result in the need for a request to extend the period of performance.

Expanded Allowable Costs - Port & Transit

Port and Transit grant recipients are advised to refer to the FY 2012 Program Guidance and Application Kit for details on the expanded allowable costs for these programs, under the SAFE Port Act and 9/11 Act. The allowable costs cited within the FY 2012 guidance may be applied to existing open awards in order to provide grantees expanded flexibility to meet their preparedness goals and expend funds within the directed timelines (see Appendix D).

Expanded Allowable Costs – Regional Catastrophic Preparedness Grant Program

Regional Catastrophic Preparedness grant recipients are advised to refer to the FY 2011 Program Guidance and Application Kit for details on the expanded allowable costs for these programs. The allowable costs cited within the FY 2011 guidance may be applied to all existing open

⁷ This applies to all homeland security personnel, and is not limited to management and administration staff, and costs are to be captured outside the cap on management and administration costs.

⁸ <http://www.fema.gov/pdf/prepared/npg.pdf>

⁹ Information Bulletin #367 "Impact of National Terrorism Advisory System on Homeland Security Grant Programs" (<http://www.fema.gov/pdf/government/grant/bulletins/info367.pdf>)

awards (FY 2007 – FY 2011) in order to provide grantees expanded flexibility to meet their preparedness goals and expend funds within the directed timelines (see Appendix D).

Expansion of CVE Activities

The expansion of CVE activities as part of a grantee and/or sub grantee’s effort to build prevention and protection capabilities apply only the HSGP for FY 2007 through FY 2012. For additional information on the scope of CVE and how grantees can integrate CVE activities in accordance with the Department of Homeland Security and US Government policy, refer to GPD Information Bulletin #373, dated October 7, 2011. Grantees seeking to reprogram FY 2007 – FY 2011 grant program funds in support of CVE activities must do so through the *Reprioritization of Funds* request process, described below.

Grantees are required to comply with 44 CFR 13.22, which includes the same requirements described in 2 CFR 215.27 “*Allowable Costs*” and the applicable Office of Management and Budget (OMB) circulars listed in each, based on the grantee organization type¹⁰.

Submission Requirements

Reprioritization of Grant Funds requests are to be submitted to the grantees’ respective GPD or Regional Program Analyst in writing. All required information must be contained within the request to be considered complete in order for a review to be conducted. Any program modifications requested by subgrantees must be submitted through the State Administrative Agency, or primary grant recipient. Grantees must include the following information in their requests:

1. A revised project budget and implementation timeline;
2. A description of how the project supports one or more core capabilities contained within the National Preparedness Goal (NPG);
3. A description of how any new project and associated project costs are in alignment with the programs’ respective authorizing legislation (i.e., 9/11 or SAFE Port Acts);
4. A description of the mechanism through which any resources purchased with grant program dollars per the expanded program allowability will be deployable or otherwise shared by neighboring jurisdictions¹¹;
5. Environmental and Historic Preservation (EHP) documentation, if applicable; and
6. Assurances that the expenditure of federal funds will comply with Title VI laws and other regulations prohibiting discrimination by grantees/recipients of federal funds.

Grantees may use the Investment Justification (IJ) template and/or the programs’ corresponding application template to capture the information required above, however this is not required. Requests submitted on official letterhead with the information required above will be accepted.

¹⁰ This includes: 2 CFR 225, “Cost Principles for State and Local and Indian Tribal Governments”; 2 CFR 230 “Cost Principles for Non-Profit Organizations”; 2 CFR 220, “Cost Principles for Educational Institutions”. The allowability of costs incurred by commercial organizations and those non-profit organizations listed in Attachment C is determined in accordance with the provisions of the Federal Acquisitions Regulation (FAR) at 48 CFR Part 31.

¹¹ For State Administrative Agencies, this requirement can be met with a statement of EMAC or other mutual aid membership.

Review and Approval Process

Requests for Reprioritizations

All submissions will be reviewed by GPD and/or Regional Program Analysts to ensure requests meet the scope, purpose and intent of the program's authorizing legislation, regulations¹², and programmatic objectives. Reviews will be conducted and approvals issued on in a rolling basis. Depending on the program under which a reprioritization request has been submitted, GPD may consult with the partnering agency on approvals, if needed¹³. GPD will provide grantees written notification on any request that has been disapproved, along with the reason for the disapproval.

Expanded Allowable Costs

Grantees are not required to submit special requests to GPD for preapproval of any new program cost that fall within the scope of this Information Bulletin. Grantees should discuss with their respective GPD and/or Regional Program Analysts as they develop new program cost items and must do so if they have questions on any program cost that may not directly support the scope, purpose and intent of a program's authorizing legislation, regulations, and programmatic objective.

GPD will maintain documentation of all approved *Reprioritization of Funds* requests within the official grant file. This information will also be used during future programmatic and financial monitoring in order to track grantees' implementation of approved modifications to projects/investments. GPD's project review and approval process conforms to 44 CFR Part 13.30 "Changes" and 2 CFR 215.25 "Revision of Budget and Program Plan"¹⁴.

Any change to an investment or project based on a Request for Reprioritization under the following programs must also be captured within the Grants Reporting Tool (GRT), and updated in the June 2012 Biannual Strategy Implementation Plan (BSIR):

- Buffer Zone Protection Program (BZPP)
- Emergency Operations Center (EOC)
- Homeland Security Grant Program (HSGP)
 - State Homeland Security Program (SHSP)
 - Urban Areas Security Initiative (UASI)
 - Operation Stonegarden (OPSG)
 - Metropolitan Medical Response Grants (MMRS)
 - Citizen Corps Program (CCP)
- Intercity Passenger Rail Security Grant Program (IPR)
- Interoperable Emergency Communications Grant (IECGP)
- Non-Profit Security Grant Program (NSGP)
- Regional Catastrophic Preparedness Grant Program (RCPGP)
- Tribal Homeland Security Grant Program (THSGP)
- Transit Security Grant Program (TSGP) (FY 2007 – 2008 only)

Grantees must continue to adhere to all terms and conditions cited within the original grant award. This includes meeting the requirements regarding records retention, in accordance with

¹² Including Title VI and other non-discrimination requirements.

¹³ For example, the Office of Infrastructure Protection for BZPP, United States Coast Guard for PSGP, and Transportation Security Administration for TSGP.

¹⁴ Cites the grants management common rule (Uniform Administrative Requirements) based on grantee agency type. v. 2-16-12

44 CFR 13.42 “*Retention and access requirements of records*”, which includes the same requirements described in 2 CFR 215.27. For approved projects submitted by grantees on behalf of subrecipients, the grantee is responsible for clearly communicating the approval and any terms of the approval to the sub recipient. Additionally, the grantee is responsible for modifying terms and conditions of existing subaward agreements, contracts, or other appropriate written means consistent with law and in accordance with 44 CFR 13.42 and 2 CFR 215.53.

Attachment B

Waivers to Select Program Requirements

The Secretary's Guidance communicates four program requirements to which DHS/FEMA will waive. These requirements are captured below:

1. *DHS/FEMA will automatically waive the requirement that 2008 and 2009 Homeland Security Grant Program (HSGP) grantees allocate 25 percent of their funding toward countering improvised explosive devices (IEDs), planning, training and exercises.*
2. *DHS/FEMA will waive the 50 percent cap on personnel costs for Homeland Security grants (HSGP) upon request to the FEMA Administrator.*
3. *DHS/FEMA will consider requests for waivers to cost match requirements under FY 2008 and 2009 Port Security Grant for public sector grantees on a case by case basis, per the existing DHS/FEMA guidance.¹⁵*
4. *DHS/FEMA will consider requests for waivers to match requirements for the Nonprofit Security Grant Program, the Interoperable Emergency Communications Grant Program and Regional Catastrophic Planning Grant Program¹⁶ on a case by case basis.*

Submission Requirements for Waiver Requests

25% for Countering IEDs, and Planning, Training and Exercises Waiver (#1)

Grantees seeking to reprioritize funds that are currently obligated to meet this programmatic requirement must submit a *Reprioritization of Funding* request, as outlined in Attachment A. Through the request process, grantees document the reprogramming of grant funds from activities that were specifically identified to meet this requirement, to other projects and initiatives currently underway.

HSGP Personnel Cap Waiver (#2)

Per the *Personnel Reimbursement for Intelligence Cooperation and Enhancement (PRICE) of Homeland Security Act* (P. L. 110-412), grantees are allowed to utilize up to 50 percent (50%) of their funding for personnel related costs. At the request of a grant recipient, the FEMA Administrator may waive the 50% personnel cap. Waiver decisions are at the discretion of the FEMA Administrator and will be considered on a case-by-case basis. Requests for waivers to the personnel cap must be submitted by the authorized representative of the SAA (or grantee agency) to GPD in writing on official letterhead, with the following information:

- Documentation explaining why the cap should be waived;
- Conditions under which the request is being submitted; and
- A budget and method of calculation of personnel costs both in percentage of the grant award and in total dollar amount. To avoid supplanting issues, the request must also include a three-year staffing history for the requesting entity.

¹⁵ Refer to FEMA Grant Programs Directorate's Information Bulletin #376 dated January 4, 2012, located at <http://www.fema.gov/pdf/government/grant/bulletins/info376.pdf>

¹⁶ NSGP has 25% optional cost share; IECGP has a 25% cost share for equipment purchases only, and RCPGP has 25% cost share.

For additional clarification on applicable personnel costs, refer to GPD's Information Bulletin #358 "*Clarification on the Personnel Reimbursement for Intelligence Cooperation and Enhancement of Homeland Security Act of 2008*" dated March 18, 2011. Grant funds may not be used to support the hiring of any personnel for the purposes of fulfilling traditional public health and safety duties or to supplant traditional public health and safety positions and responsibilities.

Note: There is no change to the personnel waiver request process for Operation Stonegarden Grant Program (OPSG) recipients. Grantees are to refer to the FY 2012 HSGP Funding Opportunity Announcement for specific instructions on submitting an OPSG waiver.

FY 2008 and 2009 Port Security Grant Program Match Requirements

For details on requesting waivers to the Port Security Grant Program (PSGP), refer to Information Bulletin #376 "*Update to Port Security Grant Program (PSGP) Cost-Share Waiver Process*" which communicates the cost-share waiver process for grantees and sub-grantees under this program.

Waivers to Match Requirements for NSGP, IECGP and RCGP

Grantees are to refer to the applicable grant program guidance for details regarding match requirements under the Nonprofit Security Grant Program (NSGP), the Interoperable Emergency Communications Grant Program (IECGP), and the Regional Catastrophic Planning Grant Program (RCPGP). Waivers to the match requirement must be submitted by the authorized representative of the SAA (or grantee agency) to GPD in writing on official letterhead, with the following information:

- Agency and/or sub grantee and applicable Award number;
- Project which the cost share waiver is being requested for;
- Justification outlining the specific hardship need for the waiver of the match along with supporting documentation; and
- Revised Investment Justification with budget.

Review and Approval Process for Waiver Requests

25% for Countering IEDs, and Planning, Training and Exercises Waiver

No further action is required of grantees beyond the Reprioritization of Funding process noted in Attachment A. See pages 6-7 *Review and Approval Process, Requests for Reprioritizations*.

HSGP Personnel Cap Waiver

Waivers to the personnel cap waiver will be reviewed by the FEMA Program Analyst (PA). Only waiver requests containing all the required information will be reviewed. If information is missing, the FEMA PA will reach out to the grantee directly to obtain any additional clarification. Grantees are reminded that delayed response back to the FEMA PA may further delay the review. Once a complete request is received, the Program Analyst will prepare a personnel waiver package for the review and approval of the FEMA Administrator, through the Grant Programs Directorate's Assistant Administrator. Final approval can take up to 45 days. Once a decision on a waiver request is made, the grantee will be notified by GPD in writing.

FY 2008 and 2009 Port Security Grant Program Match Requirements

FEMA will consider cost-share waivers, upon grantee request, on a *project-by-project and grant by-grant basis* for PSGP, commencing with the FY 2007 Supplemental grant awards, through the FY 2009 grant awards. 46 U.S.C. § 70107 (c)(2)(B) states the following exception to the PSGP cost-share requirement: “*If the Secretary [of Homeland Security] determines that a proposed project merits support and cannot be undertaken without a higher rate of Federal support, then the Secretary may approve grants under this section with a matching requirement other than [75 percent federal funding].*”

Waivers to the match requirement (cost share) will be reviewed by the FEMA Program Analyst (PA). Only waiver requests containing all the required information will be reviewed. If information is missing, the FEMA PA will reach out to the grantee directly to obtain any additional clarification. Grantees are reminded that delayed response back to the FEMA PA may further delay the review. Once a complete request is received, the FEMA PA will prepare a cost-share waiver package for the Secretary’s approval (or designee). Final approval can take up to 45 days. Once a decision on a waiver request is made, the grantee will be notified by GPD in writing. If approved, the assigned FEMA PA will generate a Grant Adjustment Notice (GAN) indicating approval of the waiver and the revised budget and/or scope (as applicable) for the identified project(s).

Waivers to Match Requirements for NSGP, IECGP and RCGP

Waivers to the match requirement (cost share) for NSPG, IECGP and RCGPG will be reviewed by the FEMA GPD or Regional Program Analyst (PA). Only waiver requests containing all the required information will be reviewed. If information is missing, the FEMA PA will reach out to the grantee directly to obtain any additional clarification. Grantees are reminded that delayed response back to the FEMA PA may further delay the review. Once a complete request is received, the FEMA PA will prepare a cost-share waiver package for the GPD Assistant Administrator’s approval. Final approval can take up to 45 days. Once a decision on a waiver request is made, the grantee will be notified by GPD in writing. If approved, the assigned FEMA PA will generate a Grant Adjustment Notice (GAN) indicating approval of the waiver and the revised budget and/or scope (as applicable) for the identified project(s).

Attachment C

Building and Sustaining Core Capabilities

In support of the National Preparedness Goal (NPG) and to provide grantees the flexibility necessary to meet the intent of the Secretary's Guidance by funding projects that build and sustain the capabilities necessary to prevent, protect against, mitigate, respond to, and recover from the threats and hazards that pose the greatest risk to the Nation, DHS/FEMA's policy on maintenance and sustainment as communicated in GPD's Information Bulletin #336 "*Maintenance and Sustainment*" dated November 20, 2009, has been expanded to allow for the support of equipment, training, and critical resources that have previously been purchased with *either* federal grant *or* any other source of funding other than DHS/FEMA preparedness grant program dollars. This policy to expand allowability of maintenance and sustainment costs applies to all open grant years from FY 2007 to 2012.

The expansion of eligible maintenance and sustainment costs must be in (1) direct support of existing capabilities; (2) must be an otherwise allowable expenditure under the applicable grant program; (3) be tied to one of the core capabilities in the five mission areas contained within the National Preparedness Goal, and (4) sharable through the Emergency Management Assistance Compact.¹⁷

In this time of limited resources, grantees must ensure that grant funding is utilized to maintain current capabilities that were funded by past grant funding cycles. Grantees are encouraged to plan and budget for the complete lifecycle of inventories and resources, equipment upgrades, skill-maintenance training and exercises, and plans and procedure updates, ensuring consistent and effective capabilities are attained across the preparedness spectrum. New capabilities should not be built at the expense of maintaining current, essential capabilities. If new capabilities are being built, grantees must ensure that the capabilities are able to be deployable outside of their community to support regional and national efforts.

Submission Requirements

Grantees are not required to submit any further documentation to the Grant Programs Directorate for purchases that may be incurred as a result of this expanded policy for existing projects. However, should grantees seek to incur costs based on this expanded maintenance and sustainment policy for new projects, or projects which require reobligation of grants from one project to another, a *Reprioritization of Grant Funds* request must be submitted (see Attachment A).

Grantees and their sub recipients are reminded that planned or actual expenditures for maintenance contracts and warranties, repair and replacement costs, upgrades and user fees must be reflected in the Initial Strategy Implementation Plan (ISIP) or Biannual Strategy Implementation Report (BSIR). Furthermore, with this increased flexibility, grantees must comply with all the requirements in 44 CFR Part 13 and 2 CFR Part 215.

¹⁷ With the exception of American Samoa and Guam, note 2, *supra*.
v. 2-16-12

Review and Approval Process

For new or revised projects, per Attachment A “*Reprioritization of Grant Funds*”, all submissions will be reviewed by GPD and/or Regional Program Analysts to ensure that the request meets the scope, purpose and intent of the program’s authorizing legislation, regulations, and programmatic objectives. Reviews will be conducted and approvals issued on a rolling basis. Depending on the program under which a reprioritization request has been submitted, GPD may consult with the partnering agency on approvals, if needed. GPD will provide grantees written notification on any request that has been disapproved, along with the reason for the disapproval.

Attachment D

Extensions to the Period of Performance

Subject to certain exceptions, grantees are required to take steps to expend, draw down and close out DHS/FEMA grant funding by the dates outlined below. If those funds have not been spent by the dates outlined below, DHS/ FEMA will reclaim them to the extent permitted by law.

- All FY 2007 grant funding must be spent by June 30, 2012¹⁸
- All FY 2008 and 2009 grant funding must be spent by September 30, 2012¹⁹
- All FY 2010 funding must be spent by September 30, 2013
- All FY 2011 and FY 2012 funding must be spent by the end date cited on the award agreement.

The periods of performance outlined above support the effort to expedite the outlay of grant funding and provide economic stimulus. Agencies should request waivers sparingly, and they will be granted only due to compelling legal, policy, or operational challenges. State Administrative Agencies²⁰ (SAA's) may request waivers from the deadlines outlined above for discretionary grant funds where:

- adjusting the timeline for spending will constitute a verifiable legal breach of contract by the grantee with vendors or sub-recipients;
- where a specific statute or regulation mandates an environmental review that cannot be completed within this timeframe; or
- where other exceptional circumstances warrant a discrete waiver.

Submission Requirements

Extensions to the initial period of performance identified in the award will be considered only through formal, written requests to the grantee's respective GPD or Regional Program Analyst and must contain specific and compelling justifications as to why an extension is required. States are advised to coordinate with the GPD or Regional Program Analyst as needed, when preparing an extension. All extension requests must address the following:

- Grant Program, Fiscal Year, and award number;
- Reason for delay – this must include details of the legal, policy, or operational challenges being experienced that prevent the final outlay of awarded funds by the applicable deadline;
- Current status of the activity/activities;
- Approved period of performance termination date and new project completion date;
- Amount of funds drawn down to date;
- Remaining available funds, both Federal and non-Federal;
- Budget outlining how remaining Federal and non-Federal funds will be expended;

¹⁸ Unless the grant is either within the original Period of Performance or within the time period of an approved extension.

¹⁹ This excludes any open FY 2008 and FY 2009 award that received an extension from FEMA which goes beyond September 30, 2012, as of January 1, 2012

²⁰ Also refers to those agencies identified on an award as grantee, if not a State Administrative Agency
v. 2-16-12

- Plan for completion including milestones and timeframes for achieving each milestone and the position/person responsible for implementing the plan for completion; and
- Certification that the activity/activities will be completed within the extended period of performance without any modification to the original Statement of Work approved by FEMA.

Agencies must submit all proposed extension requests to DHS/FEMA for review and approval no later than **April 30, 2012**. Any submissions received after this deadline will be considered at the discretion of the Grant Programs Directorate's Assistant Administrator.

Review and Approval Process

Upon receipt of the grantee's request, the FEMA PA (1) verifies compliance with financial reporting requirements by confirming that the grantee has submitted all necessary Federal Financial and Programmatic Reports (SF-425s and CAPRs/SAPRs); (2) confirms that the grantee has provided sufficient justification for the request; and (3) reviews all previous extensions to confirm that the grantee has demonstrated sufficient progress and provided a reasonable explanation for the continued delays. If the grantee has not provided adequate detail to justify the requested extension, the PA will coordinate with the grantee. Once all required extension request materials are complete, the FEMA PA will prepare an extension package for the GPD Assistant Administrator's approval.

Extension requests will be granted only due to compelling legal, policy, or operational challenges. Extension requests will only be considered for the following reasons:

- Contractual commitments by the grantee with vendors or sub-recipients prevent completion of the project within 24 months;
- The project must undergo a complex environmental review that cannot be completed within this timeframe;
- Projects are long-term by design and therefore acceleration would compromise core programmatic goals; and
- Where other special circumstances exist.

In accordance with PGD policy, extensions are typically granted for no more than a six month time period. In extreme cases, extensions may be granted up to 12 months. However, the grantee must provide additional justification in order to demonstrate the extenuating circumstances that necessitate a longer extension. Extension requests typically take 4-6 weeks to process, however DHS/FEMA will prioritize extension requests that are submitted in response to this Information Bulletin in order to support the grantee's need to expedite the administrative activities associated with modifying any existing contract and/or subaward under the program.

Pursuant to 31 U.S.C. 1552, FEMA does not have the statutory authority to extend availability of funds past September 30th of the fifth fiscal year of the grant period. At that time, the award will be closed out and any remaining balance, whether obligated or unobligated, will be returned to the Treasury, subject to 31 USC Section 1552(a) pertaining to recording, adjusting and liquidating obligations properly chargeable to the account. In order to allow for the 90-day liquidation and closeout period outlined in the program guidance, the period of performance

cannot be extended past June 30th of the fifth fiscal year of the grant period.²¹ On or after July 1st of the fifth fiscal year, FEMA will initiate closeout procedures. At that point, the period of performance will expire and the grantee will have 90 days to expend all remaining funds and submit closeout documentation.

²¹ Subject only to currently active awards which may already have been granted an extension beyond June 30th of the fifth fiscal year after the award.