



State of Texas
Office of the Governor
Public Safety Office

General FAQs

Application Entry Clarification

Question: Should the entries for Sources of Financial Support on the “Documents” tab reflect the total budget of the organization, the budget of the department requesting the funding, or the budget related to this project?

Answer: You should enter the total amount of Federal Grant Funds received by the organization in the most recently completed fiscal year. You should also enter the total amount of State Grant Funds received by the organization in the most recently completed fiscal year.

Question: It appears that each grant official position can only be occupied by one person. That’s a potential problem if that one person is out of the office and something needs to be handled in eGrants. State law may not permit the sharing of login credentials. Is there a possible solution to this issue; possibly a way to grant temporary access for circumstances like this?

Answer: eGrants will only allow for the three designated grant officials (authorized official, financial officer, and project director) and one grant writer. There is no mechanism in place to add additional grant officials. If one of the grant officials will be out of the office for an extended period, you may submit a grant adjustment request through eGrants to change one or more of the grant officials at any time which would allow access to a different individual. Once the primary grant official returns, a second grant adjustment can be submitted to reinstate that individual as a grant official.

Question: What do I do on the “Measures” tab in eGrants?

Answer: Applicants are required to input target data for a specific set of program measures based on the activity(ies) selected on the Activities Tab. In certain circumstances, you

may also create customized measures in addition to the required measures, although adding custom measures is not necessary for most applicants. *Note: If your project requires custom activities, you must create custom measures to track the project's progress.* Although target levels are an estimate, they should be based on reasonable estimates according to the length of the proposed project, number of grant-funded FTEs, etc. These measures will be captured on the Progress.Reports.General tab once your award is released. At quarterly or six-month intervals (depending on the type of funds awarded), you will be required to provide an update on progress towards meeting those target numbers.

Question: If my project earns program income, may I request to show the program income “in addition” to my grant funds, instead of deducting the amount earned from my grant funds?

Answer: Any income generated as a direct result of the grant activities must be reported to the PSO through the Financial Status Report (FSR) and grant adjustment processes. Program income must be used to offset project costs unless prior approval is granted allowing a supplement to project costs.

2 CFR 200.307 states that only the Federal awarding agency may authorize adding the program income funds to your grant. As a result, in the event that the PSO agrees that supplementing the project costs would be preferable, the PSO would then be required to seek approval from the federal awarding agency (i.e. FEMA, DOJ) prior to granting approval to the sub-recipient.

***New* Question:** Am I required to provide a Resolution and what does it need to contain?

Answer: If your agency is a non-profit, local unit of government or other political subdivision, you must upload a Resolution from your Governing Body to the grant record. Although the OOG will accept grant applications without a valid resolution, and you may receive an award without a valid resolution, you may not draw down any funds until a valid resolution has been uploaded to eGrants.

Each grant should have a separate resolution that covers the grant's project period as listed in eGrants (the resolution cannot cover the project for the next 3 or 4 years – i.e. over multiple grants). The grant number listed on the resolution must match the grant number in eGrants. The resolution must clearly identify the name of the project for which funding is requested. If the project requires matching funds, the resolution must include a commitment to provide those funds. The resolution must designate the name or title of the authorized official who has the authority to apply for, accept, reject, alter, or terminate the grant. The name or title listed in the resolution must match the name or title of the Authorized Official listed on the Profile tab in eGrants. The resolution must include written assurance that the governing body will return all funds to the OOG in the event of loss or misuse.

Eligible Expenses

***New* Question:** Our agency received CARES Act funding directly from the federal government; can I be reimbursed under an OOG award if the expense is paid by my CARES Act funding?

Answer: Expenses charged against a Coronavirus Relief Fund (the “Fund”) grant received directly from the federal government are ineligible for reimbursement on any OOG award. The Fund, established under the CARES Act, covers costs that:

- 1) are necessary expenditures incurred due to actions taken to respond to the public health emergency - Coronavirus Disease 2019 (COVID-19). Eligible expenditures incurred due to responding directly to the emergency include addressing medical or public health needs, as well as expenditures incurred to respond to second-order effects of the emergency, such as by providing economic support to those suffering from employment or business interruptions due to COVID-19-related business closures. However, revenue replacement is not a permissible use of Fund payments.
- 2) were not accounted for in the grantee’s budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act). A cost meets the requirement if it cannot lawfully be funded using an existing line item, allotment or allocation with the approved budget OR it is for a substantially different use from any expected use of funds in such a line item, allotment, or allocation.
- 3) were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.

Recipients of Fund payments shall maintain and make available to the OOG, upon request, all documents and financial records sufficient to establish compliance with subsection 601(d) of the Social Security Act, as amended, (42 U.S.C. 801(d)).

Question: I have an agency owned building and a building that is leased from a third party. Can I charge both my mortgage expense and rental expense, as compensation for building use, to the PSO funds?

Answer: Rental costs are allowed subject to limitations as stated in 2 CFR 200.465. As with any cost, the amount must be reasonable, necessary for the project, and properly allocated.

Mortgage expenses are not allowed; however, a grantee may be compensated for the use of its buildings, provided that they are used, needed in the grantee’s project activities, and properly allocated to the award. Such compensation must be made by computing depreciation. Depreciation is the method for allocating the cost of fixed assets to periods benefitting from asset use. See 2 CFR 200.436 for more information.

Question: What is the process for reimbursement of fuel and vehicle maintenance expenses?

Answer: If an individual is **traveling in an agency owned vehicle**, then actual fuel and maintenance costs may be reimbursed. For an agency to submit reimbursement requests, they must have a documented method allocating these costs. For example, one method used could be the percentage of time the vehicle is used for grant funded activities. If it is known that on average in a given period of time, the vehicle is used 10% of the time for grant funded activities, the grantee would be justified in charging 10% of that maintenance costs to the grant. This same allocation method could be applied to fuel costs. Grantees must maintain documents that provide support that the percentage being allocated is appropriate. If an individual is traveling in a **personally owned vehicle**, then a mileage per diem consistent with the agency's own travel policy may be claimed.

Question: The RFA prohibits individual membership costs but does allow for agency-wide memberships. In the absence of an agency wide membership, would an individual membership be considered?

Answer: 2 CFR 200.454 allows for the costs associated with an entity's membership in business, technical, and professional organizations. However, section 200.445 states "Costs of ... services for personal use of... employees are unallowable..."

It is the OOG policy to limit grant funds only for Agency or Entity memberships. Grantees may still fund individual memberships with their own local funds if Agency/Entity memberships are not offered or if the sub-recipient determines individual memberships would benefit the organization as a whole.

Question: In the past we have purchased small give-away items that include contact and other program advertisement information. Are these types of give-away items considered promotional items?

Answer: Based on 2 CFR 200.421 Advertising and Public Relations, most give-away items would not be eligible. 200.421 (e) (3) prohibits promotional items and memorabilia, including models, gifts, and souvenirs. The only allowable advertising and public relation costs are:

- Personnel recruitment
- Procurement costs
- Program outreach costs (this would be things like signs, billboards, flyers, etc. but does not include give-away items such as trinkets, gifts, souvenirs, etc.)
- Costs of communicating with the public or press on specific grant-related activities or accomplishments

- Liaison with news media and government public relations to keep the public informed on funding opportunities

Records Retention

Question: How many years are grantees required to maintain grant records when a grant performance period has ended?

Answer: Grantees must maintain fiscal records and supporting documentation related to a federal grant pursuant to 2 CFR 200.333, UGMS, and state law. During the 84th Legislative Session, senate bill 20 was passed requiring a seven year retention period for grant and contract related documents. This seven year requirement applies only to any grants awarded by OOG between 9/1/15 and 8/31/16. The seven year clock will start on the date that a final expenditure report is submitted in eGrants or the date that all issues arising from any litigation, claim, negotiation, audit, or other action involving the grant or documents is resolved.

For grants awarded prior to 9/1/15 or grants awarded on or after 9/1/16, the three year requirement noted in 2 CFR 200.333 and UGMS will apply. The three year clock will start on the date the final expenditure report is submitted in eGrants or the date that all issues arising from any litigation, claim, negotiation, audit, or other action involving the grant or documents is resolved.

Question: What grant years have closed and what dates should we use for determining maintenance of records?

Answer: The date for determining when records may be destroyed is driven off of the date that the grantee submitted the final expenditure report to the PSO (the state) or the date that all issues arising from any litigation, claim, negotiation, audit, or other action involving the grant or documents is resolved.

Equipment Guidelines

Question: What items do I need to keep on my inventory list?

Answer: Grantees must manage equipment pursuant to the requirements outlined in 2 CFR 200.313(d) and UGMS. Any item that meets the definition of “equipment” under 2 CFR 200.33 or is considered a “controlled asset” by the OOG must be maintained in the grantee’s property records (inventory), even if the item is classified as a “supply” within the eGrants budget. The definition of equipment and list of OOG controlled items are as follows.

Controlled Assets (\$500.00 to \$4,999.99)

- Sound Systems And Other Audio Equipment
- Camera – Portable – Digital, SLR

- TVs, Video Players/Recorders
- Computer, Desktop
- Data Projectors
- Smartphones, Tablets & Other Hand Held Devices
- Laptop Computers
- Mobile and Portable Radios*

***Note:** *These are OOG designated controlled assets. The rest of the items on this list are designated as controlled assets by the State Property Accounting guidance published by the Texas Comptroller of Public Accounts.*

Definition of Equipment (2 CFR 200.33)

Equipment means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or \$5,000. See also §§200.12 Capital assets, 200.20 Computing devices, 200.48 General purpose equipment, 200.58 Information technology systems, 200.89 Special purpose equipment, and 200.94 Supplies.

Equipment – Management Requirements (2 CFR 200.313(d))

(d) *Management requirements.* Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part under a Federal award, until disposition takes place will, at a minimum, meet the following requirements:

- (1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including the FAIN/SAIN), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.
- (2) A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.
- (3) A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft must be investigated.
- (4) Adequate maintenance procedures must be developed to keep the property in good condition.
- (5) If the non-Federal entity is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return.

Question: My inventory list must contain certain elements. Where can I find a description of the elements to ensure my inventory list includes all the required information?

Answer: 2 CFR 200.313(d)(1) and UGMS, III Subpart C, .32 list the required elements but do not provide definitions. At a minimum, your inventory list must contain the twelve elements listed below. You may choose to include additional elements per your agency's guidelines. To clarify some of the requirements, a brief description is provided below:

- Description - Provide a brief description of the equipment (e.g. Portable radio, spotting scope, 2016 Chevy Tahoe, etc.).
- Serial number or other identifying number - This may be the manufacturer's serial number, model number, Federal stock number, national stock number, or other identification number.
- Source of the property (including the FAIN/SAIN) – The source of the property and the FAIN/SAIN are two separate elements. The Federal/State Award Identification Number (FAIN/SAIN) may be found on your Statement of Grant Award located within the eGrants system on the Summary/Award.Statement tab (e.g. for 2018 VOCA this number is 2018-V2-GX-0040; for 2015 HSGP this number is EMW-2015-SS-0080). The source of the property would be the eGrants project title or seven-digit grant number.
- Who holds title - Typically, this will be the agency (not a specific department within the agency) that purchased the equipment. For example, the "City of Smith" would be the title holder, not the "Smith Police Department". An individual person would not be the title holder although the property may have been issued to them.
- Acquisition date - Generally, this is the date that the property was received by the agency. If your agency uses the date the property was placed in service as the acquisition date, no more than a few days should pass between the time the equipment is received and placed in service. It is acceptable to include both dates on your inventory list.
- Cost of the property - This should be the **total** cost of the property (i.e. what the jurisdiction paid for the item), not just the amount paid by the grant.
- Percent of federal participation - Enter the percent of the cost of the property that the grant funds covered. For example, if the total cost of the property was \$100,000 and a federal grant paid for \$50,000, the percent of federal participation would be 50%.
- Location - The location should be detailed enough so that the person conducting a physical inventory of the equipment knows where to look for the item (e.g. Patrol unit #512; ABC County Courthouse room 302; XYZ Tower Site; etc.) Smith County or Smith PD would not be sufficient for location.
- Use - Provide a description of how the item is actually being used. This may be a brief phrase however, a grant number, grant project title, or a description of the item would not be sufficient. The brief phrase should reflect the grantee's understanding that the use of the equipment may be restricted by the grant funds used to purchase it. For example, the "use" description for a vehicle purchased for emergency response of the Emergency Management team might

be “emergency response”; the “use” for a computer purchased for the Fusion Center might be “intelligence and information sharing”; a tool for heavy rigging and shoring equipment might be “urban search and rescue” or “emergency search and rescue”; or the “use” for radios might be “emergency communications” rather than just “communications”.

- Condition - Enter the general condition of the property. In general, the following categories, or something similar, would be appropriate.
 - Excellent. Property that is in new condition or unused condition and can be used immediately without modifications or repairs.
 - Good/Usable. Property which shows some wear, but can be used without significant repair.
 - Poor/Repairable. Property which is unusable in its current condition but can be economically repaired.
 - Salvage. Property which has value in excess of its basic material content, but repair or rehabilitation is impractical and/or uneconomical.
 - Scrap. Property which has no value except for its basic material content.
- Disposition Data - Disposition information should contain the method and date of disposal (e.g. sold and proceeds used to offset cost of replacement equipment 5/1/14; transferred to ABC County 3/17/16; etc.) and the fair market value or sale price.

Question: Should my equipment be tagged?

Answer: Yes, generally all PSO grant-funded equipment should be tagged or marked. Tags should contain the following information:

- Agency name
- Identifying number
- When practical, equipment should be marked “Purchased with funds provided by the [enter name of federal awarding agency]” (Federal funds only).

Each item must be assigned a unique inventory number and previously assigned numbers should not be reused. Tags should be visible and easily accessible during the inventory. Alternative means of tagging (such as engraving or permanent marker) are allowed. Tagging or marking is considered acceptable when it can be removed only intentionally or through considerable effort. If the item is too small to be tagged the tag may be placed on the item’s storage container.

Question: What is the process for disposing of grant-funded equipment when it is no longer needed for the program or project for which it was acquired?

Answer: Grantees must request disposition of PSO funded equipment, or state controlled assets, that are less than five (5) years old regardless of the current FMV. Items that are more than five (5) years old with a current per-unit fair market value (FMV) of less than \$5,000 may be retained, sold or otherwise disposed of with no further obligation to the PSO.

Equipment with a current per-unit fair market value of \$5,000 or more may be disposed in the following order of preference:

- Retained and used in other activities currently or previously supported under a grant or sub-grant awarded by the same federal agency. **PSO approval is not required.**
 - Traded-in or sold with proceeds used to off-set the cost of replacement equipment. **PSO approval is required.**
 - Retained and used in other activities currently or previously supported under a federal grant or sub-grant. **PSO approval is required.**
 - Retained and used in other activities not currently or previously supported under a federal grant or sub-grant. **PSO approval is required. Will result in PSO entitlement to a portion of the FMV (calculated by multiplying the current FMV by PSO's share of the equipment).** *Note: PSO strongly prefers the other disposition options outlined above.*
 - Sold with PSO entitled to a share of the proceeds (calculated by multiplying the current market value or proceeds from sale by PSO's share of the equipment). **PSO approval is required.** *Note: PSO strongly prefers the other disposition options outlined above.*
- PSO grantees requesting to dispose of equipment should complete the Disposition Request Form located at: https://fs3.formsite.com/OOG_HSGD/EqDisp/index.html.
 - The date of disposition and method of disposal (i.e. destroyed, traded, sold, etc.) and fair market value or sale price should be annotated on the inventory log.
 - Methods used to determine fair market value must be documented, kept on file, and made available upon request.
 - If required, or if additional assistance is needed, grantees should contact the PSO for further instructions prior to disposing of equipment.
 - If an item is traded-in or sold and the proceeds are used to off-set the cost of replacement equipment, the equipment inventory list must also be updated to include the replacement equipment. The percent of federal participation for the new item would be calculated by dividing the trade-in value or sale price of the original item by the total cost of the replacement item.

Question: How do I determine fair market value (FMV) of equipment?

Answer: While PSO staff cannot tell grantees how much an item is worth or how to determine the FMV, there are several different methods you could use.

- Compare the item to other similar models recently sold or currently on the market.
- Third-party websites such as Kelly Blue Book, Goodwill Industries Donation Value Guide, IRS Publication 561, etc.
- Contact the vendor who sold the original equipment.

- Professional appraisal (if a vehicle was totaled, the insurance adjuster will determine the FMV).

Question: What is the process for review and approval of communications equipment to be purchased with grant funds, and what communications equipment requires additional review and approval (e.g. SWIC Review)?

Answer: Any communications equipment or technologies purchased with grant funds must comply with the interoperability standards established within the Texas Statewide Communications Interoperability Plan (TSCIP). Grantees are required to coordinate with the Statewide Interoperability Coordinator (SWIC) to ensure planned purchases will meet the interoperability standards. A SWIC review of equipment is necessary when purchasing the following with grant funds:

- Mobile Radios,
- Portable Radios, and
- Repeaters.

After an award is received*, but prior to purchasing the grant-funded communications equipment, the grantee should take the following steps to secure SWIC review and approval of planned purchases:

1. Gather a detailed quote(s), or the budget details page(s) from within eGrants, showing specific information about the planned purchase(s) including the quantity of each item, a detailed description of the item(s), the model # of the item(s), and the type of encryption being purchased (if applicable).
2. Have the seven-digit eGrants grant number(s) ready to include in the SWIC review request (e.g. 3446101).
3. Submit the above information to the SWIC at the Department of Public Safety via an email to TXSWIC@dps.texas.gov.
 - a. The Subject Line should include the grantee's name, an indication of the action requested (e.g. *Sample City, Communications Equipment Purchase Review Request*).
 - b. The Body of the email should include the specific grant number(s) and project titles under which the equipment will be purchased and reference any attachments that provide additional detail about the planned purchases.
 - c. Local agencies should copy their respective regional council of government (COG) or designated Urban Area Security Initiative (UASI) point of contact on the email to the SWIC.
4. Await a response from the SWIC office. (*Note: The SWIC will review the equipment and provide an email to either a) approve or b) deny the purchase. If the request is denied, an explanation will be given. The review will typically be completed in 1-2 business days if all necessary information is provided in the initial email to the SWIC.*)

5. Upload the email string (original request with attachment(s) and approval response) into the Upload.Files tab in the eGrants record for the affected OOG award. (Note: Instructions for uploading files to a grant/project can be found within eGrants on the grantee's My.Home tab under *Forms and Guides/Instructions for Uploads/Project.*)
6. Wait for the OOG to remove of any "Condition of Funding" that places a hold on grant funds pending the SWIC review and approval.

Once the SWIC approval has been given and any "Conditions of Funding" have been removed, the grantee may proceed with the communications equipment purchase and then seek reimbursement from the OOG.

****Please do not send equipment lists to the SWIC for review and approval unless you have already been awarded funding for the project.***

Personnel Costs

Question: Are timesheets, activity reports, and certifications required?

Answer: Employees working solely (100% of their time) on a single sub-grant award, are required to maintain periodic certifications. A Periodic Certification consists of an employee and direct supervisor of the employee who has firsthand knowledge of the work being performed by the employee, certifying semi-annually that the employee has only worked on the single sub-grant. An example Periodic Certification may be found at:

https://egrants.gov.texas.gov/FileDirectory/OOG_Sample_Employee_Effort_Cert_Form_v1.docx.

Note: In addition to periodic certifications, per Fair Labor Standards Act (FLSA) requirements, non-exempt employees must also maintain timesheets.

For employees who do not spend 100% of their time on a single sub-grant, personnel activity reports must be maintained (many grantees have systems that only require tracking of leave time OR they do not require exempt employees to complete a timesheet; if either of these situations exist there should be policies and procedures in place). The activity report must remain on file and be prepared at least monthly. The report must account for the total time worked and the source of funds, and be signed by the employee and a supervisor with firsthand knowledge of the work performed by the employee. Some timesheets or timekeeping systems allow for categorization of time by activity, in these instances a separate personnel activity report is not required. An example of a timesheet with activity included may be found at:

https://egrants.gov.texas.gov/FileDirectory/OOG_Sample_Monthly_Time-Activity_Rpt_v5.xlsx.

Question: How do I calculate percent of salary for personnel line-items in my budget?

Answer: Percent of salary indicates the portion of an employee's salary that is attributed to the grant (OOG funds and/or match). To determine the % of salary, add the dollar amount budgeted under the "OOG Funds" column to the dollar amount budgeted under the "Cash Match" column and divide by the employee's **total** annual salary plus fringe. For example,

if an employee's total annual salary plus fringe is \$65,000 and you are requesting \$40,000 in OOG funds and will provide \$6,500 in cash match for the position, the % of salary would be 72% ($\$40,000 + \$6,500 / \$65,000$). The % of salary must not exceed the percent of time an employee will work on grant activities. If calculating % of salary for a volunteer (in-kind match), divide the amount under the "In-kind Match" column by the valued total annual salary plus fringe.

Question: Is there a maximum number of overtime hours an employee can work when funded under a grant?

Answer: The PSO has determined that hours worked in excess of 16 (regular + overtime) during any 24 hour period are excessive and will only reimburse the grantee for OT that does not exceed a total of 16 hours (regular + overtime) during any 24 hour period. While grantees may have local agency policies that allow employees to work more hours, the PSO will process reimbursements within this limitation.

Question: Are stipends for costs such as health insurance and cell phones allowable?

Answer: Stipends may be considered an allowable expense when the following criteria are met:

- It is provided to all full-time employees regardless of the funding source;
- Written policies and procedures are maintained that specify the type of stipends permitted, the maximum amount of each stipend, the requirements/process for requesting the stipend, and the approval process;
- The amount of the stipend is reasonable, e.g. the stipend pays for a portion of an employee's cell phone (\$50) and not the entire phone bill;
- The employee actually uses the entire stipend for the intended purpose. For instance, if a grantee provides a stipend totaling \$200 for health insurance, then the employee must use the total amount to purchase health insurance; and
- For some stipends, documentation (invoice, statement, receipt, etc.) from the employee showing that their out-of-pocket costs were equal to, or exceeded, the stipend will be required. This is required for health insurance, family care services, etc.

Homeland Security Specific FAQs

Question: In one of our COG Regions, we fund several projects to build, upgrade, enhance, or replace the regional communications system. The amount of SHSP grant funds the COG receives does not cover all of the necessary upgrade, replacement, or enhancement costs, and some state agencies and other entities that use the system have offered to help contribute to these costs, so more of the necessary upgrades can be made in the coming year(s).

If another entity (such as a state agency that also uses the system) pays the COG a certain amount to cover specific expenses, would that be considered program income?

Answer: After consulting with FEMA, this scenario does not constitute program income, it is instead supplemental program funds, similar to cash match, but not required to be tracked as part of the grant.

Question: Can SHSP and UASI funding be used on projects other than those related to terrorism?

Answer: Many capabilities which support terrorism preparedness simultaneously support preparedness for other hazards. Grantees must demonstrate this dual-use quality for any activities implemented under this program that are not explicitly focused on terrorism preparedness. Activities implemented under SHSP/UASI/NSGP must support terrorism preparedness by building or sustaining capabilities that relate to the prevention of, protection from, mitigation of, response to, and recovery from terrorism.

Question: Can SHSP or UASI funding be used to support responses to weather related incidents?

Answer: No, the funding from these grants is for the purpose of preventing terrorism and preparing for threats and hazards which pose the greatest risk to the security of Texas and its citizens. Although equipment cannot be purchased for the purpose of responding to weather related incidents, much of the equipment necessary for the response, would also be necessary to respond to a terror attack. Equipment which could serve this dual purpose, would be eligible for grant funding.

Question: What is the policy for the use of grant funds for maintenance contracts, extended warranties, licenses, and user fees?

Answer: HSGP funds may be used for the purpose of keeping HSGP funded equipment functional and capable of serving the purpose for which it was originally purchased. The use of HSGP funds for maintenance and warranties is allowable for equipment necessary to maintain core capabilities to achieve the National Preparedness Goal.

Extended warranties and maintenance contracts purchased at the time of original purchase and with the same award and year, **may extend beyond the period of performance**, as long as it is **reasonable to the usable life of the proposed item(s)**.

Extended warranties and maintenance agreements purchased after the original purchase are limited by the funding year's Period of Performance (PoP). **For sub-grantees, the maintenance agreements and extended warranties may only last until the PoP grant end date on the sub-grantee's award from HSGD.**

This does not mean that extended warranties cannot be split into different award years, if they were purchased ancillary to the original purchase. For example, a vehicle warranty can be purchased with FY14 funds, and prorated until the end of the applicable PoP, and the balance could then be paid with FY15 funds, until the end of that applicable PoP.

Note: In accordance with FEMA IB #336, HSGP funds may not be used for routine upkeep (i.e. gasoline, tire replacement, routine oil changes, etc.)

Question: Am I required to submit an Annual Inventory Control Certification form?

Answer: No, HSGD does not require the annual submission of an Inventory Control form indicating that equipment is being used and managed properly. However, if selected for a Financial or Programmatic monitoring review, grant-funded equipment and an inventory list must be made available to staff. Grantees are responsible for ensuring that all applicable federal and state statutes, regulations, policies, guidelines and requirements are strictly followed. By accepting the award, grantees agree to comply with the requirements and obligations of the grant agreement including equipment management requirements as described in 2 CFR 200.313(d).

Question: What kinds of equipment am I allowed to purchase? What equipment is prohibited and controlled?

Answer: The equipment purchased using grant funds should fulfill the primary purpose of addressing terrorism preparedness. A live list of all equipment authorized by FEMA can be found on the Authorized Equipment list (AEL): <https://www.fema.gov/authorized-equipment-list>. The AEL contains a comprehensive list of federally approved equipment; however, not all

equipment listed on the AEL is allowed under the SHSP and UASI grants. Weapons of any kind (including firearms, grenade launchers, bayonets); ammunition; and weaponized aircraft, vessels, and vehicles of any kind are unallowable expenses (see FEMA IB 426). In addition to these prohibited items, HSGD does not fund the following items when purchased for general agency use: mobile data terminals, weather response related equipment, and body cameras.

Question: What entities may I transfer or loan equipment to, or involve in training/exercises?

Answer: HSGD understands that at times sub-recipients may request to conduct grant activities that substantially benefit another entity. Examples include: Purchasing items to subsequently loan or transfer ownership to an outside entity or conducting training and/or exercises with local/regional partners. HSGD may also request a sub-recipient transfer grant-funded equipment to another agency in lieu of selling, if the equipment is no longer needed in the program for which it was acquired.

Equipment may be passed-through (transferred) from a sub-recipient to a receiving entity under the following conditions:

- A memorandum of understanding (MOU) exists between the sub-recipient and receiving entity.
- Written policies are in place regarding the process and procedures for transfer of equipment.
- At the time of transfer, the receiving entity must meet certain eligibility criteria. It is the responsibility of the sub-recipient to verify the eligibility of the receiving entity.
- The sub-recipient should list the items on their inventory, with all required elements, and record the date passed-through and to whom (receiving entity name) as the disposition action on their inventory. The sub-recipient must maintain this information on their inventory log based on record retention requirements.
- The receiving entity is responsible for all aspects of the asset including property records, physical inventory, control system, maintenance procedures, disposition, and complying with all grant requirements as noted in the MOU.
- The sub-recipient is responsible for ensuring the receiving entity maintains compliance with requirements set forth in the MOU.

Equipment may be temporarily loaned to a governmental or non-governmental entity to carry out or support grant-related activities under the following conditions:

- An MOU exists between the sub-recipient and the receiving entity.
- Written policies are in place regarding the process and procedures for loaning equipment.
- The receiving entity must meet certain eligibility criteria at the time of loaning. It is the responsibility of the sub-recipient to verify the eligibility of the receiving entity.

- Equipment is loaned for a temporary time period for the purpose of an immediate upcoming event. There is no intention by the sub-recipient to have the receiving entity keep the equipment.
- The sub-recipient retains responsibility for all aspects of the asset including property records, physical inventory, disposition, and complying with all grant requirements. The sub-recipient will also ensure that proper control systems and maintenance procedures will be followed while the equipment is loaned to the receiving entity.

At a minimum, the sub-recipient is responsible for ensuring that any benefitting entity meets the following eligibility requirements:

- National Incident Management System(NIMS)- the benefitting entity, to the extent required, must have adopted and implemented NIMS and be compliant with all NIMS Objectives.
- Emergency Management Plans (Intermediate Level) - the benefitting entity must:
 - Have its own current emergency management plan that meets the state preparedness standards at the Intermediate level on file with the Texas Division of Emergency Management (TDEM); or
 - Be a legally established member of an inter-jurisdictional emergency management program that has a plan that meets the state preparedness standards at the Intermediate Level on file with TDEM; or
 - Be an entity other than a city or county that is not required by Texas law to have an emergency management plan (e.g. COG or nonprofit organization).

Grantees may document a benefitting entity's compliance using a self-certification form or any other means deemed appropriate by the grantee. The grantee should keep this documentation on file and make it available to HSGD upon request.

Receiving entities must make available to the OOG, or any of its designees, any equipment items and related records upon request. During an event requiring a regional response, receiving entities must make pass-through or loaned deployable assets available.

Question: What if there is an emergency and I don't have time to verify eligibility or formalize an MOU?

Answer: In the event of a situation where time spent verifying eligibility or executing an MOU may endanger life or property, equipment may be loaned for up to 60 days without the need to verify eligibility or execute an MOU. In this case, the sub-recipient should document the loan by means deemed appropriate by the sub-recipient agency and retain it in their files.

Question: What items should be included in an MOU?

Answer: At a minimum, the MOU must include the following elements:

- The basis of the agreement.

- Signature and date of both parties.
- Signature and date of the issuing and receiving parties at the time of the transfer (may be included in the MOU if executed on the same day as the equipment transfer or as an addendum to the MOU).
- Equipment details including: description, control number, serial or VIN number, model number, acquisition date and unit cost (must be included within the MOU or attached to the MOU as an addendum).
- Identification of the responsible party and expectations regarding the equipment including:
 - Ensuring the sub-recipient is notified when passed-through equipment is disposed by the receiving entity;
 - Ensuring the equipment is maintained in good working order;
 - Ensuring complete property records are maintained and a semi-annual physical inventory is conducted;
 - Ensuring equipment is used only as allowable under the grant;
 - Ensuring the deployable equipment will be made available during an event requiring a regional response;
 - Ensuring compliance with grant eligibility, records retention, and any other requirements specified by the sub-recipient; and
 - Ensuring that, upon request, equipment and related documentation is accessible to the sub-recipient, OOG or any designees.

The MOU must be retained by both the receiving entity and the sub-recipient.

Question: Can UASI or SHSP funds be used to pay employee overtime and backfill?

Answer: Personnel hiring, overtime, and backfill expenses are permitted under this grant in order to perform allowable activities. Personnel may include, but are not limited to: training and exercise coordinators, program managers for activities directly associated with SHSP and UASI funded activities, intelligence analysts, and state wide interoperability coordinators.

HSGP 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.

Backfill related expenses are limited to overtime costs which result from personnel who are working overtime to perform the duties of other personnel who are temporarily assigned to DHS/FEMA-approved activities outside of their core responsibilities. Neither overtime nor backfill expenses are the result of an increase of FTE employees. See personnel related definitions as defined by FEMA in the 2016 NOFO (page 61).