State of Texas
Office of the Governor
Public Safety Office

General FAQs

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Application Entry Clarification

Grant Officials

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 may be submitted to reinstate that individual as a grant official.

Measures Tab

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. 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.

Generated Program Income

Question: If my project earns Program Income, may I request to show the program income "in addition" to my grant funds, instead of using the "deduction method," which reduces 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 (e.g. FEMA, DOJ) prior to granting approval to the sub-recipient.

Resolution from Governing Body

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 Upload.Files tab in the eGrants record.

Each project 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 and the name or title of the financial officer. The names or titles listed in the resolution must match the names or titles of the authorized official and financial officer 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.

Fidelity Bond

Question: Am I required to have a Fidelity Bond and what type of insurance coverage meets the fidelity bond grant requirement?

Answer: Fidelity insurance or fidelity bond insurance is a business insurance product that provides protection against business losses due to employee dishonesty, theft or fraud. Each non-profit corporation receiving funds from the OOG must obtain and have on file a blanket fidelity bond that indemnifies the OOG against the loss or theft of the entire amount of grant funds, including matching funds. The fidelity bond should cover at least the OOG grant period. In addition to being referred to as a fidelity bond, Employee Dishonesty Insurance is sometimes also referred to as: Financial Institution Bond, Commercial Crime Policy, or Employee Dishonesty Bond. Do not confuse this type of coverage with Fiduciary Liability which does not cover an employer or fiduciary for intentional wrongdoing; things such as fraud, theft, embezzlement, or any other criminal acts fall outside the scope of coverage.

Question: What is the difference between a fidelity bond and other types of insurance coverage?

Answer: Fidelity bond insurance provides protection due to employee dishonesty, theft or fraud and is not covered under, nor the same as, General Liability, Professional Liability, Director & Officers Insurance, Employee Benefits Liability, or Fiduciary Liability. Therefore, these types of coverage do not satisfy the OOG's requirement to have a fidelity bond.

> **General Liability Insurance**, also known as business or commercial liability insurance, protects agencies from claims involving bodily injuries and property damage, for example, if a client fell and injured themselves at your business. Employee injuries, vehicle accidents, intentional acts or professional mistakes are not covered.
>
> **Professional Liability Insurance**, also known as errors and omissions (E&O) insurance, covers claims arising from errors, mistakes, or negligence in the delivery of professional services.
>
> **Directors & Officers Insurance** protects individuals from personal losses if they are sued as a result of serving as a director or officer of an organization.
>
> **Employment Benefits Liability Insurance** covers employers from errors and omissions that may occur during the administration of employee benefit plans.

Fiduciary Liability Insurance protects businesses from claims of mishandled employee benefits. Does not cover criminal acts or intentional wrongdoing.

Eligible Expenses

Mortgage and Rental Expenses

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 to be used as in-kind match. Depreciation is the method for allocating the cost of fixed assets to periods that benefit from asset use. See 2 CFR 200.436 or the Texas Grant Management Standards (TxGMS) for more information.

Vehicle Fuel and Maintenance Costs

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 for 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 those 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.

Membership Dues

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 that individual memberships would benefit the organization as a whole.

Promotional Items

Question: In the past we have purchased small giveaway 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 for three years from 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.

Equipment Guidelines

Inventory List

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 TxGMS. Any item that meets the definition of "equipment" under 2 CFR 200.1 **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 (For FY24 and earlier: $500.00 to $4,999.99. For FY25 and beyond: $500.00 to $9,999.99)

- Sound Systems and Other Audio Equipment
- Camera – Portable – Digital, SLR
- TVs, Video Players/Recorders
- Computer, Desktop
- Laptop Computers
- Data Projectors
- Smartphones, Tablets & Other Hand-Held Devices
- Unmanned aerial vehicle drones
- Mobile and Portable Radios*
- Ballistic shields*

***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 200.1) *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 $10,000. See also the definitions of capital assets, computing devices, general purpose equipment, information technology systems, special purpose equipment, and supplies in this section.

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 TxGMS list the required elements but do not provide definitions. At a minimum, your inventory list must contain the twelve elements listed below; however, you may choose to include additional elements per your agency's guidelines (a sample inventory list template may be found on the eGrants Website under "Resources/Forms". 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 in 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.

Equipment Tags

Question: Should my equipment be tagged?

Answer: Yes, generally all PSO grant-funded equipment (including state-controlled assets) 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 (or state) awarding agency]"

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.

Equipment Disposal

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: Items that have a current per-unit fair market value (FMV) of less than $5,000 (for grants awarded prior to 10/1/2024) or less than $10,000.00 (for grants awarded on or after 10/1/2024)

may be retained, sold or otherwise disposed of with no further obligation to the PSO. The agency should ensure that the equipment inventory log is updated to include the date of disposal, the method of disposal (e.g. destroyed, traded, sold, etc.), and the FMV or sale price. Methods used to determine the FMV must be documented, kept on file, and made available upon request.

Equipment with a current per-unit FMV in excess of the threshold listed above may be disposed in the following order of preference:

1. Traded in or sold with proceeds used to offset the cost of replacement equipment (i.e. the replacement equipment will be used in the same program/for the same program activities as the original equipment).
2. Retained and used in other activities currently or previously supported under an award from the same federal awarding agency which funded the original program or project. For example:
    - HS (FEMA) project to another HS (FEMA) project
    - HS project to FEMA disaster project
    - VA (DOJ) project to WF (DOJ) project
3. Transferred to another agency to be used for original eligible activities.
4. Retained and used in other activities not currently or previously supported by the same awarding agency (may result in a refund owed to the PSO). For example:
    - VA (federal funds) to SF (state funds)
    - HS (federal funds) to general agency use
5. Sold; will result in the PSO entitled to a portion of the proceeds.

PSO grantees requesting to dispose of equipment should complete the Disposition Request Form located at: https://fs3.formsite.com/OOG_HSGD/EquipmentDisposition/index. The Equipment Disposition Form is also used by grantees to notify the PSO of the loss, destruction, or theft of grant-funded equipment.

Disposing of equipment by transferring to other programs (either transferring to another agency or retaining and using the equipment in other activities) implies the item is no longer necessary within the original grant program. As a result, the PSO may not consider funding requests for similar equipment purchases from a grantee who has transferred equipment in this manner. Grantees should consider the typical useful life of the equipment prior to transferring it.

If an item is traded-in or sold and the proceeds are used to offset the cost of replacement equipment, the equipment inventory list must be updated to include the replacement equipment. The percent of federal participation for the new item is calculated by dividing the trade-in value or sale price of the original item by the total cost of the replacement item. For example, if the FMV of a vehicle is $6,000 and the replacement vehicle costs $45,000, the % of federal participation would be 13% (Note: this may vary if the difference is also paid with federal grant funds).

Replacement equipment must serve the same function as the original equipment and be of the same nature or character, although not necessarily of the same grade or quality. Purchase of replacement equipment must take place soon enough after the sale of the property to show that

the sale and the purchase are related. If the property is traded in, the value credited for the property must be related to its FMV.

The PSO may require an agency to take other disposition actions. For example, if an agency wishes to sell an item and the proceeds will not be used to offset the cost of replacement equipment (i.e. refund owed to the PSO), the PSO may direct the agency to transfer the equipment to another agency that is able to use the item for its original purpose.

In the event a grantee is indemnified, reimbursed, or otherwise compensated for any loss of, destruction of, or damage to grant-funded equipment, the grantee must use the proceeds to repair or replace the equipment.

If required, or if additional assistance is needed, grantees should contact the PSO for further instructions prior to disposing of equipment.

Fair Market Value

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 of an item, 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).

Maintenance Contracts, Warranties, Licenses, Subscriptions, and User Fees

Question: What is the policy for the use of grant funds for maintenance contracts, extended warranties, subscriptions, licenses and user fees tied to PSO-funded equipment?

Answer: PSO funds may be used for the purpose of keeping PSO-funded equipment functional and capable of serving the purpose for which it was originally purchased. The use of PSO funds for maintenance and warranties is allowable for equipment and state-controlled assets.

Extended warranties, maintenance contracts, subscriptions, and licenses that are purchased at the time of the original PSO-funded equipment purchase and with the same award and year may extend beyond the period of performance, so long as it is reasonable in relation to the usable life of the items being proposed.

Subscriptions purchased after the original PSO-funded equipment purchase may extend beyond the funding year's period of performance, so long as the subscription is paid in full during the period of performance and is attributable to cost savings.

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 duration of maintenance agreements and extended warranties may only last until the grant end date on the

sub-grantee's award from the PSO. 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 FY24 funds, and prorated until the end of the applicable PoP, and the balance could then be paid with FY25 funds, until the end of that applicable PoP.

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

Transfers and Loans

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

Answer: The PSO 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. The PSO may also request that 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.

For HSGP grantees, 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).

HSGP 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 the PSO 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.

Memorandum of Understanding

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.

Purchase of Communications Equipment

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) in 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 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 in 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.

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

Personnel Costs

Timekeeping Documentation

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

Answer: All grant-funded employees must maintain timekeeping documentation. If an agency does not require certain employees to maintain timesheets (e.g. exempt employees) or has a system that only requires tracking of leave time, then the agency must have a written policy in place that addresses how the agency identifies and charges personnel expenses to the grant. Non-exempt employees are required to maintain timesheets per the Fair Labor Standards Act.

Activity reports are required for employees who do not spend 100% of their time on a single grant. The activity report must remain on file, be prepared at least monthly (**but preferably in line with pay periods**), account for **all time worked** (grant and non-grant)identify the source of funds and be signed by the employee and a supervisor with firsthand knowledge of the work performed by the employee. Some time sheets or timekeeping systems allow for categorization of time by activity and in these instances a separate personnel activity report is not required, however, the activities noted should allow for the identification of the funding source. An example of a Time and Activity Report reporting allocation by funding source may be found at: https://egrants.gov.texas.gov/FileDirectory/OOG_Sample_Monthly_Time-Activity_Rpt_v5.xlsx.

A timekeeping system which allows for entry and approval of time and leave via an electronic system must be documented in the grantee's timekeeping policy and procedures.

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 at least 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.

Percent of Salary Calculation

Question: How do I calculate percent of salary for personnel line-items in my budget and when reporting personnel expenses on my FSR?

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 budgeted to the grant, 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 the employer's portion of fringe benefits and taxes. 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 = 0.715). The % of salary must not exceed the percent of time an employee will work on grant activities. *Helpful Tip: If an employee spends all of their time on a single grant project but is only partially funded by the grant, annotate this in the employee's budget line item (BLI) description*.

When reporting % of salary in a FSR, the calculation must be based on the percent of time the employee spent working on the grant (actual grant hours worked/actual total hours worked).

Budget Line-Item Descriptions

Question: What information do I need to include in my personnel budget line item (BLI) description?

Answer: The BLI description should include the employee's title; employee name or initials; the first date of employment and/or last date of employment (as applicable); a brief description of the employee's job duties under the grant; total annual salary and the employer paid portion of

fringe benefits and taxes (regardless of how much the grant covers); and other compensation (bonuses, overtime, on-call, stipends, etc.) . If the **% of salary** (including cash match, if applicable) allocated to the grant is less than 100%, the **% of time** spent working on the grant should also be included in the BLI description.

Overtime

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: Is overtime limited to 1.5 times the employee's regular rate of pay?

Answer: Although agencies are not limited to 1.5 times the employee's regular rate and may, in certain circumstances, pay employees double time (2 times the employee's regular rate), the PSO will only reimburse up to 1.5 times an employee's regular rate. The regular rate may include other differentials in addition to the employee's base salary (e.g. longevity, hazard, certification pay, etc.) and the PSO will reimburse for OT (up to 1.5 times) that includes additional differentials. The OT policy should address any differentials the agency considers part of the employee's regular rate of pay.

Stipends

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 (i.e. applicable to both grant and non-grant funded employees);
- 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 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.

Determine Match Amount

Question: How do I determine the match amount required on my grant?

Answer: The match amount requirement will vary from fund source to fund source, and some fund sources do not require any match. The following steps may be used to help you determine the required match amount:

Step 1 – Determine the max percentage of OOG grant funds by subtracting the required match percent from 100% (100% – required match percent = max percentage of OOG grant funds)

Step 2 – Divide the requested OOG grant funds by the result from Step 1 to determine the minimum amount of Total Project costs (OOG Funds / Step 1 result = Minimum Total Project Costs)

Step 3 – Subtract the requested OOG grant funds from the Minimum Total Project Costs to get the minimum matching funds required

> **Example:** Match Requirement is 20%; Requested OOG Grant Funds is $120,000
> **Step 1 Calculation**: 100% - 20% (match requirement) = 80% (max percentage of OOG grant funds)
> **Step 2 Calculation**: $120,000 (requested amount) / 80% (max percentage of OOG grant funds) = $150,000 (minimum total project costs)
> **Step 3 Calculation**: $150,000 (minimum total project costs) - $120,000 (requested amount) = $30,000 (minimum matching funds required)

On-Call Hours

Question: Are call-back/on-call hours eligible for reimbursement under my VOCA award?

Answer: Call-back and on-call hours may be eligible grant expenses provided the agency has a policy in place that covers the on-call or call-back rates. The policy must be applied equitably to both grant-funded and non-grant-funded staff and the agency must follow their written policy. The rate of pay must be reasonable when compared to other grantees in the same region of the state. The budget line-item description in the grant must indicate that the employee is subject to call-back/on-call hours and the costs must be properly allocated per the grantee's Cost Allocation Methodology (CAM) or, for public entities, the Cost Allocation Plan (CAP). See the Guide to Grants for additional information.

Homeland Security Specific FAQs

DARs, BIARs, and Activity Reports

Question: I have an OPSG grant; what is the difference between a daily activity report (DAR) and a time and activity report? Am I required to maintain time/activity reports *and* DARs?

Answer: Grant-funded PSO projects that have personnel expenses included in the budget must maintain timesheets for all employees, and time and activity reports for employees working less than 100% on a grant/fund source. In addition to time and activity reports, Operation Stonegarden (OPSG) grantees must maintain daily activity reports (DARs) to account for overtime activities performed by law enforcement officers. While time/activity reports account for the number of hours worked and contain a general activity description (typically a grant number),

DARs provide a detailed description of OPSG overtime activities as well as information such as the location(s) patrolled, number of arrests, number of citations, cash and/or drug seizure amounts, etc. – information that is not appropriate for a time/activity report. Just like time and activity reports, DARs must be signed by the employee and a supervisor having first-hand knowledge of the work performed. Signatures serve as certification by the grantee that the activities listed were conducted and as a check and balance system.

OPSG grantees must submit the information contained in the DARs to the appropriate Border Patrol Sector via the Homeland Security Information Network (HSIN) within 48 hours of the conclusion of each OPSG shift. The DARs are considered backup/supporting documentation for the information submitted into HSIN, as well as time charged to the grant, and must be maintained by the OPSG grantee for the required records retention period and made available upon request.

Question: What is the difference between a Border Incident Assessment Report (BIAR), a Daily Activity Report (DAR), and a time and activity report? Am I required to maintain time/activity reports *and* BIARs?

Answer: While DARs are required for OPSG (federal) grants, BIARs are a requirement for agencies that receive state-funded Local Border Security Program (LBSP) or Operation Lone Star (OLS) grants.

Grant-funded PSO projects that have personnel expenses included in the budget must maintain timesheets for all employees, and time and activity reports for employees working less than 100% on a grant/fund source. Time and activity reports are used to account for the number of hours worked and general activities performed (typically by grant number) by law enforcement officers. In addition to time and activity reports, agencies that receive LBSP or OLS grants must maintain BIARs to account for any border-related incidents that occur during Enhanced Operation activities and Steady State activities. Enhanced (Surge) Operations occur when grant funds are used by the local agency to increase the hours of patrol or investigations. Steady State activities are defined as normal patrol or investigative duties that do not use grant funds, but directly impact the overall grant-funded mission, such as organized crime arrests, terroristic activities, weapons trafficking arrests, kidnappings, human trafficking, human smuggling, home invasions with a border or organized crime nexus, illegal immigration, border-related murders, gang-related murders, vehicle thefts, or drug trafficking.

Grantees must submit the information contained in the BIARs to the local Joint Operations Intelligence Center (JOIC) within 24 hours after the end of the shift of the law enforcement officer, or by the timeframe established by the JOIC. BIARs are considered backup/supporting documentation for the information submitted to the JOIC, as well as a record of activities performed under the grant, and must be maintained by the grantee for the required records retention period and made available upon request.

Question: In our COG Region, we fund several projects to build, upgrade, enhance, or replace the regional communications system. The amount of State Homeland Security Grant funds (SHSP) 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.

Non-Terrorism Projects

Question: Can SHSP and Urban Area Security Initiative (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, and the Non-Profit Security Grant Program (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.

Weather Related Incidents

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.

Employee Overtime and Backfill

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 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 statewide interoperability coordinators.

HSGP funds may not be used to support the hiring of any personnel for the purpose 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 in FTE employees. See personnel related definitions as defined by FEMA in the 2016 NOFO (page 61).

Prohibited Equipment

Question: What kinds of equipment am I allowed to purchase with SHSP and UASI grant funds? 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.