



OHIO DEPARTMENT
OF PUBLIC SAFETY
SAFETY SERVICE PROTECTION

Public Assistance Applicant's Handbook

Ohio Emergency Management Agency
Disaster Recovery Branch

[760-1113]

July 2019

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OVERVIEW

The Public Assistance (PA) Program provides reimbursement to eligible Applicants for debris operations, emergency protective measures and the repair or reconstruction of facilities that are owned and operated by the eligible Applicant. The PA Program is administered by the Ohio Emergency Management Agency, Disaster Recovery Branch (herein referred to as the State). The Federal Emergency Management Agency (FEMA) works with eligible Applicants to formulate projects, and is responsible for determining eligibility and ensuring environmental and historic preservation compliance.



Staff in the Disaster Recovery Branch are always available to assist you with any questions, tasks, or concerns you may have regarding the PA Program. You may reach us by phone: (614) 799-3665, fax: (614) 791-0018, email: emarecovery@dps.ohio.gov, website: <https://oh.emgrants.com> and address: Ohio EMA, 2855 West Dublin Granville Road, Columbus, Ohio 43235.

DECLARATION PROCESS

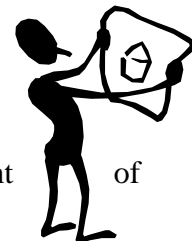
The Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1988, Public Law 93-288, as amended, authorizes the delivery of federal disaster assistance following a declaration of major disaster by the President. A major disaster is defined in 44 Code of Federal Regulations (CFR) as:

“Any natural catastrophe... or regardless of cause, any fire, flood, explosion, in any part of the United States, which in the determination of the President causes damage of sufficient severity and magnitude to warrant major disaster assistance...to supplement the efforts and available resources of State, local governments, and disaster relief organizations in alleviating the damage, loss, hardship, or suffering caused thereby.”

A key word within the definition is “supplement”. This means that state and local governments must apply all available resources to the disaster before federal disaster assistance is provided.

DAMAGE ASSESSMENT- What does it do?

During and immediately following the incident, local damage assessment is completed. Early identification of problems enables local officials to make prompt and efficient decisions concerning available resources. The impacts on a community are used to determine the amount supplemental assistance needed and the program(s) to request.



Speed and accuracy are important in order to obtain the maximum amount of assistance; therefore, a systematic procedure to collect and properly analyze damage information is established before the disaster occurs. The identification and training of local personnel tasked with damage assessment is critical to this process. Your County Emergency Management Agency (EMA) can assist you in obtaining damage assessment training.

When the assessment information is received by Ohio EMA, the data is reviewed and if the assessment reveals that sufficient damage exists to warrant further action, a request is made to the Federal Emergency Management Agency (FEMA) for a Joint Preliminary Damage Assessment (Joint PDA). The Joint PDA is conducted by federal, state and local personnel to verify the local damage assessment information. It is also conducted to determine the types of disaster relief and assistance needed by the stricken area and to provide documentation for the Governor's letter of request to the President.

YOUR ROLE IN DAMAGE ASSESSMENT

Federal and state personnel who tour the damaged area survey public damages. Local governments provide assessment team members to answer questions and ensure that the teams have viewed a sufficient amount of damage. When selecting local team members, it is wise to designate engineers or public works personnel. Their expertise may mean the difference in receiving or not receiving a declaration for PA. Maps with the areas of damage marked should be provided to the assessment team(s).

For additional information on the damage assessment process, please go to our website at: [http://ema.ohio.gov/Recovery DAToolbox.aspx](http://ema.ohio.gov/Recovery_DAToolbox.aspx).

DAMAGE ASSESSMENT – Results of this Process.

When all information is collected, it is reviewed by state personnel to determine if a request for a major disaster declaration is warranted. If warranted, the Governor's letter of request is prepared and forwarded to FEMA. The President approves or denies the Governor's request.

In the event the declaration is denied, a one-time appeal may be submitted by the Governor within thirty (30) days of the denial. The process described above is repeated and additional damage and information is provided.

PUBLIC ASSISTANCE SEQUENCE OF EVENTS

INCIDENT OCCURS



LOCAL AND FEMA PRELIMINARY DAMAGE ASSESSMENT



PRESIDENTIAL DISASTER DECLARATION



APPLICANT'S BRIEFING



EXPLORATORY CALL/RECOVERY SCOPING MEETING



FORMULATION AND VALIDATION OF PROJECT WORKSHEETS



APPROVED PROJECT WORKSHEETS DISTRIBUTED



FEDERAL SHARE OF SMALL PROJECTS PAID IMMEDIATELY ⇐ **FUNDING** ⇒ REIMBURSEMENT/ADVANCES FOR LARGE PROJECTS



QUARTERLY PROGRESS REPORTS



RANDOM INSPECTION FOR SMALL PROJECTS ⇐ **VERIFICATION** ⇒ ALL LARGE PROJECTS INSPECTED/FEMA APPROVED



AUDITS

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**ELIGIBILITY AND
APPLICATION**

ELIGIBILITY AND APPLICATION

FOUR BUILDING BLOCKS OF ELIGIBILITY

The PA Program provides reimbursement to eligible Applicants for debris operations, emergency protective measures and the repair or reconstruction of facilities that are owned and operated by the eligible Applicant. There are four building blocks of eligibility for PA:

Applicant – Eligible Applicants include state and local governments, and certain private non-profit organizations (PNP). Local governments include: counties, municipalities, townships, schools and universities, special districts, authorities, etc. An eligible PNP Applicant must show that it has:

- A current ruling letter from the U.S. Internal Revenue Service granting tax exemption under sections 501(c), (d), or (e) of the Internal Revenue Code of 1954 or;
- Documentation from the State substantiating it is a non-revenue producing, nonprofit entity organized or doing business under State law.

Facility – A Facility is a building, works, system, or equipment, built or manufactured, or an improved and maintained natural feature. For governmental Applicants, the Facility must be under their ownership or their legal authority and must be maintained. If an Applicant is a PNP, the Facility must provide educational, utility, emergency, medical or custodial care or must provide other essential governmental-type services and be open to the general public.

Work – Eligible Work must be:

- Required as a result of the declared incident
- Located within the designated area, with the exception of sheltering and evacuation activities
- The legal responsibility of an eligible Applicant

Cost – For Costs to be eligible, they must be:

- Directly tied to the performance of eligible Work
- Adequately documented
- Reduced by all applicable credits, such as insurance
- Authorized and not prohibited under Federal, State, Territorial, Tribal or local government laws and regulations
- Consistent with the Applicant's internal policies, regulations, and procedures that apply uniformly to both Federal awards and other activities of the Applicant
- Necessary and reasonable to accomplish the Work properly and efficiently

The federal share of the PA Program is no less than 75% of the total eligible costs. The State may contribute to the non-federal share. State agencies and PNPs are not eligible for a state share.

APPLICATION PROCESS

Once a disaster is declared, the County EMA office provides potential Applicants with information concerning the time and location of Applicant's Briefings. The purpose of the Applicant's Briefing is to:

- Apply to the PA Program;
- Receive the proper forms and information on designating an Authorized Agent;
- Get an understanding of how the State administers the PA Program;
- Provide a brief overview of PA Program eligibility;
- Provide an overview of FEMA's process for formulating Project Worksheets; and
- Provide awareness of federal procurement requirements

In order to apply for PA, a Request for Public Assistance (RPA) must be completed and submitted to the State within **30 days** of the disaster declaration. The State forwards the RPA to FEMA. The RPA can be submitted:

- Within <https://oh.emgrants.com>; or
- In paper form either at the Applicant's Briefing, by fax or by email

WHO IS ELIGIBLE TO APPLY FOR PUBLIC ASSISTANCE?

Any local government, state agency or eligible PNP within a federally declared county is eligible to apply to the PA Program.

Eligible PNPs must demonstrate that they have an eligible facility. PNP eligible facilities are categorized in two ways:

- Facility providing a critical service (**Critical PNP**): These are facilities providing educational, utility, emergency or medical services
- Facility providing a non-critical but essential governmental services that is open to the general public (**Non-Critical PNP**): These include museums, zoos, performing arts facilities, community centers, houses of worship, libraries, homeless shelters, senior citizen centers, shelter workshops, low-income housing (as defined by Federal, State or local law or regulation), alcohol and drug treatment centers, residences and other facilities offering programs for battered spouses, animal control facilities directly related to public health and safety, facilities offering food programs for the needy, daycare centers for children, and daycare centers for individuals with special needs (e.g., those with Alzheimer's disease, autism, muscular dystrophy, etc.).

Small Business Administration - Prior to Non-Critical PNPs receiving funding for permanent repairs to eligible facilities, they must first apply to the Small Business Administration (SBA) for a low interest loan. If they are declined for a loan or the loan does not cover all eligible work, they may request funding from FEMA for the remainder of the work.

Ineligible PNP facilities include: recreation facilities, job counseling and training centers, facilities for advocacy groups not directly providing health services, housing (other than low-

income), cemeteries, parking garages, conference facilities, facilities maintained by property owners' associations such as roads and recreational facilities (except those facilities that could be classified as utilities or emergency facilities), and daycare centers for purposes other than those described.

WHO IS THE AUTHORIZED AGENT AND WHAT ARE THEIR DUTIES?

The Authorized Agent is responsible for ensuring that all federal, state and local PA Program requirements are met and should have the full cooperation of other local officials who are assisting in disaster recovery.

This person is the point of contact for the State and is responsible for all administrative requirements, monitoring of work to be completed and ensuring appropriate documentation is maintained for tracking costs, appeals and audits. In addition, the Authorized Agent is the recipient of all correspondence and information related to the subaward. All Applicants to the PA Program must designate a person to act as their Authorized Agent. This person may or may not be the individual who works with FEMA to formulate projects.

DESIGNATING THE AUTHORIZED AGENT

There are three actions that must be taken in order to designate an Authorized Agent. These are referred to as your administrative requirements. **This information must be submitted to the State prior to release of any funds. Do not give these forms to FEMA. The documents include a:**

1. Letter of Appointment
2. State/Local Agreement
3. W-9 <https://www.irs.gov/pub/irs-pdf/fw9.pdf>. You need only submit the first page of the W-9

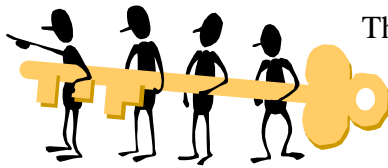
In the event the Authorized Agent changes prior to closure of the subaward, appointments and agreements will need updated and submitted to the State to reflect the new Authorized Agent.

Below you will find:

- **Sample Letter of Appointment:** The Letter of Appointment designates the Authorized Agent. The Authorized Agent cannot designate themselves and the person making the designation needs to have such authority.
- **State/Local Agreement:** The State/Local Agreement outlines PA Program requirements for both the Applicant and the State. All pages of the Agreement must be completed by the Applicant in order for it to be executed. Execution means:
 - Completion of the cover page with the DUNS number and signatures for the Authorized Agent and an Alternate Contact;
 - Completion of a Risk Assessment; and
 - Initials of the Authorized Agent on all remaining pages of the Agreement

If you do not have a DUNS number, you can go to <http://fedgov.dnb.com/webform> or call 1-866-705-5711 to apply. The DUNS number does require annual renewal and this can be done at www.sam.gov. If you have any questions please call 1-866-608-8220. There is no fee for the registration or renewal. www.sam.gov can also be used to search for federally debarred contractors.

AUTHORIZED AGENT CHECKLIST



This checklist is the key to ensuring that the process of applying for, receiving and administering disaster assistance is as easy as possible. You play a vital role in this process. Use this checklist as your guide, but address any questions to the State PA team.

Administration

- ☐ Ensure designation by local governing body (letter of appointment);
- ☐ Ensure a copy of the appropriate Project Worksheet (PW) is provided to the person(s) responsible for the scope of work and financial tracking;
- ☐ Follow proper bid and contract procedures;
- ☐ Document repair costs at each work site as they occur;
- ☐ Submit closeout documentation for a large project (projects over \$125,500) within 90 days completion;
- ☐ Submit a completed P.4. Project Completion and Certification Report within 90 days completion of the last small project (projects under \$125,500);
- ☐ Maintain supporting **documentation** for work completed;
- ☐ Ensure proper handling of disaster funds, to include establishing a FEMA fund for Single Audit purposes;
- ☐ Ensure completion of **required** Quarterly Project Reports and P.4., Project Completion and Certification Reports, and;
- ☐ Ensure compliance with the State/Local Agreement and Audit Compliance/Standards.

Project worksheets (other local officials may assist or complete these items as well)

- ☐ PW formulation;
- ☐ Have knowledge of all damaged facilities;
- ☐ Have photographs of all damages;
- ☐ Know if repairs are made by force account (local forces) or contract;
- ☐ Have a copy of local codes and standards, and;
- ☐ Make sure **all** damages are described in PW's.

Work monitoring (other local officials may assist or complete these items as well)

- ☐ Review each PW to become familiar with approved scope of work;
- ☐ Make approved repairs only;
- ☐ Request approval of a change in scope of work, or an improved or alternate project before you complete work;

- ❑ Request approval of costs overruns for large projects prior to completing work;
- ❑ Complete work within time limits, and;
- ❑ **Justify** time extension requests, by PW, if required.

Documentation (other local officials may assist or complete these items as well) – See Project Documentation Section for more detailed information

- ❑ Maintain a separate folder for each PW;
- ❑ Prepare Daily Activity Reports from supervisor's daily logs;
- ❑ Keep these documents for each PW by Force Account:
 - ❑ Daily Activity Reports for labor, equipment, and materials.
 - ❑ Invoices.
 - ❑ Payroll journals.
 - ❑ Cancelled checks.
 - ❑ Daily logs from supervisors.
- ❑ Keep these documents for each PW done by Contract:
 - ❑ Bid advertisement and list of bidders.
 - ❑ Contract awarded.
 - ❑ Invoices.
 - ❑ Cancelled checks.
 - ❑ Record of work inspections.
 - ❑ Engineering documentation, if applicable on a project listing form per PW.



Completing Funding Agreement Module, All Users

Process Checklist

- 1. Eligibility Approval
Approved on May 2, 2019 ([View Request for Approval](#))
- 2. **Funding Agreement Execution**
Pending Approval ([View Funding Agreement](#))
- 3. Project Management
- 4. Account Closeout

Authorized Agent Designation

Please provide the details of the Authorized Agent for the account under 4424 - February 5-13 2019 Flooding Severe Storms.

Authorized Contact:

Please attach the Letter of Appointment: [Attach Files](#) [No documents.](#)

Alternate Contact

Please provide the details of an Alternate Contact for the account under 4424 - February 5-13 2019 Flooding Severe Storms.

Alternate Contact:

W-9

Please attach a completed W-9: [Attach Files](#) [No documents.](#)

State/Local Funding Agreement

Please attach a copy of the signed Funding Agreement: [Attach Files](#) [No documents.](#)

The original copy of the signed Funding Agreement should be mailed to the following address:

...

- Select the Home icon, and then select the Grant
- At the Summary Page, under Process Checklist, select view Funding Agreement
- Select a Name for the Authorized Agent and upload the Letter of Appointment
- Upload W-9
- Upload State/Local Agreement
- Save and Submit
- Mail the original of the State/Local Agreement to Ohio EMA

The below letter of appointment can serve as a substitute for a copy of the formal resolution designating an Authorized Agent. The letter of appointment should be typed on official letterhead and the body and signature should be specific to your jurisdiction. Individuals cannot designate themselves.

SAMPLE LETTER OF APPOINTMENT

Date

Sima S. Merick, Executive Director
Ohio Emergency Management Agency
2855 West Dublin Granville Road
Columbus, Ohio 43235

Dear Ms. Merick:

As **Mayor/County Commissioners/Township Trustees/Director of (City, Village, County, or Organization)**, I authorize **(Name of person and title, i.e. Jane Doe, Township Clerk)**, to sign all documents and in all ways act as the Authorized Agent relative to the Public Assistance Grant Program for FEMA-DR-[Enter Disaster Declaration Number]-OH.

Sincerely,

Signature



OHIO DEPARTMENT OF PUBLIC SAFETY
EMERGENCY MANAGEMENT AGENCY

2855 W. DUBLIN GRANVILLE ROAD
COLUMBUS, OHIO 43235
614-799-3665

STATE-LOCAL AGREEMENT

MAJOR DISASTER DESIGNATION: FEMA-DR- -OH

FEDERAL AWARING AGENCY: **DEPARTMENT OF HOMELAND SECURITY, FEMA**

PASS THRU ENTITY: **OHIO EMERGENCY MANAGEMENT AGENCY**

FEDERAL AWARD: **PUBLIC ASSISTANCE GRANT PROGRAM**

CATALOG OF FEDERAL DOMESTIC ASSISTANCE: **97.036**

DATE OF PRESIDENTIAL DECLARATION:

PRINT OR TYPE

APPLICANT (SUBRECIPIENT) NAME	ADDRESS	
CITY	COUNTY	ZIP+4
PHONE () -	FAX () -	
DUNS NUMBER	FEDERAL TAX ID NUMBER	
E-MAIL		

As authorized representative for the above named applicant / subrecipient, I have read and understand the State-Local Agreement and agree to comply, as an applicant / subrecipient of these funds, with all requirements described therein during the administration of the grant program.

In addition to signing below, execution of this agreement on behalf of the applicant / subrecipient requires the Authorized Agent's initial at the space provided on the remaining pages of this State / Local Agreement and completion the Ohio Risk Assessment.

APPLICANT'S AUTHORIZED AGENT	TITLE	
SIGNATURE X		DATE
ALTERNATE CONTACT (NAME, NUMBER, E-MAIL) – NOT REQUIRED		

SIGNED FOR THE STATE

GOVERNOR'S AUTHORIZED REPRESENTATIVE (GAR) Sima S. Merick	TITLE Governor's Authorized Representative	
SIGNATURE X		DATE

PROGRAM RISK MANAGEMENT

Title: Public Assistance Grants	CFDA Number 97.036
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APPLICANT ORGANIZATION INFORMATION

APPLICANT ORGANIZATION NAME AND COUNTY
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AUTHORITY

The purpose of this assessment is to evaluate the risk of the applicant organization. Limited program experience, results of previous audits, changes in personnel / systems and/or results of prior monitoring/site visits protocols may increase an applicant's degree of risk but will not preclude the applicant from becoming an applicant. The applicant's degree of risk may require additional monitoring during the grant period of performance, in accordance with 2 CFR, 200.331.

QUESTIONS

- How many prior Public Assistance Program or similar federal grants has your organization managed during the past 10 years?
 - ☐ Three (3) or more declaration grants
 - ☐ Two (2) declaration grants
 - ☐ One (1) declaration grant
 - ☐ Zero (0) declaration grants
- What types of findings has your organization received in audits during the past 10 years?
 - ☐ No significant findings
 - ☐ Some minor findings
 - ☐ Some moderate findings (corrective action must be made)
 - ☐ Significant findings (funding must be returned)
- Have the personnel or systems your organization uses to manage grants changed during the past 10 years?
 - ☐ No significant changes
 - ☐ Some minor changes
 - ☐ Some moderate changes (personnel or systems)
 - ☐ Significant changes (personnel and systems)
- What types of findings has your organization received in monitoring or site visits during the past 10 years?
 - ☐ No significant findings
 - ☐ Some minor findings
 - ☐ Some moderate findings (corrective action must be made)
 - ☐ Significant findings (funding must be returned)

CERTIFICATION

I certify the information provided in this assessment is true and accurate, and that all occurrences of prior grant non-compliance have been disclosed.

AUTHORIZED REPRESENTATIVE SIGNATURE	DATE
X	
AUTHORIZED REPRESENTATIVE PRINTED	TITLE

STATE-LOCAL DISASTER ASSISTANCE AGREEMENT

PURPOSE

This agreement between the State of Ohio Emergency Management Agency (Ohio EMA), Governor's Authorized Representative (GAR) and _____,
(Name of Applicant)

shall be effective on the date signed by the Ohio EMA and the Applicant and shall apply to all assistance funds provided by or through the Ohio EMA to the Applicant during the administration of the Public Assistance (PA) Grant.

DEFINITIONS AND ASSIGNMENT OF RESPONSIBILITIES

1. Applicant – The sub-recipient.
2. Authorized Agent – The individual designated by the Applicant to oversee the FEMA PA Program.
3. Federal award – The Federal financial assistance that a non-Federal entity receives directly from a Federal awarding agency or indirectly from a pass-through entity. **Public Assistance (PA) Grant.**
4. Federal awarding agency – The Federal agency that provides a Federal award directly to a non-Federal entity. **Department of Homeland Security-Federal Emergency Management Agency (FEMA).**
5. Governor's Authorized Representative (GAR) – The person designated by the Governor to act as the individual designated to administer the PA Grant on behalf of the pass-through entity. **Executive Director, Ohio EMA.**
6. Non-Federal entity – A state, local government, Indian tribe, institution of higher education, or non-profit organization that carries out a Federal award as a recipient or sub-recipient. **Ohio EMA and the Applicant.**
7. P.4. Project Completion and Certification Report (P.4.) – The P.4. reflects a summary of all eligible Project Worksheets under the Federal award. Signature by the Applicant and the Ohio EMA certifies completion of work as required under the Federal award.
8. Pass-Through entity – A non-Federal entity that provides a sub-award to a sub-recipient to carry out part of a Federal program. **Ohio EMA.**
9. Project Worksheets – Project Worksheets (PWs) document actual or estimated costs to complete the scope of work outlined in the PW. Each PW reflects all or a portion of the Federal award.
10. Recipient – A non-Federal entity that receives a Federal award directly from a Federal awarding agency to carry out an activity under a Federal program. **Ohio EMA.**
11. Sub-Award – An award provided by a pass-through entity to a sub-recipient for the sub-recipient to carry out part of a Federal award received by the pass-through entity. **The Applicant's PA Grant.**
12. Sub-Recipient – A non-Federal entity that receives a sub-award from a pass-through entity to carry out part of a Federal program. **The Applicant.**

The Authorized Agent of the Applicant certifies that:

1. The Applicant agrees that this State-Local Disaster Assistance Agreement will not be active nor program funds obligated until the Ohio EMA approves, through signature, the State-Local Disaster Assistance Agreement.
2. The Applicant's Authorized Agent has the legal authority to apply for assistance on behalf of the Applicant.
3. The Applicant shall use the PA Grant solely for the purposes for which these funds are provided and as approved by the Ohio EMA and / or FEMA.
4. The Applicant agrees to comply with the PA Grant requirements found in the most recent version of Title 44 Code of Federal Regulations (CFR), 2 CFR 200 and the Federal Acquisition Regulations (FAR) Part 31.2 as applicable and as amended, and other laws, regulations and policies governing the PA Grant Program.
5. The Applicant agrees to provide the necessary local match required under the PA Grant and that funding will be available within the specified period of time for completion of the project(s).

Initials of Authorized Agent

6. Within 90 days completion of the last small project (those projects currently under \$125,500), the Applicant shall submit the P.4., certifying completion of the approved scope of work and reflecting actual costs to complete Project Worksheets (PWs).
7. Within 90 days completion of each large project (those currently over \$125,500), the Applicant shall submit all paperwork documenting completion of the approved scope of work and actual costs incurred.
8. The Applicant shall return to the Ohio EMA any funds that are not supported by audit or other federal or state programmatic requirements.
9. The Applicant shall comply with all applicable local, State and Federal ordinances, laws, regulations, building codes and standards as pertains to the PA Grant.
10. The Applicant shall comply with the Federal Financial Accountability and Transparency Act (FFATA) by registering their entity at www.sam.gov and thereafter, annually renewing the account to ensure the account remains active. Ohio EMA is required to report to www.usaspending.gov all PA grants in excess of \$25,000. In order to properly report that spending, the Applicants need to have active accounts registered at www.sam.gov. Additional information on FFATA can be found in the PA Applicant's Handbook.
11. The Applicant is required to follow applicable local, State and Federal procurement rules and regulations, whichever is most restrictive. Federal procurement rules are found at 2 CFR §200.317-326.
12. The Applicant must permit Ohio EMA and auditors to have access to the Applicant's records and financial statements as necessary for the Ohio EMA to meet the requirements of 2 CFR §200.331.
13. The Applicant shall comply with all time frames for completion of projects as they apply to the PA Grant, unless a time extension is granted by the Ohio EMA or by FEMA. Completion timeframes are outlined at 44 CFR §206.204.
14. As stated in 2 CFR §200.113, in a timely manner, the Applicant must disclose to Ohio EMA, all violations of Federal criminal law involving fraud, bribery or gratuity violations potentially affecting the PA Grant.
15. As stated in 2 CFR §200.205 and 2 CFR §200.331, the Federal Awarding Agency and Pass-Through Entity must evaluate risks posed by Applicants, to include consideration of financial stability, history of performance with prior Federal awards, reports and findings from audits performed under 2 CFR Subpart F, etc. As a result of this risk evaluation, additional specific award conditions may be placed on an Applicant by FEMA (2 CFR §200.207) or Ohio EMA (2 CFR §200.338). Applicants with additional award conditions will be notified in writing of those conditions.
16. As stated in 2 CFR §200.501, any local government, state agency / department, and private non-profit organization expending a total of \$750,000 or more in total federal financial assistance in any fiscal year are required to have a single audit performed.

Those local governments, state / agencies / departments, or private non-profit organizations expending less than \$750,000 in total federal financial assistance must supply the Ohio EMA Public Assistance Officer (PAO) with a certification from a clerk / treasurer, for each fiscal year PA funds are expended, certifying that a Single Audit is not required. Certifications should be submitted no later than 180 days following the end of the audit period.
17. As stated in 2 CFR §200.512, the Applicant must submit their Single Audit Reporting Package to the Federal Audit Clearinghouse (FAC) within the earlier of 30 days after receipt of the audit or nine months after the end of the audit period.
18. As stated in 2 CFR §200.511, the Applicant is responsible for follow-up and corrective action on all audit findings.
19. Findings for recovery, from the Ohio EMA or the federal entity, against the Applicant, will be deducted from the Applicant's remaining balance of eligible federal and / or state funds. If all funding has been disbursed, the Ohio EMA PAO will initiate collection proceedings.
20. Throughout the lifetime of the PA grant program, it is the responsibility of the Applicant to inform the State (or private) examiner of their participation in this Program at the time of their respective single audits.

____ Initials of Authorized Agent

21. As stated in 2 CFR §200.302, the financial management system of each non-Federal entity must be sufficient to permit the preparation of reports required by general and program-specific terms and conditions; the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations and the terms and conditions of the PA Grant.
22. As stated in 2 CFR §200.305 (8), the Applicant must return any interest earned from federal funds in excess of \$500 annually to the Department of Health and Human Services. See this § for additional parameters regarding interest bearing accounts.
23. As stated in 2 CFR §200.311, subject to the obligations and conditions set forth in this §, title to real property acquired or improved under a Federal award will vest upon acquisition in the non-Federal entity.
24. The Applicant shall comply with all State statutes, policies and regulations relating to equal employment opportunities, non-discrimination, prevailing wages, environmental and historic preservation and floodplain management. This includes the Department of Public Safety policies, DPS-501.39 and 501.40. These policies are included in the PA Applicant's Handbook that is provided at the PA Applicant's Briefing and at oh.emgrants.com.
25. The Applicant shall not enter into contracts for which payment is contingent upon receipt of state or federal funds.
26. The Applicant will provide to the Ohio EMA a Quarterly Progress Report (QPR) of all outstanding approved projects until said projects are complete. The first report will be due three (3) months from the date of the declaration unless waived by the Ohio EMA.
27. The Applicant is required to contact the Ohio EMA immediately regarding any changes to their PA Grant, to include:
 - a. Changes in the scope of work, which must be approved by the Ohio EMA / FEMA prior to work being completed;
 - b. Changes in method of repair, which must be approved by Ohio EMA / FEMA prior to work being completed;
 - c. Significant project cost overruns / underruns;
 - d. Non-accomplishment of approved project or intentional cancellation of the project;
 - e. Need for time extension to allow for completion of project within specified deadlines;
 - f. Actions required to rectify findings of a Single Audit concerning the PA Grant, and;
 - g. Any other changes regarding the Applicant's PA Grant (such as a change in the Authorized Agent).
28. The Applicant understands that failure to timely submit the required Quarterly Progress Reports (QPRs) or to forward a completed P.4 Project Completion and Certification Report may result in forfeiture of all or a portion of the State share.
29. The Applicant will maintain all PA Grant documentation for three (3) years upon Ohio EMA's closeout of the Applicant's PA Grant.

The Governor's Authorized Representative as Ohio EMA certifies that:

1. The Ohio EMA shall deliver assistance as expeditiously as possible, consistent with 2 CFR 200 and will provide technical assistance to all Applicants.
2. The Ohio EMA shall inform all Applicants of the status of their application, approvals, and shall provide copies of Project Worksheets.
3. The Ohio EMA notifies the Applicant of its PA Grant and project descriptions through the P.4. Project Completion and Certification Report and Project Worksheets, respectively.

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4. Signature on the State / Local Agreement by the Applicant and the GAR will happen upon initiation of the PA Grant only, unless there is a change of the Applicant's Authorized Agent over the course of administering the PA Grant. Revisions to the PA Grant will be reflected in the P.4. Project Completion and Certification Report and in the Project Worksheets.
5. The Ohio EMA shall, on behalf of the Applicant, submit appeals to FEMA.
6. The Ohio EMA agrees to provide the necessary State match which will be available within the specified period of time for completion of projects. The State match for small projects (inclusive) will be based on the amount claimed by the Applicant up to the original (FEMA) approved amount.
7. The Ohio EMA will monitor the Applicants to facilitate their compliance with all laws, regulations, policies and executive orders pertaining to the PA Grant.
8. The Ohio EMA PA Program Staff will review each Single Audit Report to assure that:
 - a. If applicable, the grant(s) received that fiscal year are included on the Schedule for Federal Financial Assistance section of the Single Audit Report and that the report properly addresses the PA grant program, as required under 2 CFR §200, Subpart F, and appropriate OMB Guidance.
 - b. Any of the PA program activities, which may have been tested by the state or private examiners, are in compliance with all regulations pertaining to the PA grant program and Single Audit requirements.
 - c. Audit findings pertaining to the PA grant will be addressed through a Management Decision, per 2 CFR §200.521.
9. Upon receipt of an Applicant's P.4., Ohio EMA will provide to FEMA within 90 days, certification that an Applicant's small projects are closed.
10. Upon receipt of closeout documentation, Ohio EMA will provide to FEMA within 90 days, a final inspection report to closeout an Applicant's large project(s).
11. Ohio EMA will notify the Applicant in writing of the closeout date of their PA Grant.

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AUTHORITIES

1. 42 U.S.C. 5121-5206, Public Law 93-288, as amended (Public Laws 100-707 and 106-390) The Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1988
2. FEMA Regulation, 44 CFR 10 and 206 (includes subparts G, H, and I)
3. Public Assistance Program and Policy Guide and other PA related policies, fact sheets and SOPs
4. 2 CFR Part 200
5. National Environmental Policy Act (NEPA)
6. Title VI of the Civil Rights Act of 1964
7. 16 U.S.C. 1531, Endangered Species Act
8. 16 U.S.C. 470, National Historic Preservation Act
9. 16 U.S.C. 3501, Coastal Barrier Resources Act
10. Executive Order 11988, Floodplain Management
11. Executive Order 11990, Protection of Wetlands
12. Executive Order 12898, Environmental Justice
13. Executive Order 12612, Federalism
14. Executive Order 12699, Seismic Design
15. Clean Water Act (Section 404)
16. FEMA / State Agreement
17. Ohio Revised Code 5915, as amended

Below are the requirements as set forth by the Federal Emergency Management Agency (FEMA) under FEMA Form 20-16A, Assurances-Nonconstruction Programs, FEMA Form 20-16B, Assurances-Construction Programs and FEMA Form 20-16C, Certifications Regarding Lobbying; Debarment, Suspension and Other Responsibility Matters; and Drug-Free Workplace Requirements. ***By signing the State-Local Disaster Assistance Agreement, the designated Authorized Agent for the Public Assistance Grant Program certifies that the applicant will comply with the terms of the State-Local Disaster Assistance Agreement and the identified FEMA Assurances and Certifications.***

NOTE:

Certain of these assurances may not be applicable to your project or program. If you have any questions, please contact the awarding agency. Further, certain Federal awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

Items 1-28 below are the compilation of FEMA Form 20-16A and 20-16 B.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance, and the institutional, managerial and financial capability *(including funds sufficient to pay the non-Federal share of project costs)* to ensure proper planning, management and completion of the project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States, and if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal gain.
4. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.

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5. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. Section 4727-4763) relating to prescribed standards for merit systems for programs funded under one of the nineteen statutes or regulations specified in Appendix A of OPM's Standards for Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
6. Will comply with all Federal statutes relating to nondiscrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P. L. 88-352) which prohibits discrimination on the basis of race, color, or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. Sections 1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. Section 794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. Sections 6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970, (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) Sections 523 and 527 of the Public Health Service Act of 1912, (42 U.S.C. 290-dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Acts of 1968 (42 U.S.C. Section 3601 et. seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provision in the specific statute(s) under which application for Federal assistance is being made; and (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.
7. Will comply, or has already complied, with the requirements of Title II and III of the Uniformed Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provides for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal or Federally assisted programs. These requirements apply to all interest in real property acquired for project purposes regardless of Federal participation in purchase.
8. Will comply with provisions of Hatch Act (5 U.S.C. Sections 1501-1508 and 7324-7328) which limit the political activities of employees whose principle employment activities are funded in whole or in part with Federal funds.
9. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. Sections 276a to 276a-7) the Copeland Act (40 U.S.C. Section 276c and 18 U.S.C. Sections 874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. Sections 327-333), regarding labor standards for federally assisted construction subagreements.
10. Will comply, if applicable with flood insurance purchase requirements of Section 102a of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
11. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. Sections 1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176 (c) of the Clean Air Act of 1955, as amended (42 U.S.C. Section et seq.); (g) protection of underground sources of drinking water under Safe Drinking Water Act of 1974, as amended, (P.L. 93-523); and (h) protection of endangered species under the Endangered Species Act of 1973, as amended, (P.L. 93-205).
12. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. Sections 1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers systems.
13. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. 470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. 469a-et seq.).
14. Will comply with P.L 93-348 regarding the protection of human subjects involved in research, development, and related activities supported by this award of assistance.
15. Will comply with the Laboratory Animal Welfare Act of 1966 (P.L. 9-544, as amended, 7 U.S.C. 2131 et seq.) pertaining to the care, handling, and treatment of warm blooded animals held for research, teaching, or other activities supported by this award of assistance.

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16. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. Sections 4801 et seq.) which prohibits the use of lead based paint in construction or rehabilitation of residence structures.
17. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act of 1984.
18. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations and policies governing this program.
19. It will comply with the minimum wage and maximum hours provisions of the Federal Fair Labor Standards Act (29 U.S.C. 201), as they apply to employees of institutions of higher education, hospitals, and other non-profit organizations.
20. Will not dispose of, modify the use of, or change the terms of the real property title, or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the Federal interest in the title of real property in accordance with awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with Federal assistance funds to assure nondiscrimination during the useful life of the project.
21. Will comply with the requirements of the assistance awarding agency with regard to the drafting, review and approval of construction plans and specifications.
22. Will provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progress reports and such other information as may be required by the assistance awarding agency or state.
23. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. Sections 4801-et seq.) which prohibits the use of lead based paint in construction or rehabilitation of residence structures.
24. It will require the facility to be designed to comply with the "American Standard Specifications for Making Buildings and Facilities Accessible to, and Usable by, the Physically Handicapped," Number A117-1961, as modified (41CFR 101-17.703). The applicant will be responsible for conducting inspections to ensure compliance with these specifications by the contractor.
25. If any real property or structure thereon is provided or improved with the aid of Federal financial assistance extended to the applicant, this assurance shall obligate the applicant, or in the case of any transfer of such property, any transferee, for the period during which the real property or structure is used for a purpose for which the Federal financial assistance is extended or for another purpose involving the provision of similar services or benefits.
26. In making subgrants with nonprofit institutions under this Comprehensive Cooperative Agreement, it agrees that such grants will be subject to OMB Circular A-122, "Cost Principles for Non-profit Organization" including but not limited to, the "Lobbying Revision" published in vol 49, Federal Register, pages 18260 through 18277 (April 27, 1984).
27. It will obtain approval by the appropriate Federal agencies of the final working drawings and specifications before the project is advertised or placed on the market for bidding; that it will construct the project, or cause it to be constructed, to final completion in accordance with the application and approved plans and specifications; that it will submit to the appropriate Federal agency for prior approval changes that alter the cost of the project, use of space, or functional layout; that it will not enter into a construction contract(s) for the project or undertake other activities until the conditions of the construction grant program(s) have been met.
28. It will operate and maintain the facility in accordance with the minimum standards as may be required or prescribed by the applicable Federal, State, and local agencies for the maintenance and operation of such facilities.

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Below is text of FEMA Form 20-16C

Applicants should refer to the regulations cited below to determine the certification to which they are required to attest. Applicants should also review the instructions for certification included in the regulations before completing this form. Signature on the State-Local Disaster Assistance Agreement provides for compliance with certification requirements under 44 CFR Part 18, "New Restrictions on Lobbying" and 28 CFR Part 17, "Government-wide Debarment and Suspension (Nonprocurement) and Government-wide Requirements for Drug-Free Workplace (Grants)." The certifications shall be treated as a material representation of fact upon which reliance will be placed when the Federal Emergency Management Agency (FEMA) determines to award the transaction, grant, or cooperative agreement.

1. LOBBYING

As required by section 1352, Title 31 of the U.S. Code, and implemented at 44 CFR Part 18, for persons entering into a grant or cooperating agreement over \$ 100,000, as defined at 44 CFR Part 18, the applicant certifies that:

- a. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the making of any Federal grant, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal grant or cooperative agreement.
- b. If any other funds than Federal appropriated funds have been paid or will be paid to any other person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or an employee of Congress, or employee of a member of Congress in connection with this Federal Grant or cooperative agreement, the undersigned shall complete and submit Stand Form-LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.
- c. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subgrants, contracts under grants and cooperative agreements, and subcontracts) and that all subrecipients shall certify and disclose accordingly.

2. DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS (DIRECT RECIPIENT)

NOTE: By signing the State-Local Agreement, the applicant agrees that, should the proposed covered transaction (the primary covered transaction) be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by FEMA entering into this transaction.

The applicant further agrees by application to the Public Assistance Program that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," provided by the FEMA Regional Office entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions. (Refer to 28 CFR Part 17.)

As required by Executive Order 12549, Debarment and Suspension, and implemented at 28 CFR Part 67, for prospective participants in primary covered transactions, as defined at 28 CFR Part 17, Section 17.510-A.

- A. The applicant certifies that it and its principals:
 1. Are not presently debarred, suspended, proposed for debarment, declared ineligible, sentenced to a denial of Federal benefits by a State or Federal court, or voluntarily excluded from covered transactions by any Federal department or agency;
 2. Have not within a three-year period preceding this application been convicted of a or had a civilian judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or perform a public a public (Federal ,State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

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3. Are not presently indicted for otherwise criminally or civilly charged by a governmental entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (1) (b) of this certification; and
4. Have not within a three-year period preceding this application had one or more public transactions (Federal, State, or local) terminated for cause of default; and

B. Where the applicant is unable to certify to any of the statements in this certification, he or she shall attach an explanation to this application.

3. DRUG-FREE WORKPLACE (GRANTEE OTHER THAN INDIVIDUALS)

As required by the Drug-Free Workplace Act of 1988, and implemented at 44 CFR Part 17, Subpart F, for grantees, as defined at 44 CFR Part 17.615 and 17.620.

A. The applicant certifies that it will continue to provide a drug-free workplace by;

1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
2. Establishing an on-going drug free awareness program to inform employees about:
 - a. The dangers of drug abuse in the workplace;
 - b. The grantee's policy of maintaining a drug-free workplace;
 - c. Any available drug counseling, rehabilitation, and employee assistance programs; and
 - d. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
3. Making it a requirement that each employee to be engaged in the performance of the grant to be given a copy of the statement required by paragraph (1);
4. Notifying the employee in the statement required by paragraph (1) that, as a condition of employment under the grant, the employee will:
 - a. Abide by the term of the statement; and
 - b. Notify the employee in writing of his or her conviction for a violation of a criminal drug statute occurring on the workplace no later than five calendar days after such convictions;
5. Notifying the agency, in writing, within 10 calendar days after receiving notice under subparagraph (4) (b) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position, title, to the applicable FEMA awarding office, i.e., regional office or FEMA office.
6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph (4) (b), with respect to any employee who is convicted-
 - a. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation act of 1973, as amended; or
 - b. Requiring such an employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
7. Making a good faith effort to continue to maintain a drug free workplace through implementation of paragraphs 1, 2, 3, 4, 5 and 6.

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PROJECT FORMULATION

WHAT IS A PROJECT WORKSHEET?

Project Worksheets (PWs) describe the pre-disaster facility, function and location, the disaster-related damage, the repairs necessary to bring the facility back to its pre-disaster condition (scope of work) including cost estimates, any special considerations and any changes in the pre-disaster condition of the facility that is required due to codes and standards.

The minimum amount for a single PW is \$3,200. Items of work in the same category may be combined on one PW to meet this minimum threshold.

PWs are divided into two types: Small and Large projects. FEMA determines the maximum amount of small projects each October. For Federal Fiscal Year 2019, the maximum amount is \$128,900.

WHAT IS PROJECT FORMULATION?

Project formulation is the process of identifying disaster related damages, eligible scopes of work and cost estimates to complete the eligible scopes of work. Project formulation also includes the process of determining any special considerations that need addressed prior to project approval and implementation. The formulation process results in a Project Worksheet(s) (PW). The Program Delivery Manager (PDMG) and the Applicant have the lead in Project formulation. All Project Formulation will be completed within FEMA's Grants Portal, <https://grantee.fema.gov>.

PROJECT FORMULATION PROCESS AND ROLES

Phase 1 – Operational Planning

- First, a **Program Delivery Manager (PDMG)** is assigned to the Applicant – This person will be the single point of contact for the Applicant during the PW formulation process.
- The PDMG will first schedule an **Exploratory Call** with the Applicant – Applicant's should be prepared to discuss impacts and identify key personnel that will assist with the PW formulation process.
- Following the Exploratory Call, the Applicant is asked to complete a **Damage Inventory Form**. The Damage Inventory Form provides a description of damage or actions taken by the Applicant as a result of the incident. The PDMG will provide a Damage Inventory Example to the Applicant but it can also be found at <https://oh.emgrants.com> under PA Forms. Multiple roads (maximum of 10) with the same types of damage can be entered in one damage line item. Culverts and bridges will need to be on separate damage line items from other road damage.
- Within 21 days of the Exploratory Call, the Applicant and the PDMG will have a **Recovery Scoping Meeting**. Applicants will have **60 days** following this meeting to identify and document all incident related damages. The Grants Portal will lock out after these 60 days. Submission of damages after the 60 day mark will require State and FEMA approval.

Applicant's responsibilities for Phase 1:

- Invite individuals with working knowledge of damages to the Recovery Scoping Meeting
- Complete Damage Inventory Form. Damages should be grouped by the following:
 - Specific Site: all work at a site;
 - Specific Facility: all work, for example, on a bridge or restoration of a building;
 - Type of Damage: all work under a specific category;
 - System: all work, for example, pertaining to a water distribution system;
 - Jurisdiction: all work, for example, performed by the city police, fire, etc.;
 - Method of Work Performance: for example, all contract work together; or
 - Complex: for example, all damage to a high school.
- If damaged facilities are to be upgraded to conform to codes, specifications, or standards, be prepared to discuss these issues.
- Have information available on insurance coverage such as copies of insurance policies, proof of loss documentation and the amount of any insurance settlement received.
- Have pre-identified any sites that could have environmental or historic considerations such as working in the floodplain or facilities over 45 years old.

Phase 2 – Intake Damage and Eligibility Analysis

- During this Phase, the PDMG and the Applicant capture and document all incident-related damages.
- This Phase may result in one PW or multiple PWs.
- For work completed, actual cost documentation will be compiled and submitted to the **Consolidated Resource Center (CRC)** for compliance and quality assurance reviews (directly to Phase 3).
- For incomplete work, site inspections will be performed by FEMA Site Inspectors. If incomplete work has been fully identified, Site Inspection can be scheduled as soon as possible. Following site inspections, the essential elements of damage are reviewed by the PDMG.
- Within the Grants Portal, Applicants are required to review and approve all Site Inspection reports, ensure Damage Descriptions are correct and ensure that all sites are identified prior to moving forward in the process.
- Following consensus on the essential elements of damage:
 - The Applicant develops the scope of work and cost estimate to address the agreed upon damages and the project is submitted to the CRC; or
 - Should the Applicant choose to have FEMA develop the scope of work and cost estimate, the project goes directly to the CRC.

Applicant's responsibilities for Phase 2:

- For completed work:
 - Have a detailed cost breakdown and documentation for personnel, equipment, materials, rented equipment and contractual services used to complete work. The completed work breakdown should include locations and types of work performed.

- *To expedite review of documentation, type into or handwrite on the FEMA Forms or equivalent forms that are already used by the organization on a daily basis.*
- Use the FEMA furnished equipment rates for use of your own equipment unless locally established rates are lower.
- For incomplete work:
 - Have individuals available to participate in Site Inspections.
 - Review damage description and come to consensus with the PDMG and the State.
- If the resources are available, be prepared to develop a scope of work and cost estimate based on that damage description.

Preparing a scope of work and cost estimate - Once there is consensus on the damage description, the below information is provided to assist Applicants in developing a scope of work and cost estimate. Remember that:

- **Work** – Eligible Work must be:
 - Required as a result of the declared incident
 - Located within the designated area, with the exception of sheltering and evacuation activities
 - The legal responsibility of an eligible Applicant
- **Cost** – For Costs to be eligible, they must be:
 - Directly tied to the performance of eligible Work
 - Adequately documented
 - Reduced by all applicable credits, such as insurance
 - Authorized and not prohibited under Federal, State, Territorial, Tribal or local government laws and regulations
 - Consistent with the Applicant's internal policies, regulations, and procedures that apply uniformly to both Federal awards and other activities of the Applicant
 - Necessary and reasonable to accomplish the Work properly and efficiently

For small PWs, estimates are especially important because they become the fixed approved amount. For large PWs, costs will be adjusted at closeout based on final eligible expenditures. However, the initial estimate is important for budgeting and management purposes.

The most common methods of cost estimating are:

Unit costs – With this method, the PW is broken down into elements based on the quantity of material that must be used to complete the work. For example, a culvert repair may be broken down into linear feet of pipe, cubic yards of fill, and square feet of pavement. The estimate for each of these items is a cost per unit that includes all labor, equipment, and material necessary to install that item (referred to as an in-place cost). Unit cost data developed by State or local governments may be used for estimating costs, if appropriate. Alternatively, commercially available cost-estimating guides or data from local vendors and contractors may also be used. Also, FEMA has developed a list of unit costs for typical disaster repairs that may be used for estimating total costs. The order of preference for these cost data sources is: State and local data from previously completed projects, commercial estimating sources, and then FEMA cost codes.

Time, equipment, and materials for local force account work – This method may be used on PWs that have been completed or will be completed by an Applicant’s employees, equipment, materials (purchased or taken from stock) and/or rented equipment. Costs must be thoroughly documented by payroll information, equipment logs or usage records, site or location, and other records, such as materials invoices, receipts, payment vouchers, warrants, or work orders. FEMA equipment rates, or your established rates, whichever are lower, should be used to compute applicant-owned equipment rates.

Contracts – Contractor estimates or actual costs can be used for the cost estimate. If contract estimates are used, this does not preclude the Applicant from completing the proper procurement once the PW(s) is ready for completion. The Applicant must use whichever procurement process is most restrictive, federal, state or local. Please refer to the Contracting Tab for additional information on procurement.

Phase 3 – Scoping and Costing

- This Phase validates work to be completed PW for final processing.
- If the Applicant did not develop the scope of work or cost estimate, FEMA completes this step during this Phase. Otherwise, Applicant developed scope of work and cost estimate is validated at the CRC.
- Applicants will be required to review and approve the Scoping and Costing of the project in Grants Portal prior to movement to Phase 4. If the applicant does not agree, there is an opportunity to “Send Back” project for re-work along with comments.
- Following consensus, the PW is reviewed for Program Compliance by Insurance, Mitigation and Environmental and Historic Preservation Specialists.

Phase 4 – Obligation

- The PW is reviewed by the PDMG, the State and the Applicant and then the PW is obligated (funded) in FEMA’s grants management system.

APPROVAL OF PROJECT WORKSHEETS

After the PWs are funded in FEMA’s grants management system, they are forwarded to the State for distribution to the Applicants. Applicants have 60 days following receipt of PWs to file an appeal.

Once PWs are approved, no changes in the scope of work should be made without first getting approval from the State and/or FEMA. Failure to get prior approval can result in loss of funding. Therefore, ensure that all parties involved in the PWs are aware of the approved scope of work and know to get prior approval for any changes.

CATEGORIES OF WORK

There are two types of work: Emergency Work and Permanent Work.

Emergency work is done immediately to save lives and to protect and preserve property, public health, and safety, or to avert or lessen the threat of a major disaster. Debris removal and emergency protective measures are considered emergency work. Only overtime force account labor is reimbursed under these categories (A-B).

Permanent work is restorative work performed through repairs or replacement, to restore an eligible facility on the basis of its pre-disaster design and current applicable standards. Categories (C-G) are permanent work.

WHAT IS EMERGENCY WORK?

Category “A” - Debris Removal

Assistance is provided to remove debris and wreckage, resulting from a major disaster or emergency, from publicly owned lands and waters. Removal of debris from privately owned land is eligible only if it is in the public interest. A Debris Fact Sheet created by the Ohio EMA and Ohio Environmental Protection Agency (Ohio EPA) is included at the end of this tab and is a resource for issues related to managing all types of wastes, including removal, reduction, temporary sites, contracting and disposal.

Category “B” - Emergency Protective Measures

Emergency protective measures are those activities undertaken by a community before, during, and following a disaster that are necessary to do one of the following:

- Eliminates or reduces an immediate threat to life, public health, or safety; or
- Eliminates or reduces an immediate threat of significant damage to improved public or private property through cost-effective measures.

The following is a list of emergency protective measures and costs that are eligible. These actions save lives or protect public health or safety. This list is not all-inclusive. Some of these actions are discussed in detail below.

- Transporting and pre-positioning equipment and other resources for response
- Flood fighting
- Emergency Operation Center (EOC)-related costs
- Emergency access
- Supplies and commodities
- Medical care and transport
- Evacuation and sheltering, including that provided by another State or Tribal government
- Child care
- Safety inspections
- Animal carcass removal
- Demolition of structures
- Search and rescue to locate survivors, household pets, and service animals requiring assistance

- Fire fighting
- Security, such as barricades, fencing, or law enforcement
- Use or lease of temporary generators for facilities that provide essential community services
- Dissemination of information to the public to provide warnings and guidance about health and safety hazards using various strategies, such as flyers, public service announcements, or newspaper campaigns
- Searching to locate and recover human remains
- Storage and interment of unidentified human remains
- Mass mortuary services

WHAT IS PERMANENT WORK?

Category “C” - Roads and Bridges

Assistance is provided for the repair or rebuilding of roads, bridges, culverts, rights-of-way, curbs, sidewalks, street lights, gutters and so on. Roads on the Federal Aid System are not eligible.

Category “D” - Water Control Facilities

Assistance is provided for the repair or rebuilding of drainage structures, dams, levees, and irrigation facilities which are owned, operated, controlled, or maintained by local governments. Facilities that perform flood control operations are generally not eligible.

Category “E” - Public Buildings, Facilities, Equipment

Assistance is provided for the repair or rebuilding of any government-owned facility. Schools, municipal buildings, police stations, fire stations, and damaged equipment are included under this category. Applicants should research possible coverage under existing insurance policies as these proceeds would come before any disaster assistance.

Category “F” - Public Utilities

Assistance is provided for the repair or rebuilding of government-owned utilities and utility systems. Rural electric co-ops, water and sewer treatment facilities, and so on, fall into this category.

Category “G” - Parks and Recreation

Assistance is provided for the repair or rebuilding of parks and other recreational facilities which are government owned and operated.

IMPROVED PROJECTS

If an applicant wishes to make improvements, but still restore the pre-disaster function, design and capacity of a damaged facility, they should submit a request for an improved project to the State for approval. **YOU MUST REQUEST AN IMPROVED PROJECT PRIOR TO ACTION. FAILURE TO DO SO CAN RESULT IN LOSS OF FUNDS.** If approved, the federal funding for the project is limited to the approved amount of the original project or the final costs for the improvement, whichever is less.

ALTERNATE PROJECTS

If an applicant determines that the public welfare is not best served by restoring a damaged public facility or the function of that facility, they should submit a request for an alternate project to the State. YOU MUST REQUEST AN ALTERNATE PROJECT PRIOR TO ACTION. FAILURE TO DO SO CAN RESULT IN LOSS OF FUNDS. The State forwards the request to FEMA for approval. Please note the following regarding alternate projects:

- The project option can only be taken on permanent work (categories C-G);
- Funds for this project should be used to repair or expand other selected public facilities, to construct new facilities, or to fund hazard mitigation measures;
- Funds are not to be used to pay the non-federal share of a PW.

Requests for alternate projects must contain the following:

- A description of the proposed alternate project;
- A schedule of work;
- Projected cost of the project;
- Provide assurances to document compliance with special considerations, including but not limited to flood plain management, hazard mitigation, protection of wetlands and insurance.

ALTERNATIVE PROCEDURES

Permanent Work

The Alternative Procedures Pilot Program for Permanent Work Project is defined as the use of large project funds toward a project(s) that restores the facility to its pre-disaster design and function or toward a project that would otherwise be an Improved or Alternate Project, or other projects, including a combination of projects. This type of capped project offers the maximum amount of funding options to include flexibility with how the Applicant may use the funds and retention of funds not authorized under the standard Improved and Alternate Project options, including the following four alternative procedures:

- Consolidation of multiple capped projects;
- Retention of excess funds for approved purposes; or
- Third-party expert panel review for estimates with a Federal share of \$5 million or greater (FEMA requires this review for estimates that exceed \$25 million).

Each of these options is subject to different eligibility and process requirements. As FEMA is implementing the Alternative Procedures via a pilot program, FEMA may periodically adjust program specifics. Therefore, FEMA maintains additional policy specifics at <https://www.fema.gov/alternative-procedures>.

Debris Removal

The Alternative Procedures Pilot Program for Debris Removal is intended to increase the effectiveness of debris removal operations and reduce federal administrative costs. The options include:

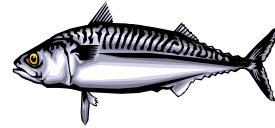
- Reimbursement of straight time force account labor;
- Increased cost share for having a FEMA accepted Debris Management Plan; and
- Increased cost share based on speed at which debris operations are completed (only for disasters where debris quantities exceed 1.5 million CY or costs exceed \$20 million).

For both Permanent Work and Debris Removal Alternative Procedures, Applicants must notify FEMA of their intent to participate by signing and submitting acknowledgements.

SPECIAL CONSIDERATIONS



Special considerations include insurance, historic, floodplain, wetland and other environmental issues and hazard mitigation. FEMA and the State are required to ensure that all funding actions are in compliance with current State and Federal laws, regulations and policies. It should also be noted that environmental, insurance and other special consideration issues are typically site specific.



Certain sites may require special reviews by FEMA or the permitting agency. The subgrantee is responsible for obtaining all necessary permits.

APPLICANT RESPONSIBILITIES FOR SPECIAL CONSIDERATIONS

- Answer all of the Special Considerations questions for each PW.
- Identify all facilities located in the 100-year floodplain area.
- Identify all facilities 45 years old or older and/or those that have an important social or cultural significance.
- Identify if a project will require ground disturbance, particularly of previously undisturbed ground.
- Look for and request hazard mitigation opportunities.
- Provide insurance policies to the PDMG at the earliest opportunity. Even if you don't think the facility is covered under the policy, if a policy exists, provide a copy to the PDMG.
- Notify the PDMG of all Special Consideration issues as soon as possible. This will ensure the fastest review and funding.
- Maintain all documentation that has to do with any identified Special Consideration issues. Even if they are considered to be of no consequence, keep all related documentation in case any questions arise at a later date.

INSURANCE REQUIREMENTS

General Requirements

If a damaged facility is insured, the subgrantee should review current insurance policies to ensure that coverage under this policy is utilized prior to any eligible FEMA funding. These insurance recoveries will be deducted from otherwise eligible costs. Even if insurance proceeds are available for the facility, a PW should be written and all damaged elements included in the approved scope of work. This allows for an accurate review by FEMA's Insurance Specialists.

When insurance is required as a condition of approval, the subgrantee must obtain the required insurance and submit an insurance commitment form and policy declaration page. Once this is complete, funding for these projects may be released. Insurance purchase is not required when the total loss estimate is less than \$5,000.

Flood Insurance

Where an insurable facility damaged by flooding is located in a special flood hazard area and the facility is not fully covered by flood insurance, assistance is reduced. The amount of the reduction will be the value of the facility immediately prior to the event or the maximum amount of the insurance proceeds that would have been received had a policy been in place, whichever is less. FEMA requires flood insurance for flood damaged facilities located outside the base floodplain when such insurance is reasonably available, adequate and necessary but does not make the mandatory reduction if insurance was not in place at the time of the event.

SECTION 406 HAZARD MITIGATION

Hazard mitigation is any cost-effective measure that will reduce the potential for damage from a disaster event. To be eligible, Section 406 hazard mitigation measures:

- Must be reviewed by FEMA staff to ensure eligibility, technical feasibility, environmental and historic preservation compliance, and cost effectiveness.
- Must be appropriate to the disaster damage, must prevent future damage similar to that caused by the declared event and can only apply to permanent work.
- Must be applied only to the damaged element(s) of a facility. This criterion is particularly important when conducting repairs to a portion of a system. For example, if floodwaters inundate a sanitary sewer, block manholes with sediment and damage some of the manholes, cost-effective mitigation to prevent blockage of the damaged manholes in future events may be eligible; however, work to improve any undamaged manholes that are part of the system is not eligible. New berms are not eligible as mitigation measures because they do not meet the requirement of being part of the damaged element.
- Cannot increase risks or cause adverse effects to the facility or to other property.
- Must consist of work that is above and beyond the eligible work required to return the damaged facility to its pre-disaster design. Upgrades required to meet current codes and standards, however, are not considered hazard mitigation measures for purposes of the PA Program and have different eligibility criteria.
- Cannot be applied to replacement buildings. Since new construction will be to current codes and standards, which are intended to ensure structural integrity for local conditions, mitigation funding applies only to building repairs, which generally are not covered by codes and standards.

The considerations listed below are used to determine cost effectiveness. In all cases, the total eligible cost of the project, before deducting insurance proceeds, is used for the cost comparison.

- Hazard mitigation measures may amount to up to 15 percent of the total eligible cost of the eligible repair work for the damaged facility.
- Certain mitigation measures may be determined to be cost-effective as long as the mitigation measure does not exceed the cost of the eligible repair work on the project. Examples are provided below.
- For measures that exceed the costs of eligible repair work, the applicant must demonstrate through an acceptable benefit/cost analysis that the measure is cost effective.

Failure to complete approved mitigation measures will result in loss of funding for those measures and could jeopardize future funding at the site.

The following list includes examples of Section 406 mitigation measures that have been determined to be cost-effective if they do not exceed the cost of the eligible repair work. As stated above, the applicant, the State, or FEMA may propose such measures, and FEMA may require hazard mitigation measures before agreeing to provide funds for certain projects.

- Relocation of facilities from hazardous locations:
 - Roads and bridges
 - Utilities
 - Buildings
- Slope stabilization to protect facilities:
 - Placement of riprap
 - Installation of cribbing or retaining walls
 - Installation of soil retention blankets
- Protection from high winds:
 - Installation of shutters to protect windows
 - Installation of hurricane clips
 - Strengthening anchoring and connections of roof-mounted equipment
- Floodproofing of buildings:
 - Use of flood-resistant materials
 - Elevation of mechanical equipment and utilities
 - Elevation of buildings
 - Dry-floodproofing, if technically feasible
- Flood protection of bridges and culverts:
 - Installation of cut-off walls or headwalls on culverts
 - Installation of gabions, riprap, sheet piling, or geotextile fabric
- Seismic protection:
 - Bracing of overhead pipes and electrical lines
 - Anchoring non-structural elements such as parapets and veneers
 - Bracing interior walls and partitions
- Protection of utilities:
 - Use of disaster-resistant materials for power poles
 - Anchoring fuel tanks to prevent movement

- Elevation of equipment, control panels, and electrical service to prevent flood damage

HISTORIC/ENVIRONMENTAL CONSIDERATIONS

There are a number of federal and state laws governing the protection of historic places and the environment. Your PS will assist you in completing requirements of the National Historic Preservation Act (NHPA) and National Environmental Policy Act (NEPA). In addition, your project may require review and approval from the State Historic Preservation Office (SHPO).

RESOURCES

Ohio EMA's Grants Management System – Forms for documenting costs, sample and blank Damage Inventory Forms, Documentation Checklists, etc. can be found here.

<https://oh.emgrants.com>

Public Assistance Program and Policy Guide

https://www.fema.gov/media-library-data/1515614675577-be7fd5e0cac814441c313882924c5c0a/PAPPG_V3_508_FINAL.pdf

Debris Fact Sheet for Local Officials, Ohio EMA and Ohio EPA

<http://ema.ohio.gov/Documents/DRB/Debris%20Fact%20Sheet%20rev%20May%202015%20CURRENT.pdf>

Fact Sheet – Insurance Considerations for Applicants, FEMA

https://www.fema.gov/media-library-data/1436442397459-a1a4197f9528308d6d190ceb14418327/FP206-086-1_PublicAssistancePolicyInsurance_062915.pdf

Alternative Procedures, FEMA

<https://www.fema.gov/alternative-procedures>

New Public Assistance Delivery Model

<https://www.fema.gov/new-public-assistance-delivery-model>

PROJECT DOCUMENTATION

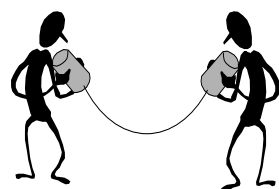
This is one of the most important sections of the Public Assistance Applicant's Handbook. Without proper documentation of disaster related costs, all of the good efforts to assist a community in recovering from a disaster can be derailed.



All forms and resources for documenting costs can be found at <https://oh.emgrants.com>, either under PA Resources or PA Forms.

Record keeping should begin as soon as possible. If pre-disaster emergency measures are taken, start keeping records at that time. If not, begin with the onset of a disaster. Only by keeping accurate records from the beginning of an event, will the Applicant be able to obtain all federal/state funding for which it is eligible. Establishing a good record keeping system provides an audit trail of expenditures and provides the bookkeeper with the needed tools to properly and quickly document costs.

HOW SHOULD I DOCUMENT WORK AS IT IS COMPLETED?



First, the person responsible for tracking costs by PW and the individuals performing work in the field should become very familiar with the scope of work approved in the PW. This includes the type and amount of work to be completed. Variations from this approved scope may not be eligible or may constitute improved or alternate projects (see Project Formulation tab) and will require approval from the State or FEMA before work can be completed.

Tracking of disaster related costs must be done by PW and by site if there are multiple sites within one PW. In order to efficiently and properly track these costs, work done in the field should be marked with the PW number and given to the bookkeeper on a daily basis.

The record keeping discussed here is offered as a suggestion and is presented to give an idea of the kinds of records that are required during disaster recovery. If you have a better record keeping system or prefer to use your own system, then please proceed with this system, ensuring that costs are tracked by PW. In order to be eligible, records must apply to and be identifiable as within the scope of work of a particular PW.

WHAT FORMS SHOULD I USE TO DOCUMENT COSTS?

FEMA has created Summary Forms for you to use to document use of your own labor, equipment and materials (Force Account) and also for use of rented equipment and contractual services. FEMA will provide you with an electronic version of the forms or they can be found at <https://oh.emgrants.com> under PA Forms. Again, if you already have a system of reporting costs

that encompasses all items on these forms, you do not need to transfer information to the FEMA forms.

Also included at end of this tab is the FEMA Schedule of Equipment Rates which is utilized to assign hourly rates to your own equipment. The hourly rate includes maintenance of your vehicles and fuel usage, etc. Therefore, you do not need to claim these types of costs. The only eligible repair to vehicles is if they were damaged by the flood or damaged during rescue operations.

WHAT DO I DOCUMENT?

Short answer, everything you do. Documentation depends on how the work is performed not necessarily by the work being performed. For example, if you have a PW to remove debris from a temporary storage site to a landfill and a PW for a bridge replacement and both will be completed using contractual services, then your documentation is basically the same for each project. You will want to create a file for each PW and should include at a minimum, the following:

- Copy of the Project Worksheet;
- All support documentation for work completed using force account, rented equipment and/or contractual services;
- All documentation pertaining to Special Considerations and permitting.

Below is an explanation of what should be maintained for support documentation depending on ***how*** the work is completed. Included in this tab is a Documentation Checklist that guides you on documentation requirements depending on how the work is completed.

Force Account Labor

- Document hours and dates worked, employee names and titles and fringe benefits. Support documentation includes:
 - Time sheets or payroll generated reports
 - Description and location of work performed
 - Overtime/Comp time/Holiday pay policies

Force Account Equipment

- Document hours and dates worked and operator names. Support documentation includes:
 - Vehicle usage logs
- Use local or FEMA rates, whichever is lower. FEMA rates include fuel, maintenance, etc.
- In most instances, equipment hours should not exceed labor hours

Force Account Materials

- Document materials used/purchased. Support documentation includes:
 - From stock, invoice or historical record to support the claimed cost
 - If purchased, invoice and proof of payment
- Materials include road materials, barricades, salt, meals, hotels, lost contents/furnishings, gloves, etc.

- Salvage value must be deducted

Rented Equipment

- Document hours and dates used; if rented weekly or monthly, FEMA will pro-rate hourly rate based on actual usage and total cost. Supporting documentation includes:
 - Invoices and proof payment
 - Rental agreement
 - Fuel costs
- If equipment was rented without an operator, include your operator hours with force account labor costs

Contractual Services

- Document procurement process and payments. Supporting documentation includes:
 - Local procurement policy(s)
 - For procurements in excess of the sealed bid threshold, a cost or price analysis completed prior to procurement process
 - History of procurement: Document the method used and the process used to select the contractor (see Contracting tab for additional information)
 - Copy of contractor proposal(s): Bid tabulation or estimates
 - Awarding the contract: Resolution or meeting minutes
 - Copy of signed contract, change orders
 - Copy of invoices
 - Proof of payment: Canceled check or purchase order
- If Time and Materials or Time and Equipment contract, proof of monitoring and source documentation for contractor's invoices. Source documentation includes time cards, lodging and meal receipts, printing receipts, etc.

Below is an explanation of what should be maintained for support documentation depending on the *type* of work being completed:

Direct administrative and Management Costs

- These are costs related to your administration of the grant. Grant administration can be accomplished through force account or by contract.
- See Program Management Tab for information on eligibility and how to claim these costs

Donated Resources

- Track donated resources /registered volunteers performing emergency work
- Documentation must include names, record of hours and dates worked, the work site and a description of work for each volunteer and the equivalent information for donated equipment and materials
- FEMA will write a PW based on a calculation of your total Category A and B PWs to offset local share

Mutual Aid

- In a timely manner, Providing Entities should invoice or bill the Requesting Entity as outlined in the Mutual Aid Agreement. The Requesting Entity will submit requests for

reimbursement to FEMA. The Providing Entity may utilize the FEMA Summary Forms to submit their costs to the Requesting Entity

- FEMA will need to see the pre-event written mutual aid agreement
- Written, post event mutual aid agreements may be considered by FEMA

406 Mitigation

- Document approved mitigation the same as the rest of the Project Worksheet but keep the costs separate from the remaining scope of work

Engineering and Design (Permanent Categories)

- This includes preliminary engineering analysis, preliminary design, final design, construction inspection and basic construction management
- Documentation depends on whether services are provided by force account or contract
- If not done by force account, typically done with a time and materials contract (T/M) or cost plus contract. T/M contracts have a heavy administrative burden (see Contracting tab) and cost plus are not eligible.

Other

- Facility maintenance records and/or inspection/safety reports are required for roads, bridges and other facilities requiring maintenance to ensure proper function or that capacity has been maintained
- Documentation for facilities rented or leased should include a copy of the rental/lease agreement
- If a code upgrade is triggered by the repair/replacement, codes and standards should be documented
- Engineering and technical reports that were considered in eligibility determinations
- Insurance policies and statement of loss

WHAT DOCUMENTATION DO I SUBMIT?

If work is complete at inspection, FEMA may not require you to submit all support documentation (time cards, material invoices, etc.) but should view a sample. However, you should maintain this documentation with your files. Even if handwritten, please use either the FEMA Summary Forms or your own forms that encompass the same information as the FEMA Summary Forms.

Also, the following will need to be submitted regardless of its applicability to an incident.

- Insurance Policy
- Insurance Statement (Covered items during event/Denial Letter)
- Procurement Policy
- Pay Policy
- Debris Management Plan (if applicable)

If work is not complete at inspection, you should maintain all support documentation until our office requests it.

Cost Summary Record Instructions

This form summarizes all other forms utilized to claim the costs related to the PW:

Complete the Record as follows:

- Heading:
 - **Applicant Name:** Enter your organization's name
 - **PW Ref No:** Number assigned by FEMA for the PW once it is written
 - **Category:** Category of work for the PW
 - **PA-ID #:** Number assigned by FEMA when you apply for the grant
 - **Disaster Number:** Number assigned by FEMA to identify the disaster
- **Force Account Labor (Regular time):** Claimed costs and any comments
- **Force Account Labor (Overtime):** Claimed costs and any comments
- **Force Account Equipment:** Claimed costs and any comments
- **Materials:** Claimed costs and any comments
- **Rental Equipment:** Claimed costs and any comments
- **Contracts:** Claimed costs and any comments
- **Total:** Total of all claimed costs
- **Signature, Title and Date**

Force Account Labor Summary Record Instructions

Force account is the term to refer to your own personnel and equipment. Keep the following points in mind when compiling force account labor information:

- Record regular and overtime hours separately.
- Record the benefits separately for regular and overtime hours. Most overtime hours include fewer benefits than regular hours.
- Attach a Fringe Benefits Rate Sheet giving a breakdown of what is included in your benefits, by percentages, i.e., social security-15.2%, worker's compensation-4.3%, insurance-18.5%, etc. You can use an average rate if you have different benefit rates for different employees.

Complete the Record as follows:

- **Heading:**
 - **Applicant Name:** Enter your organization's name
 - **PW Ref No:** Number assigned by FEMA for the PW once it is written
 - **Category:** Category of work for the PW
 - **PA-ID #:** Number assigned by FEMA when you apply for the grant
 - **Disaster Number:** Number assigned by FEMA to identify the disaster
- **Employee Name:** Enter the names of each employee who worked on the project (please remember to include trustees, if applicable, even though reimbursement of their hourly rate is not eligible).
- **Title/Occupation:** Enter the title or occupation of each employee who worked on the project.
- **REG:** Enter the regular hours that each employee worked on the project.
- **OT:** Enter the overtime hours that each employee worked on the project. **REMINDER: Only overtime is eligible for reimbursement for emergency work. Record both regular and overtime hours, so that personnel hours can be compared with equipment use hours, if necessary.**
- **Total HR:** Total the hours for each employee and enter the result in this block.
- **Rate/Hr:** Enter each employee's hourly rate.
- **Benefits/Hr:** Enter each employee's hourly benefit rate. There should be different percentages for benefits pertaining to regular and overtime wages.
- **Total Rate/Hr:** Add the employee's hourly rate in the Rate/Hr block and the hourly benefits rate in the Benefits/Hr block and enter the result here.
- **Total Cost:** Multiply the entries in the Total Hr and Total Rate/Hr blocks and enter the result here.
- **Total Cost for Force Account Labor Regular Time:** Add the entries in the Total Cost, REG block for each employee and enter the results here.
- **Total Cost for Force Account Labor Overtime:** Add the entries in the Total Cost, OT block for each employee and enter the results here.
- **Signature, Title and Date**

Fringe Benefit Rate Sheet Instructions

Fringe benefits for force account labor is eligible. Except in extremely unusual cases, fringe benefits for overtime will be significantly less than regular time.

The following steps will assist you in calculating the percentage of fringe benefits paid on an employee's salary. Note items and percentages will vary from one entity to another.

1. The normal year consists of 2080 hours (52 weeks x 5 workdays/week x 8 hours/day). This does not include holidays and vacations.
2. Determine the employee's basic hourly pay rate (annual salary/2080 hours).
3. Fringe benefit percentage for vacation time: Divide the number of hours of annual vacation time provided to the employee by 2080 (80 hours (2 weeks)/2080 = 3.85%).
4. Fringe benefit percentage for paid holidays: Divide the number of paid holiday hours by 2080 (64 hours (8 holidays)/2080 = 3.07%).
5. Retirement pay: Because this measure varies widely, use only the percentage of salary matched by the employer.
6. Social Security and Unemployment Insurance: Both are standard percentages of salary.
7. Insurance: this benefit varies by employee. Divide the amount paid by the local government by the basic pay rate determined in Step 2.
8. Worker's Compensation: this benefit also varies by employee. Divide the amount paid by the local government by the basic pay rate determined in Step 2. Use the rate per \$100 to determine the correct percentage.

Note: Typically, you should not be charging the same rate for regular time and overtime. Generally, only FICA (Social Security) is eligible for overtime; however, some entities may charge retirement tax on all income.

Sample Rates

Although some rates may differ greatly between organizations due to their particular experiences, the table below provides some general guidelines that can be used as a reasonableness test to review submitted claims. These rates are based on experience in developing fringe rates for several state departments, the default rate is that used for the state of Florida, following Hurricane Andrew (August 1992) and the review of several FEMA claims. The rates presented are determined using the gross wage method applicable to the personnel hourly rate (PHR) method. The net available hours method would result in higher rates.

Paid Fringe Benefits

HCA Matching	7.65%	(or slightly less)
Retirement – Regular	17.00%	(or less)
Retirement – Special Risk	25.00%	(or slightly more)
Health Insurance	12.00%	(or less)
Life and Disability Insurance	1.00%	(or less)
Worker's Compensation	3.00%	(or less)
Unemployment Insurance	0.25%	(or less)

Leave Fringe Benefits

Accrued Annual Leave	7.00%	(or less)
Sick Leave	4.00%	(or less)
Administrative Leave	0.50%	(or less)
Holiday Leave	4.00%	(or less)
Compensatory Leave	2.00%	(or less)

Rates outside of these ranges are possible, but should be justified during the validation process.

Force Account Equipment Summary Record Instructions

Complete the record as follows:

- **Heading:**
 - **Applicant Name:** Enter your organization's name
 - **PW Ref No:** Number assigned by FEMA for the PW once it is written
 - **Category:** Category of work for the PW
 - **PA-ID #:** Number assigned by FEMA when you apply for the grant
 - **Disaster Number:** Number assigned by FEMA to identify the disaster
- **Equipment Description:** Enter a brief description of the equipment, including the rated horsepower or capacity of the equipment. Be sure to include this information if you also use a trade name or common name to describe the equipment, i.e. Ditch Witch.
- **FEMA Code:** Enter the FEMA cost code for the equipment from the Schedule of Equipment Rates.
- **Operator:** Enter the equipment operator's name.
- **Dates/Hours Used:** Enter the dates and hours the equipment was used on the project.
- **Total:** Enter total hours used
- **Cost/Hour:** Enter the hourly cost to use the equipment.
- **Total Cost:** Multiply the number of Hours Used block by the number in the Cost/Hour block and enter the result here.
- **Total Cost for Force Account Equipment:** Add the numbers in the Total Cost blocks and enter the result here.

Material Record Summary Instructions

Complete the record as follows:

- **Heading:**
 - **Applicant Name:** Enter your organization's name
 - **PW Ref No:** Number assigned by FEMA for the PW once it is written
 - **Category:** Category of work for the PW
 - **PA-ID #:** Number assigned by FEMA when you apply for the grant
 - **Disaster Number:** Number assigned by FEMA to identify the disaster
- **Vendor:** Enter the name of the supplier if the material was bought specifically as a result of the disaster.
- **Description:** Enter a brief description of the supplies or materials used or purchased.
- **Total Invoice Amount:** Enter the total cost listed on the invoice.
- **Total Claim Amount:** If different from the invoice amount.
- **Date Purchased:** Enter date item was purchased
- **Date Used:** Enter date item was used
- **Source of Data:** Was item purchased or taken from stock. Mark one.
- **Comments:** Any comments regarding the materials purchased
- **Total Cost for Material:** Add the numbers in the Invoice Total block and enter the result here.
- **Signature, Title and Date**

Rented Equipment Summary Record Instructions

Complete the record as follows:

- **Heading:**
 - **Applicant Name:** Enter your organization's name
 - **PW Ref No:** Number assigned by FEMA for the PW once it is written
 - **Category:** Category of work for the PW
 - **PA-ID #:** Number assigned by FEMA when you apply for the grant
 - **Disaster Number:** Number assigned by FEMA to identify the disaster
- **Equipment Description:** Enter a brief description of the equipment that you leased or rented.
- **Date/Hours Used:** Enter the date and number of hours that the equipment was used on the project.
- **Rate Per Hour:** Enter the hourly rental or lease cost of the equipment. Indicate if the equipment was rented on a daily, weekly, or monthly rate, instead of an hourly rate. Indicate if the hourly rate was with or without an operator.
- **Total Cost:** Enter the cost
- **Vendor:** Enter the name of the company that rented or leased the equipment to you.
- **Invoice Number:** Enter the invoice number
- **Check Number:** Enter the check number used to pay the vendor
- **Comments:** Enter any applicable comments
- **Total Cost for Rented Equipment:** Add the numbers in the Total Cost blocks and enter the result here.
- **Signature, Title and Date**

Contract Work Summary Record Instructions

Complete the record as follows:

- **Heading:**
 - **Applicant Name:** Enter your organization's name
 - **PW Ref No:** Number assigned by FEMA for the PW once it is written
 - **Category:** Category of work for the PW
 - **PA-ID #:** Number assigned by FEMA when you apply for the grant
 - **Disaster Number:** Number assigned by FEMA to identify the disaster
- **Vendor:** Enter the vendor name
- **Description of Work Performed:** Enter a brief description of the work performed
- **Invoice Number:** Enter the invoice number.
- **Dates Worked:** Enter the dates worked
- **Total Invoice Amount:** Enter the total dollar figure listed on the invoice.
- **Total Claim Amount:** Enter the total claimed from the invoice.
- **Comments:** Enter any applicable comments
- **Total Cost for Contract Service:** Add the numbers in the Total Claim Amount column and enter the result here.

ATTACHMENTS

- FEMA Schedule of Equipment Rates
- Work Completed Checklist



FEMA

MEMORANDUM FOR: Record
DATE: March 25, 2019
SUBJECT: Corrections to FEMA 2017 Schedule of Equipment Rates

This memorandum serves as a correction to FEMA Schedule of Equipment Rates costs published in 2017. The following Cost Codes were determined to be incorrectly posted:

- **8702 - Truck, Flatbed** was incorrectly posted at \$27.10 per hour. The correct rate is \$39.60 per hour.
- **8541 - Loader, Skid-Steer** was incorrectly posted at \$37.00 per hour. The correct rate is \$35.15 per hour.

Cost Code	Equipment	Specifications	Capacity or Size	HP	Notes	Unit	2017 Rate	2017 Correction	
8700	Truck, Flatbed	Maximum Gvw	15000 Lbs	to 200		hour	\$20.60		
8701	Truck, Flatbed	Maximum Gvw	25000 Lbs	to 275		hour	\$35.00		
8702	Truck, Flatbed	Maximum Gvw	30000 Lbs	to 300		hour	\$27.10	\$39.60	Use code 9999
8703	Truck, Flatbed	Maximum Gvw	45000 Lbs	to 380		hour	\$44.70		
8540	Loader, Skid-Steer	Operating Capacity	1000 Lbs	to 35		hour	\$14.15		
8541	Loader, Skid-Steer	Operating Capacity	2000 Lbs	to 65		hour	\$37.00	\$35.15	Use code 9999
8542	Loader, Skid-Steer	Operating Capacity	3000 Lbs	to 85		hour	\$36.05		

These corrections are retroactive to September 5, 2017, which is the original publication date of 2017 Schedule of Equipment Rates. FEMA will not seek to retroactively adjust any projects that have been obligated using the erroneous rates, in either interim versions or at closeout. However, if an applicant requests an adjustment to the rates, FEMA will make the correction during the final reconciliation of the project.

If you have any questions or need additional clarification, please contact Donald Simko (Donald.Simko@fema.dhs.gov) or Anthony Ndum (Anthony.Ndum@fema.dhs.gov).

FEMA's SCHEDULE OF EQUIPMENT RATES

DEPARTMENT OF HOMELAND SECURITY FEDERAL EMERGENCY MANAGEMENT AGENCY

RECOVERY DIRECTORATE
PUBLIC ASSISTANCE DIVISION
WASHINGTON, DC 20472

The rates on this Schedule of Equipment Rates are for applicant owned equipment in good mechanical condition, complete with all required attachments. Each rate covers all costs eligible under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. § 5121, et seq., for ownership and operation of equipment, including depreciation, overhead, all maintenance, field repairs, fuel, lubricants, tires, OSHA equipment and other costs incidental to operation. Standby equipment costs are not eligible.

Equipment must be in actual operation performing eligible work in order for reimbursement to be eligible. LABOR COSTS OF OPERATOR ARE NOT INCLUDED in the rates and should be approved separately from equipment costs.

Information regarding the use of the Schedule is contained in 44 CFR § 206.228 Allowable Costs. Rates for equipment not listed will be furnished by FEMA upon request. Any appeals shall be in accordance with 44 CFR § 206.206 Appeals.

THESE RATES ARE APPLICABLE TO MAJOR DISASTERS AND EMERGENCIES
DECLARED BY THE PRESIDENT ON OR AFTER SEPTEMBER 1, 2017.

FEMA Code ID		Equipment Description					
Cost Code	Equipment	Specifications	Capacity or Size	HP	Notes	Unit	2017 Rate
8010	Air Compressor	Air Delivery	41 CFM	to 10	Hoses included.	hour	\$1.51
8011	Air Compressor	Air Delivery	103 CFM	to 30	Hoses included.	hour	\$8.84
8012	Air Compressor	Air Delivery	130 CFM	to 50	Hoses included.	hour	\$11.14
8013	Air Compressor	Air Delivery	175 CFM	to 90	Hoses included.	hour	\$18.39
8014	Air Compressor	Air Delivery	400 CFM	to 145	Hoses included.	hour	\$30.47
8015	Air Compressor	Air Delivery	575 CFM	to 230	Hoses included.	hour	\$48.71
8016	Air Compressor	Air Delivery	1100 CFM	to 355	Hoses included.	hour	\$92.88
8017	Air Compressor	Air Delivery	1600 CFM	to 500	Hoses included.	hour	\$96.96
8040	Ambulance			to 150		hour	\$28.00
8041	Ambulance			to 210		hour	\$40.50
8050	Board, Arrow			to 8	Trailer Mounted.	hour	\$4.43
8051	Board, Message			to 5	Trailer Mounted.	hour	\$11.61
8060	Auger, Portable	Hole Diameter	16 In	to 6		hour	\$2.14
8061	Auger, Portable	Hole Diameter	18 In	to 13		hour	\$4.30
8062	Auger, Tractor Mntd	Max. Auger Diameter	36 In	to 13	Includes digger, boom and mounting hardware.	hour	\$3.16
8063	Auger, Truck Mntd	Max. Auger Size	24 In	to 100	mounting hardware. Add this rate to tractor rate for total	hour	\$34.28
8064	Hydraulic Post Driver					hour	\$35.10
8065	Auger	Horizontal Directional Boring Machine	250 X 100	300	DD-140B YR-2003	hour	\$169.40
8066	Auger	Horizontal Directional Boring Machine	50 X 100			hour	\$31.95
8067	Auger, Directional Boring Machine	Auger, Directional Boring Machine				hour	\$36.97
8070	Automobile			to 130	Transporting people.	mile	\$0.535
8071	Automobile			to 130	Transporting cargo.	hour	\$12.32
8072	Automobile, Police			to 250	Patrolling.	mile	\$0.535
8073	Automobile, Police			to 250	Stationary with engine running.	hour	\$15.69
8075	Motorcycle, Police					mile	\$0.505
8076	Automobile - Chevy Trailblazer	6 or 8 cl		285 to 300		hour	\$22.00
8077	Automobile - Ford Expedition	Fire Command Center				hour	\$19.00
8080	All Terrain Vehicle (ATV)	Engine 110cc, 4-Wheel; 20" tyre		6.5-7.5		hour	\$8.20
8081	All Terrain Vehicle (ATV)	Engine 125cc, 4-Wheel; 21" tyre		7.6-8.6		hour	\$8.50
8082	All Terrain Vehicle (ATV)	Engine 150cc, 4-Wheel; 22" tyre		9.0-10.0		hour	\$8.51
8083	All Terrain Vehicle (ATV)	Engine 200cc, 4-Wheel; 24" tyre		12-14.0		hour	\$9.00
8084	All Terrain Vehicle (ATV)	Engine 250cc, 4-Wheel; 24" tyre		15-17		hour	\$9.40

8085	All Terrain Vehicle (ATV)	Engine 300cc, 4-Wheel; 24" tyre		18-20		hour	\$10.20
8086	All Terrain Vehicle (ATV)	Engine 400cc, 4-Wheel; 25" tyre		26-28		hour	\$11.64
8087	All Terrain Vehicle (ATV)	Engine 450cc, 4-Wheel; 25" tyre		26-28		hour	\$12.40
8088	All Terrain Vehicle (ATV)	Engine 650cc, 4-Wheel; 25" tyre		38-40		hour	\$13.20
8089	All Terrain Vehicle (ATV)	Engine 750cc, 4-Wheel; 25" tyre		44-46		hour	\$14.00
8110	Barge, Deck	Size	50'x35'x7.25'			hour	\$49.10
8111	Barge, Deck	Size	50'x35'x9'			hour	\$58.70
8112	Barge, Deck	Size	120'x45'x10'			hour	\$109.50
8113	Barge, Deck	Size	160'x45'x11"			hour	\$133.75
8120	Boat, Tow	Size	55'x20'x5'	to 870	Steel.	hour	\$317.54
8121	Boat, Tow	Size	60'x21'x5'	to 1050	Steel.	hour	\$358.65
8122	Boat, Tow	Size	70'x30'x7.5'	to 1350	Steel.	hour	\$569.00
8123	Boat, Tow	Size	120'x34'x8'	to 2000	Steel.	hour	\$1,094.24
8124	Airboat	815AGIS Airboat w/spray unit	15'x8'	400		hour	\$31.00
8125	Airboat	815AGIS Airboat w/spray unit	15'x8'	425		hour	\$31.95
8126	Swamp Buggy	Conquest		360		hour	\$39.25
8129	Compactor -2-Ton Pavement Roller	2 ton				hour	\$28.25
8130	Boat, Row				Heavy duty.	hour	\$1.44
8131	Boat, Runabout	Size	13'x5'	to 50	Outboard.	hour	\$12.00
8132	Boat, Tender	Size	14'x7'	to 100	Inboard with 360 degree drive.	hour	\$16.50
8133	Boat, Push	Size	45'x21'x6'	to 435	Flat hull.	hour	\$217.20
8134	Boat, Push	Size	54'x21'x6'	to 525	Flat hull.	hour	\$267.35
8135	Boat, Push	Size	58'x24'x7.5'	to 705	Flat hull.	hour	\$325.35
8136	Boat, Push	Size	64'x25'x8'	to 870	Flat hull.	hour	\$358.50
8140	Boat, Tug	Length	16 Ft	to 100		hour	\$42.60
8141	Boat, Tug	Length	18 Ft	to 175		hour	\$62.55
8142	Boat, Tug	Length	26 Ft	to 250		hour	\$78.95
8143	Boat, Tug	Length	40 Ft	to 380		hour	\$196.50
8144	Boat, Tug	Length	51 Ft	to 700		hour	\$271.85
8147	Boat, Inflatable Rescue Raft	Zodiac				hour	\$1.10
8148	Boat, Runabout	1544 lbs	11 passenger capacity	190-250		hour	\$62.55
8149	Boat, removable engine	2000 Johnson Outboard Motor w 15" shaft		15		hour	\$1.50
8150	Broom, Pavement	Broom Length	72 In	to 35		hour	\$24.50
8151	Broom, Pavement	Broom Length	96 In	to 100		hour	\$27.60
8153	Broom, Pavement, Mntd	Broom Length	72 In	to 18	Add Prime Mover cost for total rate	hour	\$6.20
8154	Broom, Pavement, Pull	Broom Length	84 In	to 20	Add Prime Mover cost for total rate	hour	\$20.77
8157	Sweeper, Pavement			to 110		hour	\$76.70
8158	Sweeper, Pavement			to 230		hour	\$96.80
8180	Bus			to 150		hour	\$20.95
8181	Bus			to 210		hour	\$25.45
8182	Bus			to 300		hour	\$38.35
8183	Blower	Gasoline powered Toro Pro Force		27		hour	\$15.37
8184	Back-Pack Blower			to 4.4		hour	\$1.50
8185	Walk-Behind Blower			13		hour	\$6.50
8187	Chainsaw	20" Bar, 3.0 cu in				hour	\$1.40
8188	Chainsaw	20" Bar 5.0 cu in				hour	\$2.45
8189	Chainsaw	20" Bar 6.0 cu in				hour	\$2.65
8190	Chain Saw	Bar Length	16 In			hour	\$1.70
8191	Chain Saw	Bar Length	25 In			hour	\$3.45
8192	Chain Saw, Pole	Bar Size	18 In			hour	\$1.25
8193	Skidder	model 748 E		to 173		hour	\$52.70
8194	Skidder	model 648 G11		to 177		hour	\$104.30
8195	Cutter, Brush	Cutter Size	8 ft	to 150		hour	\$115.35
8196	Cutter, Brush	Cutter Size	8 ft	to 190		hour	\$129.35
8197	Cutter, Brush	Cutter Size	10 ft	to 245		hour	\$136.30

8198	Bruncher Cutter	Cutter, Brush - 247 hp, 1997 Model 511 Feller		to 247		hour	\$187.75
8199	Log Trailer	40 ft				hour	\$9.90
8200	Chipper, Brush	Chipping Capacity	6 In	to 35	Trailer Mounted.	hour	\$8.60
8201	Chipper, Brush	Chipping Capacity	9 In	to 65	Trailer Mounted.	hour	\$16.86
8202	Chipper, Brush	Chipping Capacity	12 In	to 100	Trailer Mounted.	hour	\$24.31
8203	Chipper, Brush	Chipping Capacity	15 In	to 125	Trailer Mounted.	hour	\$35.00
8204	Chipper, Brush	Chipping Capacity	18 In	to 200	Trailer Mounted.	hour	\$50.10
8208	Loader - Tractor - Knuckleboom	model Barko 595 ML		to 173		hour	\$161.89
8209	Loader - Wheel	model 210 w/ Buck Saw 50 inch Bar		to 240		hour	\$97.00
8210	Clamshell & Dragline, Crawler		149,999 lbs	to 235	Bucket not included in rate.	hour	\$127.40
8211	Clamshell & Dragline, Crawler		250,000 lbs	to 520	Bucket not included in rate.	hour	\$166.20
8212	Clamshell & Dragline, Truck			to 240	Bucket not included in rate.	hour	\$145.00
8220	Compactor			to 10		hour	\$15.10
8221	Compactor, towed, Vibratory Drum			to 45		hour	\$31.70
8222	Compactor, Vibratory, Drum			to 75		hour	\$22.30
8223	Compactor, pneumatic, wheel			to 100		hour	\$26.00
8225	Compactor, Sanitation			to 300		hour	\$92.75
8226	Compactor, Sanitation			to 400		hour	\$152.30
8227	Compactor, Sanitation			535		hour	\$249.75
8228	Compactor, towed, Pneumatic, Wheel		10000 lbs		Include prime mover rate	hour	\$17.00
8229	Compactor, towed, Drum Static		20000 lbs		Include prime mover rate	hour	\$15.80
8240	Feeder, Grizzly			to 35		hour	\$22.20
8241	Feeder, Grizzly			to 55		hour	\$32.45
8242	Feeder, Grizzly			to 75		hour	\$64.25
8250	Dozer, Crawler			to 75		hour	\$51.30
8251	Dozer, Crawler			to 105		hour	\$38.30
8252	Dozer, Crawler			to 160		hour	\$93.74
8253	Dozer, Crawler			to 250		hour	\$149.75
8254	Dozer, Crawler			to 360		hour	\$201.10
8255	Dozer, Crawler			to 565		hour	\$311.80
8256	Dozer, Crawler			to 850		hour	\$294.10
8260	Dozer, Wheel			to 300		hour	\$61.00
8261	Dozer, Wheel			to 400		hour	\$94.10
8262	Dozer, Wheel			to 500		hour	\$178.65
8263	Dozer, Wheel			to 625		hour	\$239.60
8269	Box Scraper	3 hitch attach for tractor; 2007 Befco				hour	\$3.50
8270	Bucket, Clamshell	Capacity	1.0 CY		Includes teeth. Does not include Clamshell & Dragline	hour	\$4.62
8271	Bucket, Clamshell	Capacity	2.5 CY		Includes teeth. Does not include Clamshell & Dragline	hour	\$8.73
8272	Bucket, Clamshell	Capacity	5.0 CY		Includes teeth. Does not include Clamshell & Dragline	hour	\$13.10
8273	Bucket, Clamshell	Capacity	7.5 CY		Includes teeth. Does not include Clamshell & Dragline	hour	\$22.40
8275	Bucket, Dragline	Capacity	2.0 CY		Does not include Clamshell & Dragline	hour	\$3.96
8276	Bucket, Dragline	Capacity	5.0 CY		Does not include Clamshell & Dragline	hour	\$9.90
8277	Bucket, Dragline	Capacity	10 CY		Does not include Clamshell & Dragline	hour	\$14.10
8278	Bucket, Dragline	Capacity	14 CY		Does not include Clamshell & Dragline	hour	\$18.65
8280	Excavator, Hydraulic	Bucket Capacity	0.5 CY	to 45	Crawler, Truck & Wheel. Includes bucket.	hour	\$18.00
8281	Excavator, Hydraulic	Bucket Capacity	1.0 CY	to 90	Crawler, Truck & Wheel. Includes bucket.	hour	\$34.20
8282	Excavator, Hydraulic	Bucket Capacity	1.5 CY	to 160	Crawler, Truck & Wheel. Includes bucket.	hour	\$52.70
8283	Excavator, Hydraulic	Bucket Capacity	2.5 CY	to 265	Crawler, Truck & Wheel. Includes bucket.	hour	\$153.00

8284	Excavator, Hydraulic	Bucket Capacity	4.5 CY	to 420	Crawler, Truck & Wheel. Includes bucket.	hour	\$264.50
8285	Excavator, Hydraulic	Bucket Capacity	7.5 CY	to 650	Crawler, Truck & Wheel. Includes bucket.	hour	\$223.70
8286	Excavator, Hydraulic	Bucket Capacity	12 CY	to 1000	Crawler, Truck & Wheel. Includes bucket.	hour	\$455.00
8287	Excavator	2007 model Gradall XL3100 III		184		hour	\$105.46
8288	Excavator	2003 model Gradall XL4100 III		238		hour	\$113.20
8289	Excavator	2006 model Gradall XL5100		230		hour	\$88.80
8290	Trowel, Concrete	Diameter	48 In	to 12		hour	\$4.80
8300	Fork Lift	Capacity	6000 Lbs	to 60		hour	\$13.00
8301	Fork Lift	Capacity	12000 Lbs	to 90		hour	\$18.50
8302	Fork Lift	Capacity	18000 Lbs	to 140		hour	\$24.00
8303	Fork Lift	Capacity	50000 Lbs	to 215		hour	\$51.40
8306	Fork Lift Material handler	Diesel, CAT TH360B	6600-11500 gvw lbs	99.9		hour	\$27.90
8307	Fork Lift Material handler	Diesel, CAT TH460B		99.9		hour	\$30.15
8308	Fork Lift Material handler	Diesel, CAT TH560B		99.9		hour	\$35.80
8309	Fork Lift Accessory	2003 ACS Paddle Fork				hour	\$3.46
8310	Generator	Prime Output	5.5 KW	to 10		hour	\$3.35
8311	Generator	Prime Output	16 KW	to 25		hour	\$7.45
8312	Generator	Prime Output	43 KW	to 65		hour	\$15.00
8313	Generator	Prime Output	100 KW	to 125		hour	\$34.95
8314	Generator	Prime Output	150 KW	to 240		hour	\$50.00
8315	Generator	Prime Output	210 KW	to 300		hour	\$62.45
8316	Generator	Prime Output	280 KW	to 400		hour	\$80.40
8317	Generator	Prime Output	350 KW	to 500		hour	\$90.50
8318	Generator	Prime Output	530 KW	to 750		hour	\$153.30
8319	Generator	Prime Output	710 KW	to 1000		hour	\$222.00
8320	Generator	Prime Output	1100 KW	to 1500	Open	hour	\$349.00
8321	Generator	Prime Output	2500 KW	to 3000		hour	\$533.75
8322	Generator	Prime Output	1,000 KW	to 1645	Enclosed	hour	\$403.30
8323	Generator	Prime Output	1,500 KW	to 2500	Enclosed	hour	\$511.22
8324	Generator	Prime Output	1100KW	2500	Enclosed	hour	\$495.80
8325	Generator	Prime Output	40KW	60		hour	\$14.80
8326	Generator	Prime Output	20KW	40		hour	\$13.32
8330	Graders	Moldboard Size	10 Ft	to 110	Includes Rigid and Articulate equipment.	hour	\$43.30
8331	Graders	Moldboard Size	12 Ft	to 150	Includes Rigid and Articulate equipment.	hour	\$46.50
8332	Graders	Moldboard Size	14 Ft	to 225	Includes Rigid and Articulate equipment.	hour	\$67.50
8350	Hose, Discharge	Diameter	3 In		Per 25 foot length. Includes couplings.	hour	\$0.15
8351	Hose, Discharge	Diameter	4 In		Per 25 foot length. Includes couplings.	hour	\$0.24
8352	Hose, Discharge	Diameter	6 In		Per 25 foot length. Includes couplings.	hour	\$0.60
8353	Hose, Discharge	Diameter	8 In		Per 25 foot length. Includes couplings.	hour	\$0.60
8354	Hose, Discharge	Diameter	12 In		Per 25 foot length. Includes couplings.	hour	\$0.90
8355	Hose, Discharge	Diameter	16 In		Per 25 foot length. Includes couplings.	hour	\$1.70
8356	Hose, Suction	Diameter	3 In		Per 25 foot length. Includes couplings.	hour	\$0.30
8357	Hose, Suction	Diameter	4 In		Per 25 foot length. Includes couplings.	hour	\$0.35
8358	Hose, Suction	Diameter	6 In		Per 25 foot length. Includes couplings.	hour	\$1.15
8359	Hose, Suction	Diameter	8 In		Per 25 foot length. Includes couplings.	hour	\$1.10
8360	Hose, Suction	Diameter	12 In		Per 25 foot length. Includes couplings.	hour	\$1.70
8361	Hose, Suction	Diameter	16 In		Per 25 foot length. Includes couplings.	hour	\$3.15
8380	Loader, Crawler	Bucket Capacity	0.5 CY	to 32	Includes bucket.	hour	\$14.66

8381	Loader, Crawler	Bucket Capacity	1 CY	to 60	Includes bucket.	hour	\$34.30
8382	Loader, Crawler	Bucket Capacity	2 CY	to 118	Includes bucket.	hour	\$68.10
8383	Loader, Crawler	Bucket Capacity	3 CY	to 178	Includes bucket.	hour	\$101.30
8384	Loader, Crawler	Bucket Capacity	4 CY	to 238	Includes bucket.	hour	\$120.00
8390	Loader, Wheel	Bucket Capacity	0.5 CY	to 38		hour	\$20.10
8391	Loader, Wheel	Bucket Capacity	1 CY	to 60		hour	\$36.90
8392	Loader, Wheel	Bucket Capacity	2 CY	to 105	CAT-926	hour	\$35.50
8393	Loader, Wheel	Bucket Capacity	3 CY	to 152		hour	\$43.85
8394	Loader, Wheel	Bucket Capacity	4 CY	to 200		hour	\$59.30
8395	Loader, Wheel	Bucket Capacity	5 CY	to 250		hour	\$64.00
8396	Loader, Wheel	Bucket Capacity	6 CY	to 305		hour	\$104.00
8397	Loader, Wheel	Bucket Capacity	7 CY	to 360		hour	\$124.50
8398	Loader, Wheel	Bucket Capacity	8 CY	to 530		hour	\$171.40
8401	Loader, Tractor, Wheel	Bucket Capacity	0.87 CY	to 80	Case 580 Super L	hour	\$33.73
8410	Mixer, Concrete Portable	Batching Capacity	10 Cft			hour	\$3.05
8411	Mixer, Concrete Portable	Batching Capacity	12 Cft	11		hour	\$4.00
8412	Mixer, Concrete, Trailer Mntd	Batching Capacity	11 Cft	to 10		hour	\$12.70
8413	Mixer, Concrete, Trailer Mntd	Batching Capacity	16 Cft	to 25		hour	\$19.60
8419	Breaker, Pavement Hand-Held	Weight	25-90 Lbs			hour	\$1.10
8420	Breaker, Pavement			to 70		hour	\$57.45
8423	Spreader, Chip	Spread Hopper Width	12.5 Ft	to 152		hour	\$85.85
8424	Spreader, Chip	Spread Hopper Width	16.5 Ft	to 215		hour	\$116.60
8425	Spreader, Chip, Mntd	Hopper Size	8 Ft	to 8	Trailer & truck mounted.	hour	\$4.60
8430	Paver, Asphalt, Towed				Does not include Prime Mover.	hour	\$12.40
8431	Paver, Asphalt			to 50	Includes wheel and crawler equipment.	hour	\$73.76
8432	Paver, Asphalt			to 125	Includes wheel and crawler equipment.	hour	\$95.10
8433	Paver, Asphalt			to 175	Includes wheel and crawler equipment.	hour	\$126.80
8434	Paver, Asphalt		35,000Lbs & Over	to 250	Includes wheel and crawler equipment.	hour	\$209.65
8436	Pick-up, Asphalt			to 110		hour	\$96.85
8437	Pick-up, Asphalt			to 150		hour	\$135.00
8438	Pick-up, Asphalt			to 200		hour	\$93.50
8439	Pick-up, Asphalt			to 275		hour	\$204.00
8440	Striper	Paint Capacity	40 Gal	to 22		hour	\$16.20
8441	Striper	Paint Capacity	90 Gal	to 60		hour	\$22.90
8442	Striper	Paint Capacity	120 Gal	to 122		hour	\$42.60
8445	Striper, Truck Mntd	Paint Capacity	120 Gal	to 460		hour	\$78.60
8446	Striper, Walk-behind	Paint Capacity	12 Gal			hour	\$4.00
8447	Paver accessory -Belt Extension	2002 Leeboy Conveyor Belt Extension			crawler	hour	\$32.50
8450	Plow, Snow, Grader Mntd	Width	to 10 Ft		Include Grader for total cost	hour	\$28.00
8451	Plow, Snow, Grader Mntd	Width	to 14 Ft		Include Grader for total cost	hour	\$32.90
8452	Plow, Truck Mntd	Width	to 15 Ft		Include truck for total cost	hour	\$24.35
8453	Plow, Truck Mntd	Width	to 15 Ft		With leveling wing. Include truck for total cost	hour	\$40.80
8455	Spreader, Sand	Mounting	Tailgate, Chassis			hour	\$7.35
8456	Spreader, Sand	Mounting	Dump Body			hour	\$10.45
8457	Spreader, Sand	Mounting	Truck (10yd)			hour	\$13.15
8458	Spreader, Chemical	Capacity	5 CY	to 4	Trailer & truck mounted.	hour	\$6.00
8469	Pump - Trash Pump	10 MTC	2" Pump	to 7	10,000 gph	hour	\$7.25
8470	Pump	Centrifugal, 8M pump	2" - 10,000 gal/hr.	to 4.5	Hoses not included.	hour	\$6.10
8471	Pump	Diaphragm pump	2" - 3,000 gal/hr.	to 6	Hoses not included.	hour	\$6.75
8472	Pump	Centrifugal, 18M pump	3" - 18,000 gal/hr. pump	to 10	Hoses not included.	hour	\$7.99
8473	Pump			to 15	Hoses not included.	hour	\$10.30
8474	Pump			to 25	Hoses not included.	hour	\$13.60
8475	Pump			to 40	Hoses not included.	hour	\$16.65
8476	Pump	4" - 40,000 gal/hr.	4" - 40,000 gal/hr.	to 60	Hoses not included.	hour	\$27.10

8477	Pump			to 95	Hoses not included.	hour	\$32.00
8478	Pump			to 140	Hoses not included.	hour	\$41.50
8479	Pump			to 200	Hoses not included.	hour	\$49.90
8480	Pump			to 275	Does not include Hoses.	hour	\$66.85
8481	Pump			to 350	Does not include Hoses.	hour	\$82.00
8482	Pump			to 425	Does not include Hoses.	hour	\$96.60
8483	Pump			to 500	Does not include Hoses.	hour	\$114.00
8484	Pump			to 575	Does not include Hoses.	hour	\$133.30
8485	Pump			to 650	Does not include Hoses.	hour	\$154.70
8486	Aerial Lift, Truck Mntd	Max. Platform Height	40 Ft		Add this rate to truck rate for total lift and truck rate	hour	\$11.38
8487	Aerial Lift, Truck Mntd	Max. Platform Height	61 Ft		Add this rate to truck rate for total lift and truck rate	hour	\$20.54
8488	Aerial Lift, Truck Mntd	Max. Platform Height	80 Ft		Add this rate to truck rate for total lift and truck rate	hour	\$39.00
8489	Aerial Lift, Truck Mntd	Max. Platform Load - 600Lbs	81 Ft -100 Ft. Ht.		Add this rate to truck rate for total lift and truck rate	hour	\$39.50
8490	Aerial Lift, Self-Propelled	Max. Platform Height	37 Ft. Ht.	to 15	Articulated, Telescoping, Scissor.	hour	\$8.95
8491	Aerial Lift, Self-Propelled	Max. Platform Height	60 Ft. Ht.	to 30	Articulated, Telescoping, Scissor.	hour	\$16.10
8492	Aerial Lift, Self-Propelled	Max. Platform Height	70 Ft. Ht.	to 50	Articulated, Telescoping, Scissor.	hour	\$29.26
8493	Aerial Lift, Self-Propelled	Max. Platform Height	125 Ft. Ht.	to 85	Articulated and Telescoping.	hour	\$55.65
8494	Aerial Lift, Self-Propelled	Max. Platform Height	150 Ft. Ht.	to 130	Articulated and Telescoping.	hour	\$70.15
8495	I.C. Aerial Lift, Self-Propelled	Max. Platform Load - 500 Lbs	75"x155", 40Ft Ht.	to 80	2000 Lbs Capacity	hour	\$28.95
8496	Crane, Truck Mntd	Max. Lift Capacity	24000 Lbs		Include truck rate for total cost	hour	\$14.90
8497	Crane, Truck Mntd	Max. Lift Capacity	36000 Lbs		Include truck rate for total cost	hour	\$22.40
8498	Crane, Truck Mntd	Max. Lift Capacity	60000 Lbs		Include truck rate for total cost	hour	\$36.50
8499	Pump - Trash-Pump	CPB Rating - 10MTC	10000 gal/Hr	7	Self- Priming Trash Pump	hour	\$7.55
8500	Crane	Max. Lift Capacity	8 MT	to 80		hour	\$38.70
8501	Crane	Max. Lift Capacity	15 MT	to 150		hour	\$66.90
8502	Crane	Max. Lift Capacity	50 MT	to 200		hour	\$90.00
8503	Crane	Max. Lift Capacity	70 MT	to 300		hour	\$178.60
8504	Crane	Max. Lift Capacity	110 MT	to 350		hour	\$243.20
8510	Saw, Concrete	Blade Diameter	14 In	to 14		hour	\$7.20
8511	Saw, Concrete	Blade Diameter	26 In	to 35		hour	\$12.00
8512	Saw, Concrete	Blade Diameter	48 In	to 65		hour	\$25.10
8513	Saw, Rock			to 100		hour	\$33.50
8514	Saw, Rock			to 200		hour	\$63.00
8517	Jackhammer (Dry)	Weight Class	25-45 Lbs			hour	\$1.66
8518	Jackhammer (Wet)	Weight Class	30-55 Lbs			hour	\$1.84
8521	Scraper	Scraper Capacity	16 CY	to 250		hour	\$107.15
8522	Scraper	Scraper Capacity	23 CY	to 365		hour	\$155.50
8523	Scraper	Scraper Capacity	34 CY	to 475		hour	\$270.00
8524	Scraper	Scraper Capacity	44 CY	to 600		hour	\$265.70
8540	Loader, Skid-Steer	Operating Capacity	1000 Lbs	to 35		hour	\$14.15
8541	Loader, Skid-Steer	Operating Capacity	2000 Lbs	to 65		hour	\$37.00
8542	Loader, Skid-Steer	Operating Capacity	3000 Lbs	to 85		hour	\$36.05
8550	Snow Blower, Truck Mntd	Capacity	600 Tph	to 75	Does not include truck	hour	\$34.60
8551	Snow Blower, Truck Mntd	Capacity	1400 Tph	to 200	Does not include truck	hour	\$94.00
8552	Snow Blower, Truck Mntd	Capacity	2000 Tph	to 340	Does not include truck	hour	\$142.50
8553	Snow Blower, Truck Mntd	Capacity	2500 Tph	to 400	Does not include truck	hour	\$154.80
8558	Snow Thrower, Walk Behind	Cutting Width	25 in	to 5		hour	\$2.80
8559	Snow Thrower, Walk Behind	Cutting Width	60 in	to 15		hour	\$14.10
8560	Snow Blower	Capacity	2,000 Tph	to 400		hour	\$234.00
8561	Snow Blower	Capacity	2,500 Tph	to 500		hour	\$255.00
8562	Snow Blower	Capacity	3,500 Tph	to 600		hour	\$284.00

8569	Dust Control De-Ice Unit	1300-2000 gal	173"Lx98"Wx51"H	5.5	Hydro Pump w/100' 1/2" hose	hour	\$3.45
8570	Loader-Backhoe, Wheel	Loader Bucket Capacity	0.5 CY	to 40	Loader and Backhoe Buckets included.	hour	\$22.15
8571	Loader-Backhoe, Wheel	Loader Bucket Capacity	1 CY	to 70	Loader and Backhoe Buckets included.	hour	\$29.50
8572	Loader-Backhoe, Wheel	Loader Bucket Capacity	1.5 CY	to 95	Loader and Backhoe Buckets included.	hour	\$38.60
8573	Loader-Backhoe, Wheel	Loader Bucket Capacity	1.75 CY	to 115	Loader and Backhoe Buckets included.	hour	\$47.77
8580	Distributor, Asphalt	Tank Capacity	500 Gal		burners, insulated tank, and circulating spray bar.	hour	\$14.76
8581	Distributor, Asphalt	Tank Capacity	1000 Gal		burners, insulated tank, and circulating spray bar. Include	hour	\$21.30
8582	Distributor, Asphalt	Tank Capacity	4000 Gal		burners, insulated tank, and circulating spray bar. Include	hour	\$30.15
8583	Distributor	ETNYRE Oil Distributor Model - PB348		300		hour	\$41.60
8584	Distributor	ETNYRE Quad Chip Spreader		280		hour	\$83.20
8590	Trailer, Dump	Capacity	20 CY		Does not include Prime Mover.	hour	\$11.36
8591	Trailer, Dump	Capacity	30 CY		Does not include Prime Mover.	hour	\$13.10
8600	Trailer, Equipment	Capacity	30 Tons			hour	\$14.15
8601	Trailer, Equipment	Capacity	40 Tons			hour	\$15.50
8602	Trailer, Equipment	Capacity	60 Tons			hour	\$18.85
8603	Trailer, Equipment	Capacity	120 Tons			hour	\$28.35
8610	Trailer, Water	Tank Capacity	4000 Gal		with sump and a rear spraybar.	hour	\$13.50
8611	Trailer, Water	Tank Capacity	6000 Gal		with sump and a rear spraybar.	hour	\$16.55
8612	Trailer, Water	Tank Capacity	10000 Gal		with sump and a rear spraybar.	hour	\$19.20
8613	Trailer, Water	Tank Capacity	14000 Gal		with sump and a rear spraybar.	hour	\$23.77
8614	Truck- Water Tanker	1000 gal. tank		175		hour	\$33.35
8620	Tub Grinder			to 440		hour	\$95.35
8621	Tub Grinder			to 630		hour	\$143.65
8622	Tub Grinder			to 760		hour	\$183.60
8623	Tub Grinder			to 1000		hour	\$322.00
8627	Horizontal Grinder	Model HG6000		630		hour	\$57.36
8628	Stump Grinder	1988 Vermeer SC-112		102		hour	\$47.00
8629	Stump Grinder	24" grinding wheel		110		hour	\$45.00
8630	Sprayer, Seed	Working Capacity	750 Gal	to 30	Does not include Prime Mover.	hour	\$14.00
8631	Sprayer, Seed	Working Capacity	1250 Gal	to 50	Trailer & truck mounted. Does not include Prime	hour	\$19.80
8632	Sprayer, Seed	Working Capacity	3500 Gal	to 115	Does not include Prime Mover.	hour	\$29.25
8633	Mulcher, Trailer Mntd	Working Capacity	7 TPH	to 35		hour	\$14.10
8634	Mulcher, Trailer Mntd	Working Capacity	10 TPH	to 55		hour	\$20.80
8635	Mulcher, Trailer Mntd	Working Capacity	20 TPH	to 120		hour	\$29.45
8636	Scraper	Soil Recycler WR 2400	w 317 gal fuel tank	563		hour	\$239.85
8637	Trailer CAT	Double Belly Bottom-dump Trailer	26 CY of soil in one dump	330	13 CY of soil each berry	hour	\$92.33
8638	Rake	Barber Beach Sand Rake 600HDr, towed				hour	\$15.40
8639	Chipper	Wildcat 626 Cougar Trommel Screen chipper w belt		125		hour	\$34.30
8640	Trailer, Office	Trailer Size	8' x 24'		Cargo Size 16ft	hour	\$1.95
8641	Trailer, Office	Trailer Size	8' x 32'		Cargo Size 24ft	hour	\$2.30
8642	Trailer, Office	Trailer Size	10' x 32'		Cargo Size 20ft	hour	\$2.65
8643	Trailer	Haz-Mat Equipment trailer	8'x18'			hour	\$37.75
8644	Trailer, Covered Utility Trailer	(7' X 16')				hour	\$5.65
8645	Trailer, Dodge Ram	8' x 24' shower trailer- 12 showers		101		hour	\$29.45
8646	Trailer, Dodge	32' flatbed water				hour	\$27.90
8650	Trencher			to 40	Wheel Mounted. Chain and Wheel.	hour	\$16.30

8651	Trencher			to 85	Wheel Mounted. Chain and Wheel.	hour	\$24.70
8654	Trencher accessories	2008 Griswold Trenchbox				hour	\$1.90
8660	Plow, Cable	Plow Depth	24 in	to 30		hour	\$12.00
8661	Plow, Cable	Plow Depth	36 in	to 65		hour	\$37.45
8662	Plow, Cable	Plow Depth	48 in	to 110		hour	\$41.25
8670	Derrick, Hydraulic Digger	Max. Boom Length	60 Ft		alignment attachment. Include truck rate	hour	\$34.15
8671	Derrick, Hydraulic Digger	Max. Boom Length	90 Ft		alignment attachment. Include truck rate	hour	\$54.66
8680	Truck, Concrete Mixer	Mixer Capacity	13 CY	to 300		hour	\$82.35
8684	Truck, Fire	100 Ft Ladder				hour	\$100.00
8690	Truck, Fire	Pump Capacity	1000 GPM			hour	\$68.00
8691	Truck, Fire	Pump Capacity	1250 GPM			hour	\$72.25
8692	Truck, Fire	Pump Capacity	1500 GPM			hour	\$78.90
8693	Truck, Fire	Pump Capacity	2000 GPM			hour	\$81.40
8694	Truck, Fire Ladder	Ladder length	75 FT			hour	\$117.10
8695	Truck, Fire Ladder	Ladder length	150 FT			hour	\$142.75
8696	Truck, Fire	No Ladder		330	Rescure Equipment	hour	\$93.47
8700	Truck, Flatbed	Maximum Gvw	15000 Lbs	to 200		hour	\$20.60
8701	Truck, Flatbed	Maximum Gvw	25000 Lbs	to 275		hour	\$35.00
8702	Truck, Flatbed	Maximum Gvw	30000 Lbs	to 300		hour	\$27.10
8703	Truck, Flatbed	Maximum Gvw	45000 Lbs	to 380		hour	\$44.70
8708	Trailer, semi	48ft to 53ft, flat-bed, freight, two axle	50,000+ gvw			hour	\$8.45
8709	Trailer, semi	enclosed 48 ft to 53 ft, two axles	50,000+ gvw			hour	\$9.50
8710	Trailer, semi	28ft, single axle, freight	25,000 gvw			hour	\$9.70
8711	Flat bed utility trailer	6 ton				hour	\$3.10
8712	Cleaner, Sewer/Catch Basin	Hopper Capacity	5 CY		Truck Mounted.	hour	\$24.80
8713	Cleaner, Sewer/Catch Basin	Hopper Capacity	14 CY		Truck Mounted.	hour	\$31.30
8714	Vactor	800 Gal Spoils/400 Gal Water	500/800 gal	49		hour	\$82.75
8715	Truck, Hydro Vac	model LP555DT				hour	\$18.00
8716	Leaf Vac	Tow by Truck 22,000 cfm capacity		85	Leaf Vac + Truck Code 8811	hour	\$51.25
8717	Truck, Vacuum	60,000 GVW		400		hour	\$74.20
8719	Litter Picker	model 2007 Barber			towed by tractor	hour	\$9.60
8720	Truck, Dump	Struck Capacity	8 CY	to 220		hour	\$48.90
8721	Truck, Dump	Struck Capacity	10 CY	to 320		hour	\$60.77
8722	Truck, Dump	Struck Capacity	12 CY	to 400		hour	\$67.70
8723	Truck, Dump	Struck Capacity	18 CY	to 400		hour	\$75.50
8724	Truck, Dump, Off Highway	Struck Capacity	28 CY	to 450		hour	\$121.20
8725	Truck, Dump	Struck Capacity	14 CY	to 400		hour	\$77.80
8730	Truck, Garbage	Capacity	25 CY	to 255		hour	\$48.50
8731	Truck, Garbage	Capacity	32 CY	to 325		hour	\$55.90
8733	E-BAM Services	Environmental Beta Attenuation Air Monitor			Powered by Solar System	hour	\$3.00
8734	Attenuator, safety	that can stop a vehicle at 60 mph				hour	\$5.50
8735	Truck, Attenuator	2004 Truck Mounted for 60 mph				hour	\$3.85
8736	Truck, tow	1987 Chevy Kodiak 70		175		hour	\$27.70
8744	Van, Custom	Special Service Canteen Truck		350		hour	\$18.00
8745	Van, step	model MT10FD		300		hour	\$21.25
8746	Van-up to 15 passenger	light duty, class 1		225-300		hour	\$20.00
8747	Van-up to 15 passenger	light duty, class 2		225-300		hour	\$20.15
8748	Van-cargo	light duty, class 1		225 - 300		hour	\$22.25
8749	Van-cargo	light duty, class 2		225-300		hour	\$22.25
8750	Vehicle, Small			to 30		hour	\$6.40
8753	Vehicle, Recreational			to 10		hour	\$2.80
8755	Golf Cart	Capacity	2 person			hour	\$3.75
8761	Vibrator, Concrete			to 4		hour	\$1.60
8770	Welder, Portable			to 16	Includes ground cable and lead cable.	hour	\$3.10

8771	Welder, Portable			to 34	Includes ground cable and lead cable.	hour	\$6.80
8772	Welder, Portable			to 50	Includes ground cable and lead cable.	hour	\$10.00
8773	Welder, Portable			to 80	Includes ground cable and lead cable.	hour	\$13.76
8780	Truck, Water	Tank Capacity	2500 Gal	to 175	Include pump and rear spray system.	hour	\$28.70
8781	Truck, Water	Tank Capacity	4000 Gal	to 250	Include pump and rear spray system.	hour	\$50.00
8788	Container & roll off truck	30 yds				hour	\$23.05
8789	Truck, Tractor	1997 Freightliner F120		430		hour	\$54.90
8790	Truck, Tractor	4 x 2	25000 lbs	to 210		hour	\$42.40
8791	Truck, Tractor	4 x 2	35000 lbs	to 330		hour	\$46.00
8792	Truck, Tractor	6 x 2	45000 lbs	to 360		hour	\$52.75
8794	Truck, freight	Enclosed w/lift gate. Medium duty class 5	gvwr 16000-19500 Lbs			hour	\$23.25
8795	Truck, backhoe carrier	Three axle, class 8, heavy duty	over 33000Lbs			hour	\$34.50
8796	Truck, freight	Eenclosed w/lift gate. Heavy duty, class	7, 26,001 to 33,000 lbs gvwr			hour	\$31.00
8798	Truck	Tilt and roll-back, two axle, class 7 heavy duty,	to 33,000 gvwr			hour	\$32.00
8799	Truck,	Tilt and roll back, three axle. class 8 heavy duty	over 33,001+ gvwr			hour	\$40.60
8800	Truck, Pickup				When transporting people.	mile	\$0.54
8801	Truck, Pickup	1/2-ton Pickup Truck	4x2-Axle	160		hour	\$12.30
8802	Truck, Pickup	1-ton Pickup Truck	4x2-Axle	234		hour	\$17.65
8803	Truck, Pickup	1 1/4-ton Pickup Truck	4x2-Axle	260		hour	\$19.85
8804	Truck, Pickup	1 1/2-ton Pickup Truck	4x2-Axle	300		hour	\$22.25
8805	Truck, Pickup	1 3/4-ton Pickup Truck	4x2-Axle	300		hour	\$23.10
8806	Truck, Pickup	3/4-ton Pickup Truck	4x2-Axle	165		hour	\$13.40
8807	Truck, Pickup	3/4-ton Pickup Truck	4x4-Axle	285	Crew	hour	\$20.80
8808	Truck, Pickup	1-ton Pickup Truck	4x4-Axle	340	Crew	hour	\$22.85
8809	Truck, Pickup	1 1/4-ton Pickup Truck	4x4-Axle	360	Crew	hour	\$26.40
8810	Truck, Pickup	1 1/2-ton Pickup Truck	4x4-Axle	362	Crew	hour	\$26.75
8811	Truck, Pickup	1 3/4-ton Pickup Truck	4x4-Axle	362	Crew	hour	\$27.50
8820	Skidder accessory	2005 JCB Grapple Claw				hour	\$1.75
8821	Forklift, accessory	2005 ACS Grapple Bucket				hour	\$1.50
8822	Truck, Loader	Debris/Log (Knuckleboom Loader/Truck)		230		hour	\$52.26
8823	Chipper- Wood Recycler	Cat 16 engine		700		hour	\$115.00
8824	Skidder	model Cat 525B		up to 160		hour	\$62.90
8825	Skidder	40K lbs- model Cat 525C		161 and up		hour	\$118.77
8840	Truck, service	fuel and lube	up to 26,000 gvwr	215-225		hour	\$38.65
8841	Truck, fuel	2009 International 1,800 gal. storage tank		200		hour	\$30.50
8842	Mobile Command Trailer	(8' X 28') with 7.5 KW Generator				hour	\$14.66
8843	Mobile Response Trailer	(8' X 31') with 4.5 KW Generator?				hour	\$13.60
8844	Mobile Command Center	(unified) (RV) Ulitimaster MP-35	43 FT Long with Generator	400		hour	\$75.00
8845	Mobile Command Post Vehicle	(RV) (In- Motion)	22-Ft Long	340		hour	\$31.00
8846	Mobile Command Post Vehicle	(RV) (Stationary) w/9.6 KW Generator	22-Ft Long	340		hour	\$19.25
8847	Mobile Command Center (Trailer)	48'x8' Trailer, Fully Equiped Mobile Command Center	48-Ft Long			hour	\$29.45
8848	Mobile Command Center (Trailer)	48'x8' When being Moved w/Truck Tractor		310		hour	\$48.90
8849	Mobile Command Center	43'x8.5' x 13.5'H with self 30kw Generator				hour	\$52.00
8850	Mobile Command Center	2007-Freightliner MT-55, (RV)		260		hour	\$45.50
8851	Mobile Command Van	1990- Ford Econoline- Communication Van		230		hour	\$41.00
8852	Mobile Command Center	47.5' X 8.75 Fully Equip' (In motion) (RV)		410		hour	\$65.30
8853	Mobile Command Center	47.5' X 8.75 Fully Equip' (Stationary)		410		hour	\$45.00

8854	Mobile Command Vehicle	53' X 8.75 Fully Equip		480-550		hour	\$96.20
8870	Light Tower	Terex/Amida AL 4000. with (4) 500 watt lights	w/10kw power unit	13.5		hour	\$10.68
8871	Light Tower	2004 Allmand				hour	\$6.30
8872	SandBagger Machine	(Spider) automatic		4.5		hour	\$48.75
8900	Helicopter	OH-58 KIOWA (Military) is the same as "Bell-206B3		420		hour	\$474.00
8901	Helicopter	OH-58 KIOWA (Military) is the same as "Bell-206BR		420		hour	\$496.00
8902	Helicopter	Model Bell 206-L3 Jet Range Helicopter		650	Jet Range III-Helicopter	hour	\$582.00
8903	Helicopter	Model Bell 206L1 Long Ranger		650	Long Ranger	hour	\$596.00
8904	Helicopter	Model Bell 206LT Long Range Twinranger		450	Twinranger	hour	\$780.00
8905	Helicopter	Model Bell 407 EMS- Ambulance		250		hour	\$626.00
8906	Piper-Fixed wing	Model Navajo PA-31		310		hour	\$456.00
8907	Piper-Fixed wing	PA-31-350, Navajo Chieftn twin engine		350		hour	\$487.00
8908	Sikorsky Helicopter	Model UH-60 (Blackhawk) medium lift	Medium Lift	1890	Fire Fighter Same as S70C	hour	\$2,945.00
8909	Helicopter	Model UH-A (Blackhawk) Medium lift	Medium Lift	1890	Fire Fighter	hour	\$5,504.00
8910	Boeing Helicopter	Model CH-47 (Chinook) heavy lift	Heavy Lift	2850	Fire Fighter	hour	\$10,750.00
8911	Helicopter- light utility	Model Bell 407GX - 7 seater	7-Seaters	675	Passenger Aircraft	hour	\$621.00
8912	Helicopter- light utility	Model Bell 206L- 7 seater	7-Seaters	420	Passenger Aircraft	hour	\$596.00
8913	Helicopter	Model Bell-206L4		726		hour	\$576.00
8914	King Air 200 Turboprop Aircraft	Blackhawk King Air B200XP61		669		hour	\$1,316.00
8915	Turboprops Blackhawk Aircraft	Blackhawk Caravan XP42 A		850		hour	\$697.00
8916	Turboprops Blackhawk Aircraft	King Air C90 XP135 A		550		hour	\$1,075.00
8917	Aerostar Piston Aircraft	Aerostar 601P		290		hour	\$447.00
8943	Wire Puller Machine	Overhead Wire Pulling Machine		30	Overhead/Underground Wire Pulling Machine	hour	\$19.85
8944	Wire Tensioning Machine	3000 Lbs			Overhead Wire Tensioning Machine	hour	\$14.50
8945	Aerial Lift	model 2008 Genie Scissor Lift				hour	\$6.30

Completed Work Checklist

This checklist is designed to assist the PDMG in collecting necessary information/documentation to support grants that include completed work. Accurate and complete Essential Elements of Information (EEI) and a complete package of supporting documentation are critical to the development of projects with completed work.

It is the responsibility of the PDMG to (1) understand the Applicant's claim, (2) provide guidance necessary for the Applicant to support their claim, (3) verify that the Applicant has provided all required information/documentation to support their claim, and (4) provide a brief project description prior to submission to the CRC.

<input type="checkbox"/>	Check the Damage Inventory line items associated with the project	<ul style="list-style-type: none"> ➤ Ensure all damages or activities being claimed are eligible and are the legal responsibility of the Applicant ➤ Ensure the Damage Inventory line items follow the guidance in the <i>Damage Inventory Development Job Aid</i>
<input type="checkbox"/>	Spot check the GPS coordinates provided by the Applicant (which can be done by plotting these on a map)	<ul style="list-style-type: none"> ➤ Ensure the GPS coordinates are in decimal degrees format <ul style="list-style-type: none"> ○ Example: 38.8897°, -77.0089 ➤ Ensure the coordinates accurately reflect where the Applicant claims the work was performed or facility is located ➤ If work was near water or in a flood zone, talk to EHP.
<input type="checkbox"/>	Review the Essential Elements of Information questions <i>Reference the PAPPG "Documentation to Support Costs Claimed" Checklist (p. 140-141)</i>	<ul style="list-style-type: none"> ➤ Ensure all EEI questions are answered ➤ Ensure the EEI responses have detailed information to support the development of the DDD, Scope of Work, and cost. Responses should answer the following: <ul style="list-style-type: none"> <input type="checkbox"/> Who performed the work, hours/dates and cost <ul style="list-style-type: none"> ○ Force account ○ Contract ○ Mutual Aid <input type="checkbox"/> What was damaged/repaired or work performed <ul style="list-style-type: none"> ○ Types/amounts of debris ○ Specific emergency protective measure activities performed, i.e., refer to eligible Category B costs outlined in the PAPPG ○ Details and dimensions(length x width x depth/height) of facility repaired <input type="checkbox"/> When did the work occur <input type="checkbox"/> Where did the damage/work occur, include GPS <input type="checkbox"/> How was the damage caused; type of peril <ul style="list-style-type: none"> ○ E.g. storm surge, wind, flooding, tornado <input type="checkbox"/> Is the applicant legally responsible to perform the work? <p>**Reminder: the detailed responses to the EEI is what allows the DDD, Scope and Cost to be developed in Grants Manager**</p>

<input type="checkbox"/>	Review the documentation associated with Essential Elements of Information required documents	<ul style="list-style-type: none"> ➤ Check the documentation provided to ensure <ul style="list-style-type: none"> <input type="checkbox"/> Labor, equipment and material-related documents are readable and clearly note disaster-related activity <input type="checkbox"/> Equipment operators and hours are noted <input type="checkbox"/> Permits and compliance-related documents are included <input type="checkbox"/> Documents to support codes/standards upgrades are included <input type="checkbox"/> All insurance documents have been submitted, per the Insurance Fact Sheet <input type="checkbox"/> Applicant provided a summary of the activities and costs claimed ➤ Ensure the documentation is easy to read and to understand by a cold reader <ul style="list-style-type: none"> ○ Where the documentation is not clear, provide additional context in the “Project Brief Description” in the EEI ➤ Ensure that all documentation provided is only for that Project ➤ Ensure all documentation for the project is only uploaded <u>once</u> – either at the project, EEI, or Damage Inventory line item level. <ul style="list-style-type: none"> ○ Duplicate documentation should be deleted. ➤ Ensure documents do not contain Personally Identifiable Information (PII) ➤ Ensure name of attachments accurately describe the content of the document
<input type="checkbox"/>	Check the documentation supporting Direct Administrative Costs claimed	<ul style="list-style-type: none"> ➤ Ensure the information provided explains who, what and when, and how long activities were performed ➤ If Applicant participating in DAC Pilot, ensure DAC Pilot Agreement is signed and uploaded ➤ If Applicant is participating in the PAAP-Debris sliding scale, ensure the DAC was performed within the timeframe associated with the PAAP timeframe.
<input type="checkbox"/>	Spend Plan Projection	<ul style="list-style-type: none"> ➤ Update the actual cost the Applicant has submitted in the “update projection information” of the Spend Plan projection tab.

Project # _____

<input type="checkbox"/>	EEI Brief Project Description	<ul style="list-style-type: none">➤ Provide an overview of the damage incurred, activity performed and work completed with total claimed cost<ul style="list-style-type: none">○ See examples on <i>EEI projectdescriptionv5.pptx</i>➤ Ensure the Brief Project Description clearly tells a reader what happened and what work was completed.➤ Include information that is lacking from the EEI responses but is necessary to develop the DDD, Scope of Work and cost➤ If Applicant participating in PAAP-Debris, denote which aspect of the pilot the Applicant elected to participate: straight-time, sliding scale, Debris Management Plan incentive, recycle revenue➤ Denote if applicant is participating in the PAAP DAC pilot➤ For Category B projects that include temporary repairs, ensure the Project Brief Description references the Damage Inventory line item or Project Number of the associated permanent work <p style="text-align: center;">**CRC will return project to the PDMG if a Project Brief Description is not provided or not detailed enough.**</p>
--------------------------	--------------------------------------	---

PDMG: _____

Date: _____

This checklist is to be uploaded to the project prior to submitting to the CRC and labeled as:

“Completed Lane Project Checklist”

Table 10. Documentation to Support Costs Claimed

Documentation to Support Costs Claimed
<p>The Applicant should submit the following to support costs claimed (not an all-inclusive list):</p> <p>Applicant (Force Account) Labor and Prisoner Labor:</p> <p>For each individual:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Name <input type="checkbox"/> Job title and function <input type="checkbox"/> Type of employee (i.e., full-time exempt, full-time non-exempt, part-time, temporary, prisoner, etc.) <input type="checkbox"/> Days and hours worked <input type="checkbox"/> Pay rate(s) and fringe benefit rate(s) <input type="checkbox"/> Description of work performed with representative sample of daily logs / activity reports, if available <input type="checkbox"/> Representative sample of timesheets <input type="checkbox"/> Fringe benefit calculations <input type="checkbox"/> Pay policy <p>Applicant-Owned (Force Account) Equipment:</p> <p>For each piece of equipment:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Type of equipment and attachments used, including year, make, and model <input type="checkbox"/> Size/capacity (e.g., horsepower, wattage) <input type="checkbox"/> Locations and days and hours used with usage logs <input type="checkbox"/> Operator name <input type="checkbox"/> Schedule of rates, including rate components <p>Rented or Purchased Equipment:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Rental or lease agreements, invoices, receipts <input type="checkbox"/> Days used <p>Supplies from Stock:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Historical cost records <input type="checkbox"/> Inventory records <input type="checkbox"/> Type of supplies and quantities used, with support documentation such as daily logs <p>Purchased Supplies:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Receipts or invoices <p>Contracts:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Procurement policy <input type="checkbox"/> Procurement and bid documents <input type="checkbox"/> For procurements in excess of the simplified acquisition threshold, a cost/price analysis <input type="checkbox"/> Contracts, change orders, and invoices <input type="checkbox"/> Dates worked <input type="checkbox"/> For time and materials (T&M) contracts, monitoring documentation <p>Mutual aid:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Written agreement <input type="checkbox"/> Services requested and received <input type="checkbox"/> Same information listed for labor, equipment, and supplies above (as applicable) <input type="checkbox"/> Invoices

Documentation to Support Costs Claimed

Donated Resources:

For each individual:

- ☐ Name
- ☐ Days and hours worked
- ☐ Location of work and work performed

Equipment:

- ☐ Same information listed under Applicant-Owned Equipment above
- ☐ Who donated each piece of equipment

Supplies or materials:

- ☐ Quantity donated
- ☐ Who donated
- ☐ Location(s) used

Cost Estimates:

- ☐ Cost estimate for the agreed-upon SOW developed with unit costs
- ☐ Qualifications of the company or individual who prepared the cost estimate

Cost reasonableness (if requested by FEMA):

- ☐ Documentation showing current market price for similar goods or services, such as:
 - Historical documentation;
 - Average costs in the area; or
 - Published unit costs from national cost estimating databases.
- ☐ Documentation supporting necessity of unique services or extraordinary level of effort
- ☐ Documentation supporting shortages, challenging procurement circumstances, and length of time shortages or procurement challenges existed, such as:
 - News stories
 - Supply chain vendor reports

For Direct Administrative Costs (DAC):

- ☐ Specific description of administrative task performed by individual
- ☐ Skill level and position description of individual performing task

Other:

- ☐ Documentation regarding cash donations or other funding received
- ☐ Cost comparisons and source documentation, if applicable
- ☐ Actual insurance proceeds, if available

E. Project Documentation

The Applicant must maintain all source documentation supporting the project costs.³¹³ To facilitate closeout and audits, the Applicant should file all documentation pertaining to each project with the corresponding PW as the permanent record of the project.

The Recipient and the Applicant must keep all financial and program documentation for 3 years after the date of the Recipient's final Financial Status Report (FSR) (FEMA Form 112-0-1).³¹⁴ Records are subject to audit by State auditors, FEMA, the U.S. Department of Homeland Security Office of Inspector General, and the U.S. Government Accountability Office.³¹⁵

³¹³ 2 CFR § 200.302.

³¹⁴ 2 CFR § 200.333; www.fema.gov/media-library/assets/documents/29496.

³¹⁵ 2 CFR § 200.336.

PROGRAM ADMINISTRATION

This section discusses the State's Grants Management System, program deadlines, reporting tools, management costs, large project closeouts, appeals, the grant closeout process, records retention and audits.

Program Administration Steps – Ohio EMA and FEMA have web-based applications to implement the PA Program. Outlined below are where certain actions are taken throughout PA Program implementation.

- Step 1 - Submission of Request for Public Assistance (RPA) – <https://oh.emgrants.com>
- Step 2 - PW Formulation – <https://grantee.fema.gov>
- See PW Formulation Tab for additional details but for this Step, Applicants will need to have an email address to become a user of this system.
 - PW Formulation is the process of identifying damage, preparing a scope of work and cost estimate and awarding funding.
- Step 3 - Program Administration – <https://oh.emgrants.com>. Program Administration is from PW funding through closeout. A user's guide can be found at the State's grants management system's homepage. There is also a non-web-based system available for administering the grant. Through Ohio EMA's grant's management system, Applicants can take the following actions:
- Submitting requests for reimbursement and tracking pending payments
 - Accessing Project Worksheets (PW)
 - Submitting documentation for closeouts or changes to PWs
 - Submitting time extension requests
 - Submitting quarterly progress reports
 - Filing administrative documents and P.4. Project Completion and Certification Report (although original documents must also be mailed to the State)
 - Reporting audit compliance
 - Filing appeals

PROGRAM DEADLINES

Deadlines for completion of eligible work are as follows:

Categories A-B: Six (6) months from declaration date

Categories C-G: Eighteen (18) months from declaration date.

Time extensions may be requested for an additional six (6) months for Categories A-B and an additional thirty (30) months for Categories C-G. All requests for time extensions must outline the extenuating circumstances beyond the Applicant's control that delayed completion. They should be requested by PW and should be submitted to the State 15 days prior to the work deadline. If time is needed beyond what is listed above, approval must be given by FEMA.

REPORTING REQUIREMENTS

When you receive your approved PWs from the State, included reports, if applicable, are as follows:

Quarterly Progress Reports (QPR)

If there is incomplete work when PWs are formulated, submission of Quarterly Progress Reports is required. These reports are completed within the State's grants management system, <https://oh.emgrants.com> or can be provided in paper form.



P.4., Project Completion and Certification Report (P.4.)

This document is submitted once all work is complete. It lists each PW, projected completion date (based on the time frames for eligible categories of work), a percent complete when the PW was written, actual completion date and actual amount spent, a brief description of the approved scope of work and could include several pages. **The P.4. must be submitted within 60 days of completion of the last project.**

DIRECT ADMINISTRATIVE AND MANAGEMENT COSTS

Disaster Recovery Reform Act Public Assistance Management Costs are indirect cost, any direct administrative cost, and any other administrative expense associated with a specific project under a major disaster, emergency or disaster preparedness or mitigation activation measure. Applicants are eligible to receive up to 5% of their total award amount for the disaster or emergency. Reimbursement is based on actual costs associate with eligible work.

Activities eligible as management costs include those related to developing eligible PA projects and receiving reimbursement. These activities may include, but are not limited to:

- Preliminary Damage Assessments
- Meetings regarding the PA Program or overall PA damage claim
- Organizing PA damage sites into logical groups
- Preparing correspondence
- Site inspections
- Travel expenses
- Developing the detailed site-specific damage description
- Evaluating Section 406 hazard mitigation measures
- Preparing Small and Large Projects
- Reviewing PWs
- Collecting copying, filing, or submitting documents to support a claim
- Requesting disbursement of PA funds
- Training

Activities related to ineligible projects are not eligible to be claimed under the management cost contribution. Additionally, excess management cost funding may not be retained.

The Applicant may claim management costs incurred up to whichever of the following occurs first:

- 180 days after the Subrecipient completes its last non-management cost PA project; or
- 180 days after the latest performance period of the Subrecipient's non-management cost PA project; or
- Two years from the date of an Emergency Declaration; or
- Eight years from the date of the Major Disaster Declaration.

Actual cost documentation must include information necessary to demonstrate eligibility of costs and activities claimed as management costs, including but not limited to payroll data, procurement procedures, contracts, invoices, and an explanation of the activities performed. Documentation must also include information to demonstrate that costs are reasonable. FEMA's established procedures for evaluating reasonable costs are described in FEMA's Public Assistance Reasonable Cost Evaluation Job Aid. FEMA's Public Assistance Reasonable Cost Evaluation Job Aid is located at www.fema.gov/media-library/assets/documents/90743.

FEMA makes the final decision regarding all eligibility determinations under the PA Program including whether costs are reasonable.

LARGE PROJECT CLOSEOUT

If an Applicant has a large project that is less than 100% complete when written, submission of documentation to support the final claimed costs is required. When the large project is complete, contact us. Utilize the Documentation Checklist included in the Project Documentation Tab to ensure that all required documentation is submitted. Once documentation is submitted and reviewed by the State, a site inspection may follow. Then the State prepares a closeout package for FEMA's review and adjustment of final eligible costs. Following FEMA's actions on project closeout, the final payment is made by the State.

APPEALS

How do we appeal a FEMA decision?

If FEMA denies a work item, Applicants have 60 days from receipt of that decision to file an appeal. Appeals should include a cover letter stating the item being appealed and all documentation supporting the reasons behind the appeal. The State will assist you in gathering and providing the appropriate documentation. The State has 60 days to review the appeal and forward it to FEMA with a recommendation. The FEMA Regional Administrator has 90 days to respond. If the appeal is denied, there is an opportunity for a second appeal, which follows the same process as outlined about but the FEMA determination will come from FEMA Headquarters. The decision from FEMA Headquarters is final.

If upon completion of all small projects you have an aggregate overrun, that overrun can be appealed. In order to be eligible, the overrun must be due to increased costs and cannot include items completed outside the approved scope of work. This appeal must be filed with the State within 60 days completion of the last small project and must include support documentation for all the small projects. The State has 60 days to review the documentation and will forward it to FEMA with a recommendation. If approved, FEMA will write a new PW to capture the overrun amount. There is also an opportunity for a second appeal if the first is denied.

How do we appeal a State decision?

If an Applicant wishes to appeal a decision made by the State, for example, loss of state share due to failure to submit Quarterly Progress Reports, this must be done within 60 days notification of the loss of funding. The appeal should include documentation to support that required documentation was submitted within the required time frames. Any decision made by the State following this appeal is final.

GRANT CLOSEOUT AND RECORD RETENTION

How do we know that our Grant is closed?

Once an Applicant submits the final P.4. and all eligible funding is disbursed, the State sends a closeout packet. This packet will contain the P.4., signed by the Governor's Authorized Representative and other applicable grant information. All documents pertaining to this grant must be maintained for a minimum of three (3) years following receipt of this closeout packet. The only outstanding requirements may be audits.

AUDITS

What are our programmatic audit requirements?

The State PA Office will select one Applicant from each county and will perform a Program Review. The Program Review will require that the Applicant submit support documentation for all small projects that were less than 100% complete when written. Following review of paperwork, site inspections may be scheduled. Program Reviews will be conducted shortly after the initial 18 month deadline for completion of permanent work.

What are our financial audit requirements?

Expenditures of federal funds exceeding \$750,000 in an Applicant's fiscal year require a Single Audit. In order to determine federal expenditures, all federal funds expended in a particular fiscal year need included, not just federal funds expended related to the PA Grant Program. Expenditures of less than \$750,000 do not require a Single Audit.

If a Single Audit is performed, the auditors will request several things from you. The CFDA (Catalog of Federal Domestic Assistance) number is 97-036. The Program is the

Public Assistance Program. The Pass Thru Entity is the Ohio Emergency Management Agency, Department of Public Safety.

Please keep in mind that expenditures do not have to equal receipts for that fiscal year. For example, if there are expenditures related to a large project PW for which the Applicant expends their own funds in FY 11 but for which federal funds are not reimbursed until FY 12, the federal expenditures must be reported in FY 11.

If you have further questions regarding audit requirements, you may refer to 2 CFR §200.501-521.

What if I am selected for a federal audit?

The federal Office of Inspector General (OIG) can select any PA applicant for an audit. This audit can be performed anytime from the date of declaration through the record retention period. This is why maintenance and organization of support documentation is so critical.

ATTACHMENTS

- <https://oh.emgrants.com> Users Guide
- Audit Tips for Managing Disaster-related Project Costs_OIG-15-100
- Interim FEMA Recovery Policy FP 104-11-2
- Public Assistance: Reasonable Cost Evaluation Job Aid

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oh.emgrants.com

User's Guide

Accessing Account – Applicant users

My Home

Quick Start Guides?

Welcome to oh.emgrants.com! To view training videos, reference user guides, or submit a support ticket, see the help icon located in the top-right corner of the screen (?).

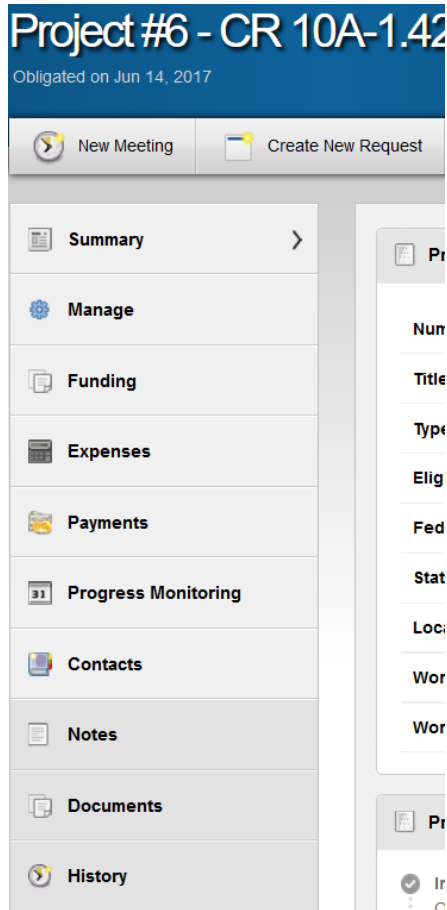
Open Grants

Quick Search: 1 results

Grant #	Grant Name	Applicant Name	Proj Count
SDRP-0...	SDRP Feb-March 2017 S...	Athens County Engineer (Athens)	8

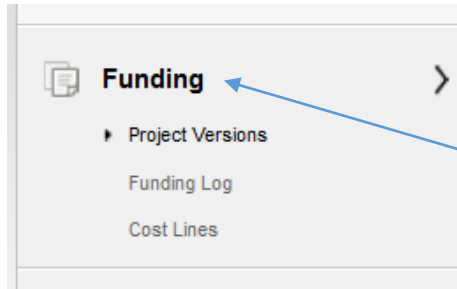
- Locate home button, top left corner of screen, click button to go to home page.
- A list of all active accounts will show. Select proper listing to be directed to Account Module.

Projects Module – All Users



- Within the Projects Module, users can do the following:
 - Request new Project Closeout
 - Request new Time Extension
 - Request new Scope Change
 - Request new Project Appeal
 - Request new Large Project Reimbursement Request (PA only)
- Whether you see all these options depends on the Project, e.g. if it is a small project, you will not see the option to Request a new Large Project Reimbursement Request

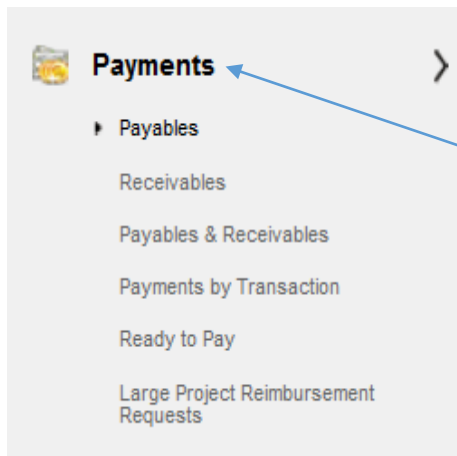
Projects Module – All Users, cont.



- Funding
 - Find all Versions for that Project



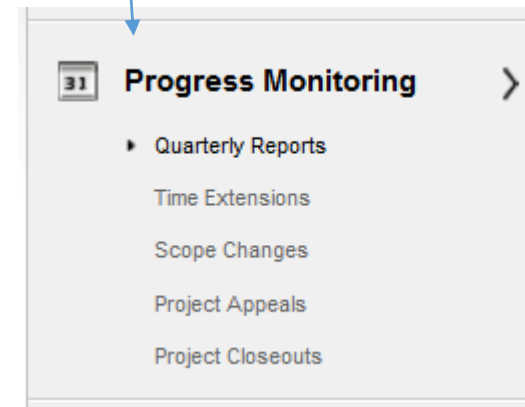
- Expenses will only show items if it is a large project – This takes you to the history of Large Project Reimbursement Requests



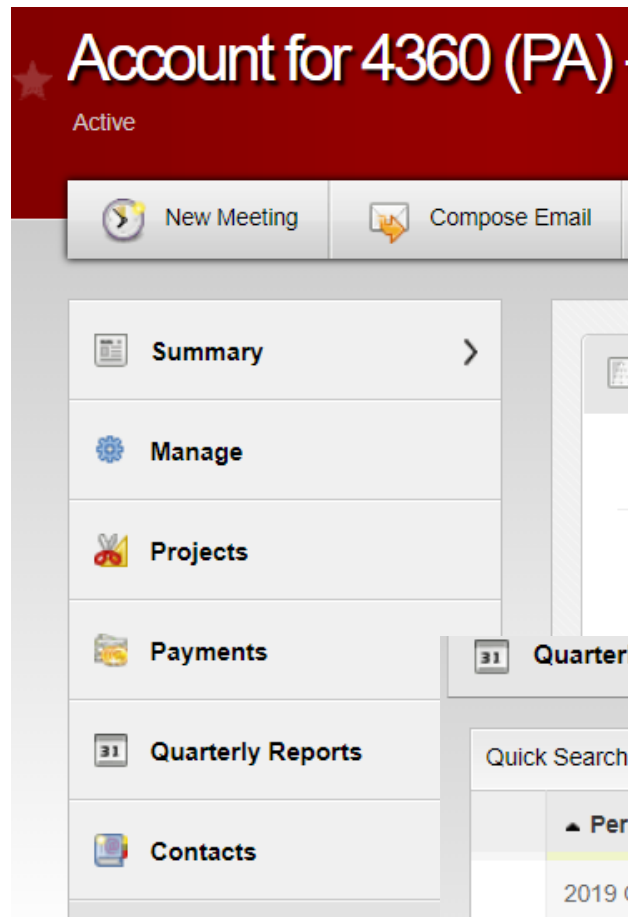
- Payments takes you to all payments and refunds applicable to the Project.

- Progress Monitoring

- Can view past Quarterly Reports and can submit current reports
- Track history of and review time extensions, scope changes, appeals and closeouts



Quarterly Progress Reports, All Users



- Follow link from email received with quarterly report notifications
- Or, from the Account Module, select Quarterly Reports. This brings up a listing of all current and previous Quarterly Reports.
- Select the current Quarterly Report.

Quarterly Reports						
Quick Search:			2 results			
Period	Proj Count	Proj F#	Submitted ...	Workflow Step	Days	
2019 Q1: Oct-Dec	9	multiple		1) Submission	2	
2018 Q4: Jul-Sep	5	multiple	Oct 10, 2018	4) Complete	48	

Quarterly Progress Reports, cont., All Users

2019 Q1: Oct-Dec

Routing in Progress: Submission (Step 1 of 4)

Save Advance Set on Hold Deny Delete

Summary Projects **Form** Notes Documents Workflow History

Form

Previous Project 2 of 10 - #179 4.HICKSON RUN ROAD Slip A and E V0 Next Project

Large Project Filter: ☐ < 100% Complete ☐ 100% Complete

F #179 - 4.HICKSON RUN ROAD Slip A and E V0 ([View Project](#))

Category: C Roads and Bridges Last Viewed By: [Laura Adcock](#) (Dec 3, 2018)

Eligible Amount: \$77,821.00 (Small)

Work Deadline: October 17, 2019

Note

If the Estimated Completion Date is greater than the Work Deadline, a Time Extension is required ([Create New](#)).
If the project scope of work has deviated from the original as approved by FEMA a Scope Change is required ([Create New](#)).

This Quarterly Report contains 10 Projects. Ensure that all projects are reported on before submitting this Quarterly Report. Use the above navigation bar to navigate to all Projects.

- Select Form in the left hand side.
- Quarterly Reports are done for each Project Worksheet (PW). If there are multiple PWs that need reported, there will be a drop down box and a Next Project button to scroll through to each PW (you can use either).
- Complete the Form for each PW, and make sure to check the box at the bottom of the page under “Submission Consent”.
- Once the Form for all PWs is completed, select Save and then Select Advance. The State is notified Reports are ready for review.

Submission Consent

☐

I agree the information entered in this form is accurate.

Large Project Reimbursements – All Users

The screenshot shows the top of a web application for Project #266 - Slips/Slides/Road damage (L, Cat C). Below the project title is a navigation bar with buttons for 'New Meeting', 'Create Expense', and 'Create New Request'. On the left is a sidebar menu with options: 'Summary', 'Manage', 'Funding', 'Expenses' (which is highlighted with a right-pointing arrow), and 'Payments'. The main content area is titled 'Expenses' and contains a 'Quick Search' bar, a table with columns '#', 'Type', 'Contractor', and 'Reimbursement', and a 'GETTING' button.

- Go to the Project
- On the left, click on Expenses – This will bring a box up called Create Expense
- Click Create Expense
- Enter the information on the Form – Type, Amount Requested and Comments – For comments please enter invoice numbers or some other identifying information to tie the expense to the payment
- Click Create at the top left

The screenshot shows the 'Create Expense' form. It has a 'Type:' label followed by a dropdown menu currently showing 'Select One'. Below this is the 'Amount Requested:' label, followed by a dollar sign and a text input field containing '0.00'. Underneath the input field is a small line of text: 'Project Eligible Obligated \$233,463.00, Federal Obligated \$175,097.25, Expended \$3,278.10'. At the bottom is the 'Comments:' label followed by a large text area for entering details.

Large Project Reimbursements, cont. – All Users

Project #266: Expense #2

Back to Project Save Set on Hold Delete Convert to RFR New Expense Copy Expense

Form

Notes

Project #266: Large Project Reimbursement Request
Draft

Advance Set on Hold Delete Expense Options

Summary Expenses Notes Documents

Expenses

Quick Search:

#	Type	Contractor	Reference #
2	Contract W...		

- In the top ribbon, select Convert to RFR
- This brings up the Large Project Reimbursement Module
- Upload documentation to support the rest at the bottom of the page (add document)
- Then click on Advance – This will notify the State of the pending request

Time Extensions Module – All Users

Project #3 - Straight Creek Road Culvert Replacement

Closed on May 09, 2017

New Meeting

Create New Request

Create a New Request

Select the request you would like to create by clicking on the name of the request below.

Note: For a list of Applicant or Account-based requests, first navigate to the Applicant or Account screen.

New Large Project Reimbursement Request

This form requests funding from the State on a given large project. Please attach copies of invoices, receipts, checks or payroll documents to support the requested amount for reimbursement.

New Time Extension

This form notifies the State that the physical work on a project will not be completed by the work completion deadline. Typically this request for an extension should be made at 30 days prior to an upcoming deadline.

Current Approved Completion Date:

Oct 19, 2016

The current deadline for this specific project.

FEMA Deadline Date:

Oct 19, 2016

The FEMA allocated Work Deadline for SDRP2015 June/July 2015 Flooding and Severe Storms.

Project Eligible Obligated:

\$42,212.38

Requested Completion Date:

Work Performed By:

Select One

Justification:

Provide a detailed timeline of delays in conjunction with documented justification describing the extenuating circumstances or unusual project requirements that are beyond the control of the applicant. This must be provided for approval consideration. Add attachments as necessary for a complete request description.

Current Percent Complete:

0 %

No QR Percent Complete available.

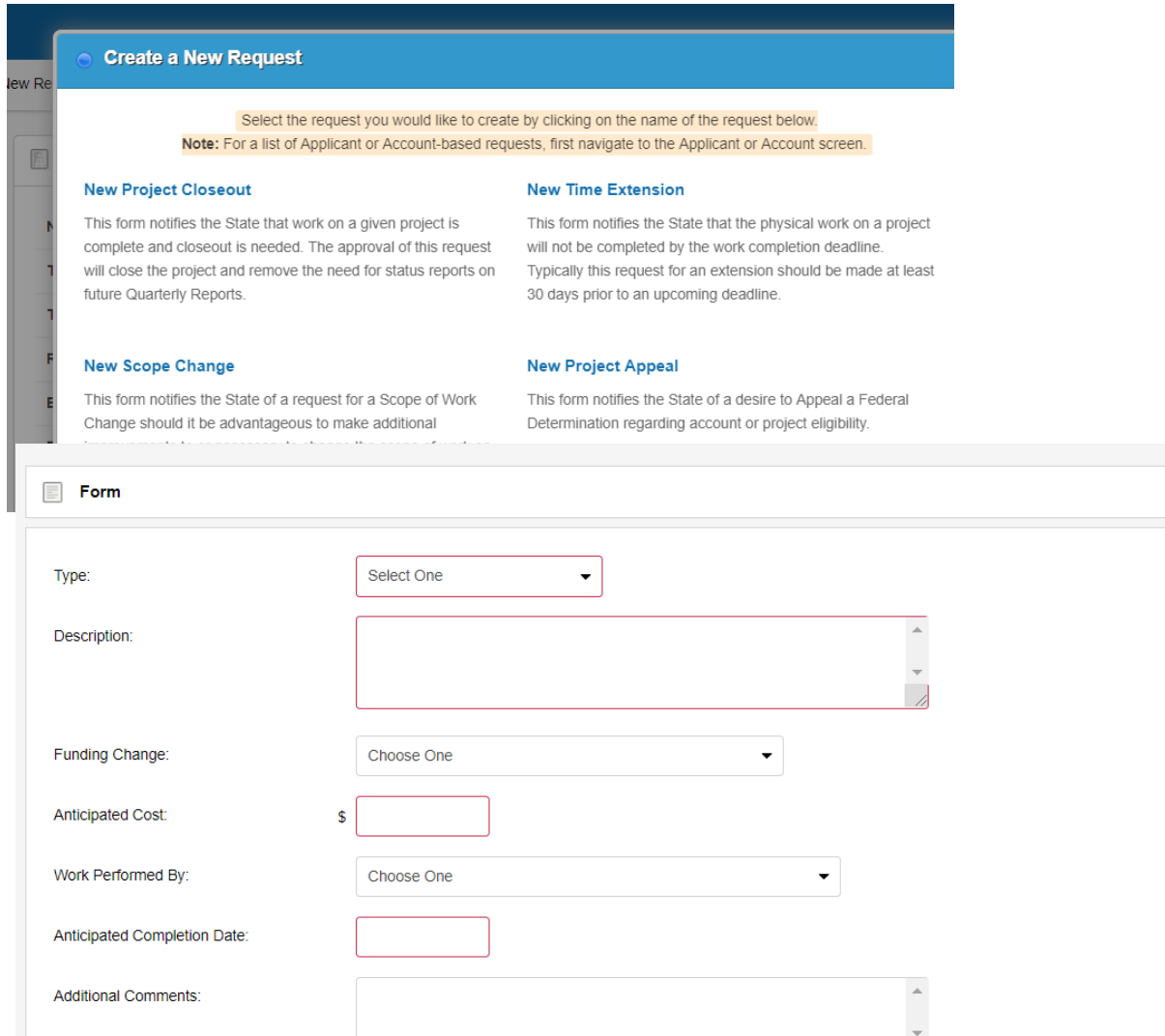
Milestones

Detailed timeline for completing the remainder of the work on this project.

Projected Date	Actual Date	Description

- Go to the Project and select Create New Request
- Select New Time Extension
- Complete:
 - Requested Completion Date
 - Work Performed By
 - Justification
 - Current Percent Complete
- Milestones
 - If established or information provided, enter milestones
- Save and then add any documents to the request
- Submit/advance to next step

Change in Scope of Work – All Users



Create a New Request

Select the request you would like to create by clicking on the name of the request below.

Note: For a list of Applicant or Account-based requests, first navigate to the Applicant or Account screen.

New Project Closeout
This form notifies the State that work on a given project is complete and closeout is needed. The approval of this request will close the project and remove the need for status reports on future Quarterly Reports.

New Time Extension
This form notifies the State that the physical work on a project will not be completed by the work completion deadline. Typically this request for an extension should be made at least 30 days prior to an upcoming deadline.

New Scope Change
This form notifies the State of a request for a Scope of Work Change should it be advantageous to make additional

New Project Appeal
This form notifies the State of a desire to Appeal a Federal Determination regarding account or project eligibility.

Form

Type:

Description:

Funding Change:

Anticipated Cost: \$

Work Performed By:

Anticipated Completion Date:

Additional Comments:

- Go to the Project that requires a change in scope and select Create a New Request
- Select New Scope Change
- On the Form, select the type of scope change, Alternate, Improved, Scope or Cost Adjustment. If it is more than one, note that in the Additional Comments box.
- Provide a brief Description (Damage Inventory number is helpful), the Anticipated Cost and the Anticipated Completion Date
- At the top left, click Save and click Advance
- Upload documentation to support the Scope Change request

Appeals – All Users

Create a New Request

New Large Project Reimbursement
This form requests funding for a project. Please attach copies of payroll documents to support reimbursement.

New Time Extension
This form notifies the State that a project will not be completed by the deadline. Typically this request for a 30 days prior to an upcoming deadline.

New Project Appeal
This form notifies the State of a desire to Appeal a Federal Determination regarding account or project eligibility.

Form

Justification:

Type: Project

Project(s):

- F 611 - Culverts washed out - CR 410
- F 625 - County-wide Debris Removal
- F 636 - County-wide Emergency Protective Measures
- F 647 - CR 10 Road Slip
- F 657 - CR 12 Culvert & CR 6 Road Washout
- F 750 - Coshocton County Completed Roads
- F 821 - Coshocton County Road Slips
- F 922 - CR 17**

Other Projects:

List any projects not included in the above list.

- Go to the Project that requires an appeal, select Create a New Request
- Select New Project Appeal
- On the Form, give a brief description of the Justification for the appeal.
- At Type: Either Project Appeal or Applicant Appeal
- Select the Project
- At the top left, click Save and click Advance
- Upload documentation to support the Appeal

Project Closeout Module – All Users

The screenshot displays the 'Project #13 - Rowe Road' interface. At the top, a blue header shows the project name and 'Obligated on Jan 05, 2017'. Below this, a toolbar contains 'New Meeting' and 'Create New Request' buttons. A blue bar below the toolbar says 'Create a New Request'. A yellow callout box points to the 'Create New Request' button with the text: 'Select the request you would like to create by clicking on the name of the request. If you have multiple requests, first navigate to the Applicant'. Below the toolbar, a blue bar says 'New Project Closeout'. The main form area has a left sidebar with 'Summary', 'Form', 'Notes', 'Documents', 'Workflow', and 'History'. The 'Form' tab is active, showing fields for 'Projects Included' (1 Project), 'Project' (Rowe Road - \$3,635.8), 'Expended Amount' (\$ 7,151.71), and 'Completion Date' (Oct 26, 2016). A detailed breakdown of the expended amount is shown below the field: 'Total claimed funds that include: - Documented Expenses - Eligible amount as current - Difference between expended and approved'.

Project #13 - Rowe Road
Obligated on Jan 05, 2017

New Meeting Create New Request

Create a New Request

Select the request you would like to create by clicking on the name of the request. If you have multiple requests, first navigate to the Applicant

New Project Closeout

Summary Form Notes Documents Workflow History

Projects Included: 1 Project (change)

Project: Rowe Road - \$3,635.8

Expended Amount: \$ 7,151.71
Total claimed funds that include:
- Documented Expenses
- Eligible amount as current
- Difference between expended and approved

Completion Date: Oct 26, 2016
The date the work on the project was completed

- Go to the Project you want to close
- Select Create New Request
- Select New Project Closeout
- Enter the actual amount spent on the project, even if over or under the approved amount
- Enter the actual completion date
- Enter any comments
- Select Save
- Select Advance

Project Closeout Module – All Users, cont.

Form





Projects Included: 1 Project (change) ←

Change Type of Closeout

Include: 1 Project ▼

Project: Project #35 - Letart Twp Reg. Lab

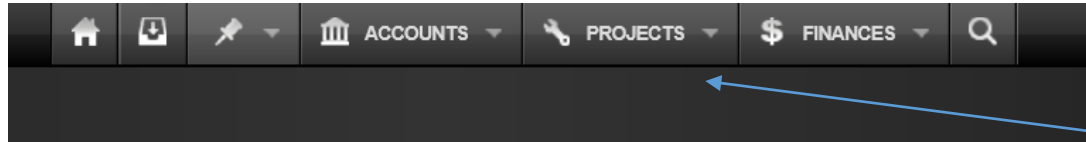
Projects Included: Multiple Projects (change)

Project	Expended	Eligible Amount	Completed	Inspected	% Complete		
Project #93 - Sit ▼	\$ <input type="text"/>	\$1,710.00	<input type="text"/>	<input type="text"/>	<input type="text"/> %		
Select One ▼	\$ <input type="text"/>	\$0.00	<input type="text"/>	<input type="text"/>	<input type="text"/> %		
	\$0.00	\$1,710.00					

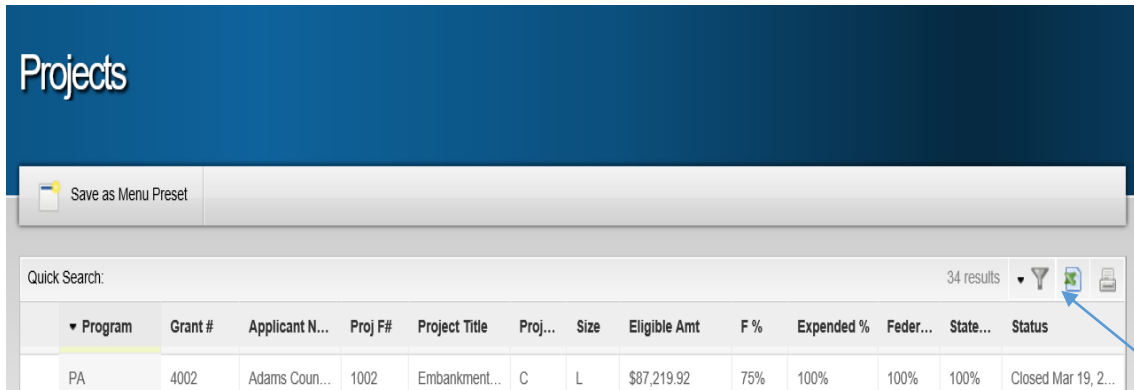
Add Line

- You can also close multiple projects at a time.
- Once you choose your first Project to close and you create a New Project Closeout, you can change the number of Projects to close
- Include – Select Multiple Projects from the drop down
- Add as many lines as Projects you want to close and then select the Projects from the drop down and enter the actual expended amount and actual completion date.
- Save and advance to Step 2.

Sorting, Filtering, Reports – Non-State Users only



- There are several sorts, filters and reports that can be generated under Accounts, Projects and Finances



- Find the Request, Form, Listing or Report that most closely meets your needs
- Select that item to run the Listing
- If you want more filters, select the Filter Icon or Excel Icon and this will give you additional filter options prior to exporting the information to Excel.

Audit Tips for Managing Disaster-Related Project Costs





DHS OIG

AUDIT TIPS FOR MANAGING DISASTER-RELATED PROJECT COSTS

June 8, 2015

Why We Did This

We prepared this report to assist recipients and subrecipients (grantees and subgrantees) of Federal Emergency Management Agency (FEMA) disaster assistance grants. We have updated this guide to include information on FEMA's alternative procedures under the *Sandy Recovery Improvement Act of 2013* (P.L. 113-2). We also added information about Title 2 CFR Part 200: *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, which applies to all FEMA awards made on or after December 26, 2014.

For Further Information:

Contact our Office of Public Affairs at (202) 254-4100, or email us at DHS-OIG.OfficePublicAffairs@oig.dhs.gov

Who Needs This?

More than 100,000 recipients and subrecipients of FEMA disaster assistance grants are currently working on about 600,000 open projects worth over \$50 billion. Under the Public Assistance Program, FEMA provides grants to state, tribal, and local governments, and private nonprofit organizations so that communities can quickly respond to and recover from major disasters. FEMA's Hazard Mitigation Grant Program provides funding to the same entities to implement long-term measures to prevent damages from future disasters.

Using this report will assist Disaster Assistance applicants—

- **document and account for disaster-related costs;**
- **minimize the loss of FEMA disaster assistance funds;**
- **maximize financial recovery; and**
- **prevent fraud, waste, and abuse of disaster funds.**




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Department of Homeland Security

Washington, DC 20528 / www.oig.dhs.gov

06-08-2015

MEMORANDUM FOR: All Recipients and Subrecipients of
Disaster Grant Awards from the
Federal Emergency Management Agency

FROM: John V. Kelly
Assistant Inspector General
Office of Emergency Management Oversight
SUBJECT: *Audit Tips for Managing
Disaster-Related Project Costs*
Report Number OIG-15-100-D

The Department of Homeland Security (DHS), Office of Inspector General (OIG), Office of Emergency Management Oversight (EMO) prepared this report to provide recipients and subrecipients (grantees and subgrantees) of Federal Emergency Management Agency (FEMA) Public Assistance and Hazard Mitigation grant funds examples of previous audit findings. The purpose of this report was not to audit FEMA or its grant recipients and subrecipients. Therefore, we did not prepare it in accordance with generally accepted government auditing standards.

Rather, this report provides an overview of OIG responsibilities; applicable disaster assistance Federal statutes, regulations, and guidelines; the audit process and frequent audit findings; and key points to remember when administering FEMA grants. Using this report should assist disaster assistance applicants—

- document and account for disaster-related costs;
- minimize the loss of FEMA disaster assistance program funds;
- maximize financial recovery; and
- prevent fraud, waste, and abuse of disaster funds.

Background

Each year, OIG audit reports reveal significant issues representing millions of dollars of Federal funds allocated for disaster assistance and recovery efforts. These reports also contain recommendations to protect the integrity of and improve FEMA's disaster assistance operations.

The majority of our audits focus on FEMA's Public Assistance and Hazard Mitigation grant programs, funded from the Disaster Relief Fund. Under the Public Assistance Program, FEMA provides grants to state, tribal and local governments, and certain types of private nonprofit organizations so that communities can quickly respond to and recover from major disasters. FEMA's
www.oig.dhs.gov OIG-15-100-D



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Hazard Mitigation Grant Program provides funding to the same entities to implement long-term measures to prevent damages from future disasters.

Overview of the Office of Inspector General

The *Homeland Security Act of 2002* established the OIG in DHS by amendment to the *Inspector General Act of 1978* (P.L. 95-452). The OIG serves as an independent office to promote economy, efficiency, and effectiveness; to prevent waste, fraud, and abuse; and to keep Congress and the Secretary of DHS fully informed of problems in DHS programs and operations. The principal functions of the OIG are to:

- perform or oversee audit and investigative functions relating to programs and operations of DHS;
- inspect Department activities to identify actual or potential fraud, waste, abuse, or mismanagement, and to develop recommendations for corrective action; and
- investigate allegations of illegal, unethical, or other activities that may lead to civil or criminal liability on the part of DHS or its employees, contractors, or program participants.

Applicable Federal Statutes, Regulations, and Guidelines

Federal grant recipients and subrecipients are responsible for understanding and complying with a large amount of criteria applicable to FEMA disaster grants, which include those for public assistance and hazard mitigation. Some help in responding to and recovering from a disaster, and others help in receiving and managing Federal funds. One of the most important criteria is Title 44 Code of Federal Regulations (CFR), which contains policies and procedures for implementing the *Robert T. Stafford Disaster Relief and Emergency Assistance Act*, as amended (*Stafford Act*). These basic policies and procedures govern disaster relief operations. Title 44 CFR is available at the following website:

<http://www.gpo.gov/fdsys/browse/collectionCfr.action?collectionCode=CFR>.

Another very important criterion is Title 2 CFR Part 200: *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Super Circular” or “Omni Circular”). These regulations supersede 44 CFR Part 13, and Office of Management and Budget (OMB) Circulars A-102, A-110, A-87, A-21, A-122, and A-133 **for all FEMA awards made on or after December 26, 2014**. Title 2 CFR Part 200 is available at the following website:

http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl.



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For all FEMA awards made before December 26, 2014, the following OMB circulars apply (http://www.whitehouse.gov/omb/circulars_default/):

- OMB Circular A-102, *Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments*. [FEMA codified these requirements, also referred to as the “Common Rule,” at 44 CFR Part 13.]
- OMB Circular A-110, *Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations*. Relocated to 2 CFR, Part 215.
- OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*. Relocated to 2 CFR, Part 225.
- OMB Circular A-21, *Cost Principles for Educational Institutions*. Relocated to 2 CFR, Part 220.
- OMB Circular A-122, *Cost Principles for Non-Profit Organizations* (excludes hospitals). Relocated to 2 CFR, Part 230. [According to 2 CFR 215.27, the allowability of costs that hospitals incur “is determined in accordance with the provisions of Appendix E of 45 CFR part 74, *Principles for Determining Costs Applicable to Research and Development Under Grants and Contracts with Hospitals*.”]
- OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*.

In addition, FEMA has several program-specific policy documents that will assist recipients and subrecipients in understanding all aspects of the Public Assistance and Hazard Mitigation Grant Programs, including the following:

- FEMA 321, *Public Assistance Policy Digest* (January 2008)
- FEMA 322, *Public Assistance Guide* (June 2007)
- FEMA 323, *Public Assistance Applicant Handbook* (March 2010)
- FEMA 325, *Public Assistance Debris Management Guide* (July 2007)
- FEMA 327, *Debris Monitoring Guide* (October 2010)
- FEMA 329, *Debris Estimating Field Guide* (September 2010)
- FEMA Disaster Assistance Policy (9500 series policy statements)
- Hazard Mitigation Assistance (HMA) Unified Guidance

The following websites provide access to a number of FEMA resources: <http://www.fema.gov/public-assistance-policy-and-guidance> and <https://www.fema.gov/hazard-mitigation-assistance>



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The *Sandy Recovery Improvement Act of 2013* (P.L. 113-2) amended Title IV of the *Stafford Act*. Specifically, the law adds section 428, which authorizes alternative procedures for the Public Assistance (PA) Program under sections 403(a)(3)(A), 406, 407, and 502(a)(5) of the *Stafford Act*. It also authorizes FEMA to implement the alternative procedures through a pilot program. The program will remain in place until FEMA promulgates and adopts revised regulations that reflect the program changes the law authorizes. Information is available at the following website: <https://www.fema.gov/alternative-procedures>.

The Audit Process and Frequent Audit Findings

The OIG considers several factors to determine which activities to audit. These factors include:

- the risk of fraud, waste, and abuse of Federal funds;
- statutory and regulatory requirements;
- current or potential dollar magnitude;
- requests from congressional, FEMA, or State officials; and
- reports/allegations of impropriety or problems in implementing FEMA programs.

Traditionally, the OIG conducted most of its disaster grant audits after communities completed the majority or all of the work to determine whether they had accounted for and expended FEMA funds according to Federal requirements. However, in 2012, the OIG implemented a more proactive approach to auditing to place greater emphasis on prevention and early detection. This approach considers the entire life cycle of grant awards. Currently, at least half of OIG's disaster grant audits consist of (1) "capacity" audits that start usually within a year of the disaster; or (2) "early warning" audits that start before communities have begun work on most permanent projects. These audits identify areas where grant recipients may need additional technical assistance or monitoring to ensure compliance with Federal requirements. In addition, by undergoing an audit early in the grant cycle, grant recipients have the opportunity to correct noncompliance before they spend the majority of their grant funding. It also allows them the opportunity to supplement deficient documentation or locate missing records before too much time elapses.



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Frequent Audit Findings (examples)

A. Poor Contracting Practices

Criteria: According to Federal regulations (2 CFR 200.318 to .326), all non-Federal entities (other than states) must comply with the following procurement standards:¹

- Conduct all procurement transactions in a manner providing full and open competition consistent with the standards of this section (2 CFR 200.319(a)). Noncompetitive procurement may be used under certain circumstances, one of which is when the public exigency or emergency will not permit a delay resulting from competitive solicitation (2 CFR 200.320(f)).
- Take all necessary affirmative steps to assure the use of minority businesses, women's business enterprises, and labor surplus area firms when possible (2 CFR 200.321)).
- Maintain oversight to ensure contractors perform according to the terms, conditions, and specifications of their contracts or purchase orders (2 CFR 200.318(b)).
- Maintain written standards of conduct covering conflicts of interest and governing the performance of its employees who engage in the selection, award, and administration of contracts (2 CFR 200.318(c)(1)).
- Maintain records sufficient to detail the history of the procurement. These records will include, but are not limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price (2 CFR 200.318(i)).
- Use time-and-material-type (T&M) contracts only after determining that no other contract is suitable and if the contract includes a ceiling price that the contractor exceeds at its own risk. Time and material type contract means a contract whose cost to a non-Federal entity is the sum of (1) the actual cost of materials; and (2) direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit (2 CFR 200.218(j)(1)).
- Perform a cost or price analysis in connection with every procurement action in excess of the Simplified Acquisition Threshold including contract modifications (2 CFR 200.323(a)).

¹ States must follow the same policies and procedures they use for procurements using non-Federal funds (2 CFR 200.317).



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- Negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed (2 CFR 200.323(b)).
- Do not use cost-plus-a-percentage-of-cost and percentage-of-construction-cost methods of contracting (2 CFR 200.323(d)).
- Include required provisions in all contracts awarded (2 CFR 200.326).

Finding 1. The subrecipient awarded four debris contracts totaling \$44.6 million without competition. As a result, full and open competition did not occur and FEMA had no assurance that costs were reasonable. The subrecipient also did not adequately monitor its contracts. Contract monitoring includes comparing staff and equipment hours invoiced to actual observations of work performed. The audit identified instances where the subrecipient paid contractor invoices that did not agree with the contractor's time and attendance, and equipment usage records. Because the subrecipient did not effectively monitor the contract, FEMA had no assurance that the hours the contractor charged on invoices were for actual time worked. Therefore, the OIG questioned \$44.6 million because the subrecipient did not follow Federal procurement standards.

Finding 2. The subrecipient used a T&M contract, which is not appropriate for most construction work, and did not include a cost ceiling. The contract also included prohibited markups based on a percentage of costs. By definition, T&M contracts provide for acquiring supplies or services on the basis of (1) direct labor hours at specified fixed hourly rates that include wages, overhead, general and administrative expenses, and profit and (2) materials at cost, including, if appropriate, material handling costs. The T&M rates in the contract already included profit and overhead, yet the contractor charged markups of 15 to 33 percent on top of its T&M rates. Additionally, the subrecipient did not perform any cost or price analysis for the contract and did not negotiate a cost ceiling or "not-to-exceed" contract provision with its contractor. As a result, the contractor had no incentive to contain project costs. In fact, markups as a percentage of costs provide contractors a disincentive to save costs because higher costs lead to higher profits. Therefore, the OIG questioned \$1,243,850 in T&M contract costs because the subrecipient did not follow Federal procurement standards.

Finding 3. The subrecipient did not openly compete a contract totaling \$4.1 million for the replacement/repair of pump stations and electrical components. Instead, the subrecipient used a contractor with which it had an existing business relationship before the disaster. In addition, the subrecipient accepted the contractor's proposed prices without performing an independent analysis of the prices to ensure reasonableness. Finally, the subrecipient did not take the required steps to assure the use of small businesses, minority owned firms, women's business enterprises, and labor-surplus area firms when possible.



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Therefore, FEMA has no assurance that these types of firms had adequate opportunities to bid on federally funded work as Congress intended. Therefore, the OIG questioned \$4.1 million because the procurement did not comply with Federal requirements.

B. Unsupported Costs

Criteria: Federal cost principles (2 CFR 200.403(g)) require recipients and subrecipients to adequately document costs they claim under Federal programs.

Finding 1. The subrecipient claimed \$150,000 for contract labor but had invoices and canceled checks to support only \$100,000. The OIG questioned the unsupported difference of \$50,000.

Finding 2. The subrecipient's claim included \$300,000 for force account labor. However, the subrecipient provided time sheets and payroll registers to support only \$275,000. The OIG questioned the unsupported difference of \$25,000.

Finding 3. The subrecipient claimed \$1 million for materials withdrawn from its existing inventory to repair its electrical distribution system. The subrecipient had a listing of material items reportedly used for repairs and a listing of the value of such items. However, records reflecting the withdrawal of items from the inventory did not support the listing. Therefore, the OIG allowed the material costs associated with the actual repairs but questioned the \$1 million in materials the subrecipient claimed to have taken from its existing inventory.

C. Poor Project Accounting

Criteria: Federal regulations (2 CFR 200.302 and 44 CFR 206.205) require recipients and subrecipients to maintain a system that accounts for FEMA funds on a project-by-project basis. The system must disclose the financial results for all FEMA-funded activities accurately, currently, and completely. It must identify funds received and disbursed, and reference source documentation (i.e., canceled checks, invoices, payroll, time and attendance records, contracts, etc.).

Finding 1. The subrecipient did not account separately for the costs of each project. The subrecipient had five distinct FEMA-funded projects but accounted for project expenditures under one cost center. As a result, the OIG could not verify the subrecipient's claim by project.

Finding 2. The subrecipient's journal of project expenditures did not contain references to payroll or daily activity reports that supported the payroll expenditures charged to the FEMA project. Therefore, the OIG could not systematically trace expenditures for labor to supporting documents nor verify the claimed costs.



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D. Duplication of Benefits

Criterion: Section 312 of the *Stafford Act* prohibits duplication of benefits. In other words, a subrecipient cannot receive disaster funding for activities covered by insurance benefits, other Federal programs, or any other source.

Finding 1. The subrecipient claimed and received \$200,000 to repair a fence, replace dirt, and construct a retaining wall at a baseball park facility. However, the subrecipient had insurance coverage that it had not disclosed to FEMA, and received \$220,000 from its insurance carrier for the same damages. Therefore, the OIG questioned the \$200,000 of FEMA funding received for damages that insurance covered.

Finding 2. The subrecipient claimed and received \$100,000 of FEMA funds for road repairs and the replacement of a chain link fence at a Head Start facility. However, the subrecipient also received funds from the U.S. Department of Housing and Urban Development and the U.S. Department of Health and Human Services to carry out the same activities. Therefore, the OIG questioned the \$100,000 of FEMA funds received for activities that other Federal programs covered.

E. Excessive Equipment Charges (applicability may vary with hazard mitigation projects)

Criterion: Federal regulations (44 CFR 206.228) require that subrecipients use the FEMA schedule of equipment rates or their local rates, whichever are lower. Subrecipients that do not have local established rates must use the FEMA equipment rates when claiming costs under a FEMA project.

Finding. The subrecipient claimed \$78,348 for the use of bucket trucks based on the FEMA rate of \$24 per hour (3,264.5 hours x \$24 per hour). However, the subrecipient's local equipment rate for bucket trucks was \$16 per hour, or \$8 less than the FEMA rate. Therefore, the OIG questioned \$26,116 (3,264.5 hours x \$8) of excess charges.

F. Excessive Labor and Fringe Benefit Charges

Criteria: According to Federal cost principles (2 CFR 200.403(c)), allowable costs must be consistent with policies and procedures that apply uniformly to both Federal awards and other activities of the non-Federal entity. Additionally, according to 44 CFR 206.228, straight or regular-time salaries and benefits of permanent employees engaged in emergency work (emergency protective measures and debris removal) are not eligible for FEMA Public Assistance funding.



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Finding 1. The subrecipient claimed \$50,000 for overtime fringe benefits based on a fringe benefit rate of 23.55 percent. However, the rate included the cost of worker's compensation, which is not applicable to overtime. The subrecipient should have based its claim on a rate of 10 percent, which would have resulted in charges of \$21,231. Therefore, the OIG questioned \$28,769 that the subrecipient received, but to which it was not entitled.

Finding 2. The subrecipient claimed \$10,000 for fringe benefits for personnel that a temporary personnel agency supplied. However, the subrecipient did not provide fringe benefits to the workers or pay the personnel agency for the costs claimed. Therefore, the OIG questioned the inappropriate charges of \$10,000.

Finding 3. The subrecipient charged a debris-removal project \$250,000 for regular time (\$150,000) and overtime (\$100,000) labor costs of permanent employees. Because regular-time salaries and benefits of a subrecipient's permanent employees engaged in debris removal work are not eligible for FEMA assistance, the OIG questioned the \$150,000 claimed for regular-time labor.

G. Unrelated Project Charges

Criteria: According to Federal cost principles (2 CFR 200.403(a)), charges to Federal grants must be necessary and reasonable for the performance of the Federal award. In addition, to be eligible for FEMA funds, an item of work must be required because of the major disaster event (44 CFR 206.223). Therefore, the subrecipient must substantiate that its claimed costs directly relate to the disaster. The subrecipient must also establish a clear relationship between claimed costs and the scope of work recorded on a project worksheet.

Finding 1. The subrecipient's claim for repairs to its local electrical distribution system included \$10,000 in ineligible costs for meals provided to the subrecipient's vice presidents, car washes, and a VCR. The OIG questioned these costs because they were for activities that did not benefit the project.

Finding 2. The subrecipient claimed and received \$500,000 under a FEMA project to repair Road XYZ. However, the subrecipient's claim included \$250,000 for heavy equipment and material charges for Road ABC. The OIG questioned the \$250,000 for Road ABC because the road was not included under the project's approved scope of work.



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H. Unapplied Credits

Criterion: According to Federal cost principles (2 CFR 200.406), credits accruing to or received by a non-Federal entity that relate to allowable costs must be credited to the Federal award either as a cost reduction or cash refund, as appropriate.

Finding 1. FEMA awarded funds to repair a subrecipient's electrical distribution system. The subrecipient received \$15,000 from the sale of scrap material related to the FEMA project, but did not credit the FEMA project with the sale proceeds. Therefore, the OIG questioned \$15,000 as unapplied credits.

Finding 2. The subrecipient received credit discounts totaling \$7,000 under a FEMA project for early payments to a contractor, but did not credit the FEMA project for the discounts. Therefore, the OIG questioned \$7,000 because the subrecipient should have reduced its claim by that amount.

I. Direct Administrative Costs

Criteria: 44 CFR 207 and FEMA Disaster Policy 9525.9, *Management Costs and Direct Administrative Costs* (Policy), identify "section 324 management costs," and other grant management and administrative costs that are eligible under the Public Assistance Program. The Policy also clarifies the process through which grantees and subgrantees (recipients and subrecipients) can request reimbursement for these costs. Section VII.A of the Policy provides the following definitions:

- *Direct Administrative Costs* are costs the grantee or subgrantee (recipient and subrecipient) incurs that can be identified separately and assigned to a specific project (44 CFR 207.6(c)).
- *Indirect Costs* are costs a grantee (recipient) incurs for a common or joint purpose benefiting more than one cost objective that are not readily assignable to the cost objectives specifically benefited (44 CFR 207.2).
- *Management Costs* are any indirect costs, administrative expenses, and any other expenses that a grantee or subgrantee (recipient or subrecipient) reasonably incurs in administering and managing the Public Assistance grant that are not directly chargeable to a specific project (44 CFR 207.2).
- *Pass-through funds* are the percentage or amount of management costs that the grantee (recipient) determines it will make available to subgrantees (subrecipients) (44 CFR 206.207(b)(1)(iii)(K)).

According to section VII.D.1 of the Policy, "Direct administrative costs include costs that can be tracked, charged, and accounted for directly to a specific project, such as staff time to complete field inspection and preparation of a project



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worksheet. Direct costs are limited to actual reasonable costs incurred for a specific project. Such costs will be considered project costs.”

Finding. The subgrantee (subrecipient) claimed \$2,272,675 as direct administrative costs, but could not track the costs separately to specific projects. The subgrantee (subrecipient) allocated its administrative costs over all the projects. The OIG questioned the \$2,272,675 because the costs could not be traced directly to specific projects; therefore, the costs were indirect costs, which are unallowable. Although allocating administrative costs over all the projects may have been acceptable for project formulation (initial estimation of project cost) and/or to expedite the funding process, it is not acceptable for claiming direct administrative costs.

Key Points to Remember When Administering FEMA Grants

1. Designate a person to coordinate the accumulation of records.
2. Establish a separate and distinct account for recording revenue and expenditures, and a separate identifier for each distinct FEMA project.
3. Ensure that the final claim for each project is supported by amounts recorded in the accounting system.
4. Ensure that each expenditure is recorded in the accounting books and is referenced to supporting source documentation (checks, invoices, etc.) that can be readily retrieved.
5. Research insurance coverage and seek reimbursement for the maximum amount. Credit the appropriate FEMA project with that amount.
6. Check with your Federal Grant Program Coordinator about the availability of funding under other Federal programs (Federal Highway, Housing and Urban Development, etc.) and ensure that the final project claim does not include costs that another Federal agency funded or should have funded.
7. Ensure that materials taken from existing inventories for use under FEMA projects are documented by inventory withdrawal and usage records.
8. Ensure that expenditures claimed under the FEMA project are reasonable and necessary, are authorized under the scope of work, and directly benefit the project.



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Disaster Fraud Hotline

The DHS OIG not only conducts audits, but also aggressively investigates allegations of fraud, waste, and abuse. Below are a few of the more common allegations reported through our Hotline.

- ❑ Disaster assistance applicants use false names and/or fictitious addresses.
- ❑ Disaster assistance applicants claim losses that they did not incur or were not entitled to claim.
- ❑ Private individuals claim to be FEMA employees.
- ❑ Disaster fund recipients are victimized by contractors who inflate repair fees and/or fail to properly complete repairs.
- ❑ Disaster fund recipients damage their own properties to receive disaster assistance.
- ❑ Recipients do not use FEMA funds for the purpose intended.

If you have knowledge of fraud, waste, or abuse, or allegations of mismanagement involving disaster relief operations, you can:

- Call the Disaster Fraud Hotline at 1-866-720-5721
- Fax the Disaster Fraud Hotline at 1-225-334-4707
- Email: disaster@leo.gov
- Or write: National Center for Disaster Fraud
Baton Rouge, LA 70821-4909

Calls can be made anonymously and confidentially.

ADDITIONAL INFORMATION AND COPIES

To view this and any of our other reports, please visit our website at: www.oig.dhs.gov.

For further information or questions, please contact Office of Inspector General Public Affairs at: DHS-OIG.OfficePublicAffairs@oig.dhs.gov. Follow us on Twitter at: @dhsoig.



OIG HOTLINE

To report fraud, waste, or abuse, visit our website at www.oig.dhs.gov and click on the red "Hotline" tab. If you cannot access our website, call our hotline at (800) 323-8603, fax our hotline at (202) 254-4297, or write to us at:

Department of Homeland Security
Office of Inspector General, Mail Stop 0305
Attention: Hotline
245 Murray Drive, SW
Washington, DC 20528-0305



Public Assistance Management Costs (Interim)

FEMA Recovery Policy FP 104-11-2

BACKGROUND

Section 324 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, as Amended (Stafford Act) authorizes FEMA to provide contributions under this Act for management costs incurred in the administration of the Public Assistance (PA) Program. The Disaster Recovery Reform Act of 2018 (DRRA) amends Section 324 of the Stafford Act to define management costs to include “any indirect cost, any direct administrative cost, and any other administrative expense associated with a specific project under a major disaster, emergency, or disaster preparedness or mitigation activation or measure.” Additionally, the DRRA establishes the following management cost rates: “A grantee [Recipient] under [Stafford Act] sections 403, 406, 407, and 502 may be reimbursed not more than 12 percent of the total award amount under such sections, of which not more than 7 percent may be used by the grantee and 5 percent by the subgrantee [Subrecipient] for such costs.”

As a result of the amendment to Section 324, Title 44 Code of Federal Regulations (CFR) Part 207 is no longer effective. This interim policy implements the DRRA amendments to Section 324 and thereby supersedes existing regulations and policies related to Management Costs and Direct Administrative Costs (DAC), including Part 207, Chapters 2.V.N and 3.V.B of the *Public Assistance Program and Policy Guide* (PAPPG) and the *Public Assistance Alternative Procedures for Direct Administrative Costs* (DAC Pilot), and applies to all major disasters and emergencies declared on or after August 1, 2017.

PURPOSE

The purpose of this interim policy is to define the framework and requirements to ensure appropriate and consistent implementation of Stafford Act Section 324 Management Costs, as amended by DRRA.

PRINCIPLES

Implement the authorities provided under Stafford Act Section 324 to provide management costs in a manner that simplifies the delivery of assistance and reduces the administrative burden on FEMA, Recipients, and Subrecipients related to tracking and requesting reimbursement.



DEFINITIONS

Management costs: Any of the following when associated with the PA portion of a major disaster or emergency:

- Indirect cost
- Direct administrative cost
- Other administrative expense associated with a specific project

Total award amount: Actual eligible PA project costs, including the non-Federal share, after insurance and any other reductions. Category B Donated Resource Project Worksheets (PW) are not included in the 7 or 5 percent calculations as they are not project awards.

REQUIREMENTS

A. APPLICABILITY

Outcome: Establish the applicability of this interim policy and the options for retroactive implementation.

1. For incidents declared on or after October 5, 2018, management costs will be processed only under the DRRA authorities and this interim policy.
2. For incidents declared from August 1, 2017, through October 4, 2018, Recipients and Subrecipients that, as of the date of this interim policy, have opted:
 - a. To utilize the DAC Pilot (regardless of whether or not DAC has been obligated), may either continue utilizing the DAC Pilot or receive management cost contributions pursuant to this interim policy.
 - b. Not to utilize the DAC Pilot, but have DAC funding obligated, may either continue receiving DAC in accordance with the PAPPG or receive management cost contributions pursuant to this interim policy.
 - c. Not to utilize the DAC Pilot and have no DAC funding obligated, will receive management cost contributions pursuant to this interim policy.
3. For Recipients and Subrecipients that fall under A.2.a or A.2.b:
 - a. The selection made will apply to all of the respective Recipient's or Subrecipient's projects for the respective major disaster or emergency, regardless of a project's obligation status and regardless of whether the project is open or closed.
 - b. FEMA must receive written notification on which option is selected within 90 calendar days of the date of this interim policy.



- c. Subrecipients that do not notify FEMA of the selected option within the 90-day deadline will continue receiving DAC according to the option that was being applied prior to issuance of this interim policy.
- d. Recipients that do not notify FEMA of the selected option within the 90-day deadline will continue receiving DAC according to the option that was being applied prior to issuance of this interim policy and will continue receiving Section 324 Management Costs based on the provisions in 44 CFR Part 207.

B. MANAGEMENT COST CONTRIBUTION

Outcome: Provide PA management cost contributions to both Recipients and Subrecipients up to a percentage of the total award amount.

- 1. All management costs will be obligated via Category Z PWs and funded at 100 percent Federal share. This includes management costs for all projects (e.g., small projects, large projects, and any projects completed under Stafford Act Section 428, *Public Assistance Program Alternative Procedures*).
- 2. For the Recipient:
 - a. FEMA provides contributions for management costs based on actual costs incurred up to 7 percent of the total award amount for the disaster or emergency, excluding Subrecipient management costs.
 - b. The 7 percent rate is inclusive of management costs expended by the Recipient for its own projects. The Recipient does not receive an additional 5 percent for management costs on its own projects.
 - c. If a State and Tribal Government both receive a presidential declaration for the same incident within the same State, or if a Tribal Government opts to be a Recipient under the State declaration, then both are Recipients. As such, both are eligible for the 7 percent.
 - d. If a Recipient requests management cost funding prior to Subrecipient project obligations, FEMA may make an initial Category Z obligation for 7 percent of the state minimum per capita indicator¹. Once project obligations exceed the minimum per capita indicator, FEMA may process additional versions to the Category Z PW for 7 percent of the total project amount obligated on a quarterly basis as needed. These obligations are subject to Strategic Funds Management.² FEMA may require a plan describing how the Recipient plans to use the funds.

¹ Under the Tribal Declarations Pilot Guidance, FEMA does not use a per capita indicator for Tribes. As such, FEMA will work with tribal Recipients to determine the appropriate amount for an initial obligation, when necessary.

² FEMA's *Strategic Funds Management – Implementation Procedures for the Public Assistance Program* provides detailed information on this process and is located at www.fema.gov/media-library/assets/documents/30301.



FEMA

- e. After FEMA has received the Recipient's certification of all projects for a declaration in accordance with 44 CFR § 206.205 and processed all final actual cost project claims, and upon receipt of the Recipient's final actual management cost claim, FEMA will process the final Category Z obligation or deobligation based on actual reasonable costs up to the maximum 7 percent.

3. For Subrecipients:

- a. FEMA provides contributions for management costs based on actual costs incurred up to 5 percent of the Subrecipient's total award amount.
- b. Once a Subrecipient has project obligations, FEMA may provide a Category Z obligation for 5 percent of the total project amount obligated. FEMA may process additional versions to the Category Z PW for 5 percent of that Subrecipient's total project obligations on a quarterly basis as needed. These obligations are subject to Strategic Funds Management. FEMA may require a plan describing how the Subrecipient plans to use the funds.
- c. After FEMA has received and processed all of a Subrecipient's final actual cost project claims and upon receipt of the Subrecipient's final actual management cost claim, FEMA will process the final Category Z obligation or deobligation based on actual reasonable costs up to the maximum 5 percent.

C. USE OF MANAGEMENT COST FUNDS

Outcome: To establish activities eligible for management cost contributions and the deadlines to use the contributions.

1. Activities eligible as management costs include those related to developing eligible PA projects and receiving reimbursement. These activities may include, but are not limited to:
 - a. Preliminary Damage Assessments
 - b. Meetings regarding the PA Program or overall PA damage claim
 - c. Organizing PA damage sites into logical groups
 - d. Preparing correspondence
 - e. Site inspections
 - f. Travel expenses
 - g. Developing the detailed site-specific damage description
 - h. Evaluating Section 406 hazard mitigation measures
 - i. Preparing Small and Large Projects
 - j. Reviewing PWs
 - k. Collecting copying, filing, or submitting documents to support a claim
 - l. Requesting disbursement of PA funds
 - m. Training



FEMA

2. Activities related to ineligible projects are not eligible to be claimed under the management cost contribution.
3. Excess management cost funding may not be retained.
4. The Recipient may claim management costs incurred up to whichever of the following occurs first:
 - a. 180 days after work is completed on the last non-management cost PA project for the declaration; or
 - b. 180 days after the latest performance period of a non-management cost PA project for the declaration; or
 - c. Two years from the date of an Emergency Declaration; or
 - d. Eight years from the date of a Major Disaster Declaration.
5. The Subrecipient may claim management costs incurred up to whichever of the following occurs first:
 - a. 180 days after the Subrecipient completes its last non-management cost PA project; or
 - b. 180 days after the latest performance period of the Subrecipient's non-management cost PA project; or
 - c. Two years from the date of an Emergency Declaration; or
 - d. Eight years from the date of the Major Disaster Declaration.

D. DOCUMENTATION REQUIREMENTS

Outcome: To define documentation that Recipients and Subrecipients must submit to substantiate the eligibility of management cost claims.

1. Actual cost documentation must include information necessary to demonstrate eligibility of costs and activities claimed as management costs, including but not limited to payroll data, procurement procedures, contracts, invoices, and an explanation of the activities performed.
2. Documentation must also include information to demonstrate that costs are reasonable. FEMA's established procedures for evaluating reasonable costs are described in FEMA's *Public Assistance Reasonable Cost Evaluation Job Aid*.³ FEMA will be providing additional

³ FEMA's *Public Assistance Reasonable Cost Evaluation Job Aid* is located at www.fema.gov/media-library/assets/documents/90743.



FEMA

policy on documenting and evaluating reasonableness as it specifically relates to management costs.

3. FEMA makes the final decision regarding all eligibility determinations under the PA Program including whether costs are reasonable.

Keith Turi
Assistant Administrator
Recovery Directorate

11/14/2018
Date



FEMA

ADDITIONAL INFORMATION

REVIEW CYCLE

This is an interim policy. It may be followed by additional implementation guidance. FEMA will evaluate this interim policy as it is implemented and will update management costs in the next version of the PAPPG.

AUTHORITIES

Section 324 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. § 5165b, as amended.

QUESTIONS

Direct questions to FEMA-PA-executive-office @*fema.dhs.gov*.



PUBLIC ASSISTANCE: REASONABLE COST EVALUATION

The Federal Emergency Management Agency (FEMA) Public Assistance (PA) Program provides supplemental assistance to States, Territories, Tribes, and local governmental entities, as well as certain private nonprofit (PNP) organizations (hereinafter referred to as Applicants). FEMA's *Public Assistance Program and Policy Guide* (<http://www.fema.gov/public-assistance-policy-and-guidance>) provides comprehensive information regarding assistance that FEMA can provide and the requirements that Applicants must follow in order to receive the assistance. This Job Aid supersedes FEMA's *Public Assistance Alternative Procedures Pilot Program Validation of Subgrantee-Provided Cost Estimates Job Aid*, dated May 20, 2013. It provides uniform guidance to FEMA personnel on evaluating cost reasonableness for Federal funds expended by non-Federal entities, also referred to as Applicants in this guidance, under the PA Program in accordance with Title 2 Code of Federal Regulations (CFR) § 200.404, and for disasters declared prior to December 26, 2014, in accordance with 44 CFR part 13 and the Office of Management and Budget (OMB) Circular A-87. This Job Aid includes a checklist in Appendix A: *Validation of Applicant-Provided Cost Estimates*, which FEMA staff must use to review and validate cost estimates submitted to FEMA for Permanent Work.

Applicability

This guidance applies to any assessment of cost reasonableness undertaken by FEMA for relevant work completed under a PA grant award or subaward. It provides general information to guide FEMA personnel in evaluating whether costs are reasonable including when necessary as the result of a financial review such as closeout or administrative appeals, Department of Homeland Security Office of the Inspector General (DHS OIG) audits, single audits under 2 CFR part 200, and Improper Payments Elimination and Recovery Act audits.

Cost eligibility is a basic component of PA Program eligibility, and in order for a cost to be considered allowable, it must be necessary and reasonable to accomplish the work properly and efficiently.¹ FEMA evaluates cost reasonableness for all projects. In addition, the determination of cost reasonableness is also instructive with regard to grant non-compliance enforcement remedies. Generally, FEMA considers an Applicant's force account labor, equipment, and materials costs as reasonable provided the costs are consistent with the entity's policies including, but not limited to, pay rates, labor policies, and cost schedules utilized during its normal operations. Contract costs are generally considered reasonable when the Applicant adheres to full and open competition under applicable Federal procurement under grant requirements, and the scope of services or work in the contract and level of effort is consistent with respect to the eligible scope of work. For these situations, FEMA staff are not required to perform a detailed cost reasonableness analysis.

¹ 2 CFR § 200.403

Reasonable Costs – General Information

Definition²

A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost.

Factors to Consider in Determining Reasonable Costs³

FEMA considers many factors in evaluating whether costs are reasonable, including:

Factor	Example
Whether the cost is of a type generally recognized as ordinary and necessary for the operation of the Applicant or the proper and efficient performance of the Federal award	The appropriate skill level and/or level of effort to complete the required activity
The restraints or requirements imposed by such factors as: sound business practices; arm's length bargaining; Federal, Tribal, State, local, and other laws and regulations; and terms and conditions of the Federal award	Whether the Applicant participated in ethical business practices, ensuring parties to a transaction are independent of each other, without familiar ties or shared interests and on equal footing without one party having control of the other
Market prices for comparable goods or services for the geographic area, particularly in the context of post-disaster conditions, which may cause shortages of skilled labor, building materials, and energy sources	When escalated costs are due to shortages, FEMA considers whether the Applicant's work continued beyond the period of shortages and whether there was an opportunity for the Recipient/Subrecipient to obtain more reasonable pricing
Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to the Applicant, its employees, its students or membership, the public at large, and the Federal Government	Were there emergency or exigent circumstances?
Whether the Applicant significantly deviates from its established practices and policies regarding the incurrence of costs, which may unjustifiably increase the Federal award's cost	Did the Applicant comply with procurement requirements?

FEMA also considers project-specific complexities that may affect costs, such as: environmental or historic issues; remote access or location; provision of a unique service with few providers; and elements requiring an extraordinary level of effort.

² 2 CFR § 200.404; OMB Circular A-87

³ Id.

Process to Determine Reasonable Costs

In conducting a reasonable cost analysis, FEMA will perform a preliminary review of the documentation to assess the complexity of the project and expertise required to complete the analysis. If specialized expertise is required, FEMA will utilize a subject matter expert with the appropriate specialized skills, knowledge, experience, or capability in the appropriate field such as engineering, architecture, or cost estimating.

FEMA, in consultation with the subject matter experts as necessary, will then determine the appropriate methodology or methodologies to assess reasonable costs. This assessment will be based on several factors, such as the circumstances surrounding the event, availability of materials, project type, complexity, sole sourcing, best construction practices, codes and standards, and other relevant information available at the time of evaluation. This may require requesting additional information from the Applicant. If the Applicant does not provide supporting documentation, FEMA will inform the Applicant of the determination to deobligate funding or to deny obligation of funding, as applicable, and the Applicant may appeal the determination and provide necessary information at that time.

If the costs determined reasonable are lower than actual costs for the subaward, FEMA's Office of Chief Counsel (OCC) may also review the findings, where warranted. An example of where engagement with OCC may be necessary is determining if an Applicant's contract evaluation (resulting in award to higher bidder) was performed correctly. While PA costing specialists have the qualifications to determine reasonable costs, OCC has contracting and procurement qualifications and PA should engage OCC in such an evaluation whenever uncertain contract award selection questions arise.

FEMA will record the results of the reasonable cost analysis in the appropriate award file or Grants Management System.

Methodology to Determine Reasonable Costs

The method(s) used to evaluate costs will depend on the type of project and the resources and information available. The first step in any evaluation of reasonable costs is to verify that all items of work included in the cost are eligible. If an item is not eligible based on the approved scope of work, FEMA will remove the associated cost from the estimate. FEMA will then notify the Recipient and Subrecipient accordingly if ineligible items have been removed. FEMA then evaluates whether costs for the approved scope of work are comparable to relevant current market prices for similar goods or services using the best information available for the project, which may include any of the following resources.

1. Validation of Recipient or Subrecipient's Cost or Price Analysis

Per 2 CFR § 200.323(a), non-State Applicants must perform a cost or price analysis in connection with every procurement action in excess of the Simplified Acquisition Threshold, including contract modifications. The method and degree of analysis depends on the facts surrounding the particular procurement situation, but as a starting point, the non-State Applicant must make independent estimates before receiving bids or proposals. While State entities are not required by 2 CFR § 200.323(a) to conduct a cost or price analysis, it is advisable that they do so in completing their procurements.

When an Applicant provides a cost or price analysis, FEMA will review the analysis as part of its evaluation of reasonable costs. For example, this may be useful in evaluating reasonableness when price competition is lacking or when the selection was non-compliant with the applicable procurement under grant requirements even though there may have been price competition.

If the Applicant does not submit a cost or price analysis (because not required to do one in the case of State entities, or because it did not do one as required in the case of non-State entities) and price competition was lacking or its selection was non-compliant with the applicable procurement under grant requirements, then FEMA should identify the elements that would otherwise have been a part of a cost or price analysis (for more information, see the detailed resources available from FEMA's Procurement Disaster Assistance Team here: <https://www.fema.gov/procurement-disaster-assistance-team>). FEMA may request that the Applicant provide this information in order to evaluate reasonable costs.

The cost or price analysis is one component of documentation that an Applicant may use to support that its costs are reasonable. FEMA may use the methodologies described below to evaluate costs both in conjunction with, and in the absence of, this information, as appropriate.

2. Historical Costs and Average Weighted Unit Prices

FEMA may compare the Applicant's costs to the Applicant's historical costs for a similar scope of work or items. Where an Applicant procures the same or similar supplies or services over a period of time, an Applicant may be able to provide documentation of historical costs to demonstrate comparable costs, adjusted for inflation or other factors as necessary. Other factors may include, but are not limited to, changes in codes and standards, availability of in-kind construction material, quantity, delivery schedules, and the economy. This may not be a flat inflation rate, because some types of work may have a different inflation rate than others. There are tools available to account for differences in inflation rates. FEMA's Cost Estimating Format (CEF) employs a nationally recognized economic inflation factor. An Applicant may provide previous contracts, invoices, or other documentation to demonstrate that its current costs are comparable to historical costs for similar supplies or services.

FEMA may also use weighted average unit pricing and related specifications from the Applicant or the Applicant's respective State or regional agency, such as the Department of Transportation. Average weighted unit prices are comprised of historical bid tabulation average costs and related specifications from competitive bid pricing solicitations respective to the area. These prices are generally inclusive of all factors required to bid public works projects, such as performance bonds, bid bonds, overhead and profit, and general conditions.

3. Published Unit Costs: Industry Standard Information Resources

There are many circumstances where it is appropriate and necessary to use published unit costs to evaluate the reasonableness of a project's costs. For example, where appropriate local data cannot be developed or obtained, industry standard construction cost estimating resources are the recommended sources of information for preparing an estimate against which to evaluate an Applicant's actual costs. This is due to their wide acceptance in the industry and the availability of data for nationwide use. Examples of such sources are RSMeans, BNi Costbooks, Marshall and Swift, and Sweet's Unit Cost Guide. Depending on the complexity of the project, FEMA will utilize an experienced cost estimator or

other subject matter expert with appropriate technical experience and validate costs using RSMeans (or other cost estimating resources as appropriate) and FEMA's CEF.

A reviewer using this method must ensure that the current cost data publications for the project at issue are used, and if necessary, confirm that the appropriate locality adjustment factor from the cost estimating publication is used.

While industry standard construction cost estimating resources are recommended for use, these publications may not always provide work items that are appropriate or applicable to the construction activities required to complete the project. When industry standard cost data is not appropriate, other sources should be considered, such as local cost data from Other Federal Agencies or other State agencies responsible for construction of similar facilities in or near the locality.

4. Comparable Costs of Other Applicants

FEMA may also compare the Applicant's costs with a different Applicant with a properly procured contract for a project with a similar scope of work in the same geographic area under similar circumstances. Factors to consider here are: events and a scope of work of comparable magnitude; contracts of a similar nature; and any applicable market factors and/or any other unique circumstances that may impact either of the costs respectively.

5. FEMA Cost Codes

FEMA maintains a national unit price listing called cost codes and periodically adjusts this listing to conform with geographical and disaster-specific needs. FEMA cost codes may be used when a cost is not found in other published unit costs or if the cost codes are otherwise more applicable than other published costs. FEMA cost codes may be useful for determining reasonableness of force account costs. If using this methodology, a reviewer must check the date of the cost codes to ensure they are applicable to the project at issue. This needs to be considered for both regional and national cost codes, as appropriate.

6. Use of Least-Cost Alternative, or Low Bid

There may be situations where use of the least-cost alternative, or the low bid, is the appropriate remedy when establishing a reasonable cost for procurements that do not comply with federal grant requirements. However, this determination requires an analysis to understand the context surrounding the project and if there are any extenuating circumstances or mitigating factors demonstrating why the least cost alternative may not be appropriate.

For example, when it is necessary to conduct a reasonable cost analysis for Applicant A's debris removal operation, and Applicant B located in the same or nearby geographic area has a properly procured contract for a similar scope of work, FEMA may compare the projects and associated costs. Applicant B has lower costs for a similar scope of work. Using the least cost alternative option in this situation would be to determine that Applicant B's lower costs are the only reasonable costs and to apply those to Applicant A's project. While this may ultimately be the correct remedy, this determination is premature without evaluating whether Applicant A is able to justify its higher costs. For example, Applicant A may be able to demonstrate mitigating factors affecting costs such as the economy of scale of the project (i.e.,

Applicant B's project was similar but larger and therefore costs were negotiated at a lower rate), or longer haul routes in Applicant A's geographic area due to different damage impacts or landfill locations.

When a necessary reasonable cost analysis has been conducted and costs appear high for a project, there are several possible scenarios to determine reasonableness. For example, if an Applicant is able to provide a justification for the increased costs, FEMA employs experts and/or seeks out expert assistance from professionals familiar with evaluating applicable factors to determine whether the higher costs are reasonable based on the Applicant's justification.

Another example is when an Applicant cannot substantiate why a higher bidder was selected based on its selection criteria set forth in its Request for Proposal. In this circumstance if an Applicant's lowest responsible bidder has an appropriate scope of work, the low bid will establish the reasonable costs. However, the determination to use the low bid should be based on an Applicant's ability to demonstrate the reasonableness of its costs based on the circumstances.

References

FEMA has developed comprehensive instructional aids and guidance in this area. See the following resources for additional information about reasonable costs.

- [CEF for Large Projects Instructional Guide V2.1 \(September 2009\)](#)
- [Pricing Guide for Recipients and Subrecipients Under the Uniform Rules \(2 CFR Pt. 200\), dated May 1, 2016](#)

Appendix A

Validation of Applicant-Provided Cost Estimates

This Appendix provides a checklist that FEMA staff must use to review and validate cost estimates submitted to FEMA for Permanent Work. FEMA staff may also use relevant portions of this checklist for Emergency Work, if necessary. FEMA will include this checklist in the associated subaward file in Grants Manager and EMMIE.

The steps for validating Applicant-provided cost estimates are as follows:

1. Verify that the estimate:

- ☐ Is prepared by a licensed Professional Engineer or other estimating professional, such as a licensed architect or certified professional cost estimator⁴ who certifies that the estimate was prepared in accordance with industry standards.
- ☐ Includes certification that the estimated cost directly corresponds to the repair of the agreed upon damage.
- ☐ Is based on unit costs for each component of the SOW and not a lump sum amount.
- ☐ Contains a level of detail sufficient for FEMA to validate that all components correspond with the agreed-upon SOW.

2. Review the scope of work and cost estimate to verify that only eligible items are included.

- ☐ The scope of work items in the cost estimate are required based on the agreed-upon damage description and dimensions.
- ☐ The scope of work included ineligible items, and FEMA has removed the ineligible components from the estimate (documentation detailing the components removed and reason for removal is attached).
- ☐ The scope of work included ineligible items, and FEMA is returning the estimate to the Applicant to revise.

3. Determine whether unit costs are from an approved source of industry standard information and whether current cost data publications were used.

There are numerous sources that may be used in the preparation of cost estimates.

- ☐ The Applicant used the following appropriate cost estimating resource(s):
 - ☐ Industry standard construction cost estimating resource
 - ☐ RSMeans
 - ☐ XActimate
 - ☐ BNi Costbooks

⁴ In lieu of a license or certification, an individual with professional experience and proficiency in the field of cost estimating may prepare and sign the cost estimate.

- ☐ Marshall & Swift
- ☐ Sweet's Unit Cost Guide
- ☐ Other _____
- ☐ Local cost data from _____
- ☐ Contract unit costs from recently completed projects
- ☐ Other: _____
- ☐ FEMA returned the estimate to the Applicant to revise as the Applicant did not use an appropriate cost estimate resource.

4. Determine the components of unit costs.

Ensure that the components that make up the unit costs are fully understood. The purpose of this review is to ensure that components of the unit costs are not duplicated elsewhere in the cost estimate.

- ☐ The estimate contained sufficient information related to the components of the unit costs:
 - ☐ Each unit cost represented a complete and in-place cost that included all labor, equipment, materials, small tools, incidentals, and hauling costs necessary to complete that element of work.
 - ☐ Unit costs were analyzed to determine if general contractor overhead and profit were included in the unit costs:
 - ☐ Both general contractor and subcontractor overhead and profit are included in the unit costs and these costs are not duplicated elsewhere in the estimate or in the CEF.
 - ☐ Overhead and profit are not included in the unit costs.
 - ☐ Overhead and profit are duplicated in the estimate.
 - ☐ Costs for surveying, construction inspection, and permit compliance fees are not duplicated (i.e., not included within a unit cost and separately in the estimate).
- ☐ The estimate did not contain sufficient information related to the components of the unit costs. FEMA requested additional information from the Applicant.

5. Validate the cost estimate for completeness and reasonableness.

- ☐ The cost of work items are reasonable based on a representative sample.
- ☐ FEMA has determined costs for items of work in the estimate to be unreasonable (see attached). Therefore, the estimate was returned to Applicant to revise.
- ☐ All items of work included in the cost estimate are eligible.
- ☐ FEMA has removed ineligible items of work from the cost estimate (see attached).
- ☐ All work activities required to complete the work are quantified with unit costs.
- ☐ The cost estimate included lump sum amounts for work activities that need to be adjusted to unit prices. FEMA has returned the estimate to the Applicant for revision.
- ☐ The appropriate locality adjustment factor from the cost estimating publication is used for each

line item, as applicable. Where historical costs were used, a locality adjustment was not applied, but cost escalation factors were added.

- ☐ The appropriate locality adjustment factor from the cost estimating publication was not used (see attached) or, as historical costs were used, a locality adjustment was inappropriately applied.
- ☐ Cost items checked are within 10 percent of the local average weighted unit prices or industry standard construction cost data (based on a review of at least six of the ten largest cost items against local average weighted unit prices or industry standard construction cost data (or there were less than ten cost items and all were reviewed) and based on reviewing at least 25 percent of the remaining cost items against local average weighted unit prices or industry standard construction cost data.
- ☐ Cost items checked are not within 10 percent of the local average weighted unit prices or industry standard construction cost data; therefore, the estimate was returned to Applicant to revise.

Date Review Completed _____

Date of Information Requests to Applicant _____

Name of Reviewer _____

Reviewer Signature _____

FUNDING

SHOW ME THE MONEY

Remember that no funding can be released by the State until the Applicant has submitted the administrative documents (Ref: Tab B Eligibility and Application)



Funding for Project Worksheets is provided based on type, either small or large project. The breakdown of the cost share regardless of the type of PW is federal share (75%) and the non-federal share.

HOW ARE SMALL PROJECT FUNDED?

The federal share of small projects is paid once the PWs are approved and funding obligated by FEMA. The non-federal share (should the state participate in the non-federal share) of small project PWs is paid once all of these projects are complete. Any contribution to the non-federal share is based on the actual costs up to the approved amount. For example, if the grant is for \$50,000 and actual costs total \$40,000, the non-federal share will be based on the actual costs of \$40,000. If the grant award is exceeded, the non-federal share will be based on the grant award of \$50,000.

HOW ARE LARGE PROJECTS FUNDED?

Funding for large projects is based on requests for interim reimbursement requests. These requests should be based on bills on hand or bills expected within 30 days of the request. The federal share of interim reimbursements is based on 75% of the eligible federal share. For example, if a large project is estimated at \$150,000, the federal share is \$112,500. The maximum allowable for advancement is 75% of the federal share or \$84,375.

Once all work for the large project is complete and FEMA makes a final determination of eligible costs, the balance of the federal share and the entire non-federal share will be paid.

If a large project is 100% complete at inspection, the federal share and applicable non-federal share will be paid automatically upon FEMA's approval of the PW.

HOW DO I HANDLE MY PUBLIC ASSISTANCE FUNDS?

Each Applicant must create a FEMA fund within your books (see State Auditor's Bulletin 1998-013 included at the end of this tab). Even if your funding is strictly reimbursement (all work 100% complete when PWs are written), you must "deposit" your federal monies into a "FEMA" fund. This requirement is such for several reasons:

- Applicants should only take 75% of total costs from the "FEMA" Fund. For example, if there is a bill for a PW that is for \$1,000, \$750 should come from the FEMA fund and 25%

\$250 from local funds. If the State contributes to the non-federal share, once state funds are received, they can be put back directly into the local funds.

- Creation of the “FEMA” fund is intended to provide easier accounting for expenditure of federal funds for Single Audit requirements.

Additional questions or guidance regarding handling of the federal share of your PA Grant should be directed to the State Auditor’s Office at (800) 345-2519 or to your District Auditor.

Grant related direct or indirect administrative costs (see Program Administration Tab) are also federal funds and should be placed in the FEMA fund.

WHAT IF I HAVE A BALANCE REMAINING IN MY FEMA FUND AFTER COMPLETION OF ALL ELIGIBLE WORK?

FEMA does not require Applicants to return unused federal funds for small projects, as long as the required scope of work was completed for each PW. These unspent funds may be used towards the community good, i.e., road maintenance, purchasing of road equipment, stock piling materials, etc., or deposit in a general fund. You should track expenditure of these funds for audit purposes. These unspent funds cannot be used to offset any of the Applicants contribution to the non-federal share. If a small project is completed at a lower cost than estimated, the excess amount should first be used to offset overruns on other small projects.

INTEREST EARNED ON ADVANCES

For State and local governments, any interest earned on advances that exceed \$500 per year must be returned to the Department of Health and Human Services (see 2 CFR §200.305 (8)). If an Applicant needs to return interest earned, please contact the State PA office for procedures.

Applicants should maintain advances of Federal funds in interest bearing accounts, unless the following items apply: (see 2 CFR §200.305 (8)):

- (1) The Applicant receives less than \$120,000 in Federal awards per year;
- (2) The best reasonably available interest bearing account would not be expected to earn interest in excess of \$500 per year on Federal cash balances;
- (3) The depository would require an average or minimum balance so high that it would not be feasible within the expected Federal and non-Federal cash resources.
- (4) A foreign government or banking system prohibits or precludes interest bearing accounts.

ATTACHMENTS

- Auditor of State Bulletin 98-013, Accounting for FEMA Grants

AUDITOR OF STATE BULLETIN 98-013
DECEMBER 16, 1998

TO: All City Auditors, Finance Directors and Treasurers
All Village Clerks and Treasurers
All Township Clerks
All County Auditors
All IPAs

SUBJECT: Accounting for FEMA grants

This office has been receiving numerous questions about the proper accounting treatment for grants received from the Federal Emergency Management Agency. The following are some general guidelines for handling FEMA money:

A. When no work has been completed at the time a check is received, your entity must:

- 1) Place all funds into a special FEMA fund,
- 2) Pay bills directly from the FEMA fund keeping in mind that the FEMA fund pays the federal share of each Damage Survey Report (DSR), that is 75% (federal) of the 100% total. The remaining 25% state/local match of any bills may be paid out of the general fund or other non-federal fund that permits expenditures for this purpose. When the state share is received, the state money may be receipted directly into the fund(s) from which the original payment(s) were made. As an alternative, if you wish to keep all expenditures related to the project in one fund, money may be advanced to the FEMA fund and repaid when the state share is received. The Auditor of State recommends that all project expenditures be maintained in one fund.

B. When a portion or all of the work has been completed and paid for at the time the FEMA money is received, your entity must:

- 1) Place all funds into a special FEMA fund,
- 2) For work completed and paid for, reimburse the fund(s) used to pay for the goods and/or services (before the FEMA money was received). One way to repay the fund is to reduce the expenditure in the fund making the original payment and to record the expenditure in the FEMA fund. A second method is to have advanced money to the FEMA fund in anticipation of the receipt of the grant. Repay the advance once the FEMA money is received. A third approach is to transfer the FEMA money from the FEMA fund to the fund that made the original payments.

A final alternative to repay from the FEMA fund is to create a bill from the fund that

made the original payment to the FEMA fund. The bill should identify the invoices(s) that were previously paid and show the portion(s) that are being charged to the FEMA fund. This method is most useful when the original expenditures were made in one year and receipt of the FEMA money didn't occur until the following year.

- 3) For Townships and Villages on the UAN system, the system will permit any of these procedures. Please call 1-800-833-8261 for any information on how to properly handle these types of transactions on the UAN system.

Other governments that have questions about accounting or interfund transactions may call 1-800-345-2519.

- 4) For any work not completed at the time FEMA money is received, please follow the instruction(s) shown under A.
- 5) Again, please keep in mind that the Federal FEMA money is to pay 75% federal match with the remaining 25% being paid from the state/local matching funds.

Please note that it is not necessary to create a FEMA fund for each Damage Survey Report. You need only create this fund for the entire grant. Appropriate fund numbers are as follows:

Villages	Alpha-Numeric	Numeric
Special Revenue Fund	B5 or B16	2901-2999
Capital Projects Fund	D2	4901-4999
Townships	Alpha-Numeric	Numeric
Special Revenue Fund	14	2901-2999
Capital Projects Fund	14	4901-4999

Cities and counties receiving FEMA grants should establish separate funds within their chart of accounts.

No additional Auditor of State approval is necessary to establish the FEMA funds; only a resolution of the legislative authority is needed.

The classification of the fund as special revenue or capital projects will depend on the nature of the expenditures that will be made. If the expenditures are mostly for salaries or repairs, special revenue would be appropriate. If the expenditures are for replacing fixed assets, then classify the fund as capital projects. If expenditures will be a mixture of the two, select the fund type that reflects the majority of the expenditures.

For all FEMA money, the correct receipt code to use is one which identifies the money as coming from the federal government.

UAN villages will use receipt code 411 - Federal Restricted. Non-UAN villages will use receipt code

D-141 - Federal Receipts. UAN Townships will use receipt code 511 - Federal Receipts. Non-UAN townships will use receipt code 14-C - Other Receipts.

Questions concerning this Bulletin should be addressed to the Local Government Services Division of the State Auditor's Office at (800) 345-2519.

CONTRACTING

It is the intent of the Public Assistance Program that restoration of infrastructure assets be accomplished in a cost-effective manner. To ensure this is accomplished, when contract services are used for completion of PWs, **the maximum competitive service method must be utilized.** As a condition of acceptance of federal funds, you must comply with the relevant state and federal laws and regulations on this subject. Various sections of *the Ohio Revised Code* and *Code of Federal Regulations* are primary references.

DEBARRED CONTRACTORS

As a part of your procurement process, please ensure you are not utilizing debarred contractors. You should check the following websites and document for your file that the websites were viewed.

Federal website for debarred contractors: www.sam.gov

State website for debarred contractors: <https://www.sos.state.oh.us/records/debarred-contractors/#gref>

FEDERAL REQUIREMENTS

The following highlights the federal rules for procurement found at 2 CFR §200.317-326 (attached).

Federal regulations allow for some types of contracts but do not allow for others. Allowable contracts are:

- Lump Sum Contracts – Work is within a prescribed boundary with a clearly defined scope of work
- Unit Price Contracts – Work is done on an item-by-item basis with cost determined per unit
- Cost-plus-fixed-fee – Either lump sum or unit price contracts with a fixed contractor fee added into the price
- Time and Material Contracts – Work is billed based on labor, equipment and materials used. You should only use this type of contract after determining no other contract is suitable and the contract must include a cost ceiling or “do not exceed” clause. If you use this type of contract, there is a heavy administrative burden due to need for a solid monitoring system for field work and source documentation for invoices. The contractors should either provide source documentation for their invoices (time cards, hotel receipts, vehicle usage logs, etc.) or have them available for you for audit purposes.

Unallowable contracts are:

- Cost-plus-percentage-of-cost and percentage of construction costs contracts (includes markups)

At a minimum, subrecipients must:

- Follow their documented procurement procedures and the Federal procurement standards;
- Maintain written standards of conduct that address conflicts of interest for employees engaged in contract awards and administration;
- Carefully document all steps of a procurement;
- Perform a cost or price analysis for procurement actions exceeding the small purchase threshold of \$150,000 (or the equivalent local or state threshold, whichever is less);
- Take the required six affirmative steps to encourage small and woman/minority-owned businesses to participate in the contracting process;
- Prohibit contractors from competing for a contract on contract where they developed or drafted specifications, statements of work, invitations for bid or requests for proposal;
- Prohibit the use of geographic preferences in the evaluation of bids or proposals; and
- Include contract provisions required by section 2 CFR §200.326.

Acceptable methods of procurement:

- Micro Purchase - For purchases less than \$3,500 (or the local or state threshold, whichever is less). This method does not require competitive quotations, but subrecipients must equitably distribute purchases among qualified suppliers.
- Small Purchase - For purchases less than \$150,000 (or the local or state threshold, whichever is less). Subrecipients must obtain price or rate quotations from an adequate number of qualified sources.
- Sealed Bids - Subrecipients publicly advertise for bids from an adequate number of known suppliers and award the contract to the lowest responsive and responsible bidder. Preferred for construction contracts.
- Competitive Proposals - Subrecipients solicit proposals from an adequate number of qualified sources, identifying award evaluation factors, and award the contract to the responsible firm whose proposal is most advantageous, considering price and other factors. If awarded on other factors, price may be negotiated after the award. Preferred for architectural, engineering and professional services.
- Noncompetitive Proposals - Solicitation of a proposal from only one source. Although all procurement transactions must be conducted in a manner providing full and open competition, Subrecipients may use noncompetitive proposals if the Subrecipient has documented how the situation has created an urgent need to perform the work sooner than a competitive process would allow. One of the following circumstances must apply:
 - The item is available only from a single source;
 - After soliciting a number of sources, competition is determined to be inadequate; or
 - A public emergency or exigency exists. An emergency exists if documented threats to health, life or safety will not permit a delay resulting from competitive solicitation. An exigency exists if threats requiring an immediate response will not permit a delay resulting from competitive solicitation. Subrecipients must transition to a competitively procured contract quickly, as soon as the urgent need ends.

*Please note that the PA Program is exempt from the Davis Bacon Act.

STATE AND LOCAL REQUIREMENTS

There are several specific laws concerning contracts and the expenditure of public money. Some of these laws are in the Ohio Revised Code, while others are in local governments' charters, ordinances, and resolutions. Therefore, ensure that you are following all applicable laws, regardless of source, as well as the federal regulations. Below is a list of some of laws found within the Ohio Revised Code. **Please note this list is not all inclusive. Please check with the legal authority within your jurisdiction before you enter into any contract to ensure all laws are being met.**

Statutory Municipalities

- ORC 9.48, 715.18, 731.02, 731.12, 731.14, 731.141, 735.05, 735.051, 735.052, 735.053, 737.03 and 2921.42: Municipal contracts
- ORC 731.16, 735.07: Altering or modifying municipal contracts
- ORC 117.16(A), 723.52 – Force Accounts Municipal Corporations [Cities/Villages]

Counties

- ORC 305.30: Responsibilities of the county administrator
- ORC 305.27, 319.16, 307.86, 307.862, 9.37, 307.87, 307.88, and 307.91: County payments to be by auditor's warrant; competitive bidding
- ORC 117.16(A), 5543.19 Force Accounts – Counties

Townships

- ORC 9.48, 505.08, 505.101, 505.267, 505.37, 505.42, 505.46, 507.11(B), 511.12, 511.13, 515.01, 5549.21, and 5575.01: Township expenditures and competitive bidding
- ORC 117.16(A), 5575.01 – Force Accounts – Townships

Board of Education (Schools)

- ORC 3313.33: Conveyances and contracts
- ORC 9.48, 3313.46, 125.04(C), and 3313.533: Board of Education procedures for bidding and letting of contracts
- ORC 3313.33(B), 3313.37, 3313.375, 3313.40, 3313.41, and Section 733.20 of Amended Substitute House Bill 1: Acquisition of school real estate, building, And office equipment
- ORC Chapter 3318: Permissible expenditures for school districts participating in the Classroom Facilities Assistance Program (and related classroom facility programs)
- ORC 3318: School Building Assistance Limited Fund for the Big 8 school districts

Community Schools

- Although the competitive bidding procedures applicable to boards of education in ORC §3313.46 (and related sections in Chapter 153) do not apply to community schools, the sponsor (through its contract) may mandate a community school comply with these or other competitive bidding procedures.
- Ohio Rev. Code Section 3313.33(B) - Interest in contracts by elected officials. These sections prohibit elected officials from having any pecuniary interest in a contract or to be otherwise employed by the entity. They also provide that contracts are void unless

authorized at a regular or special meeting. This statute does not apply to community schools unless the sponsor mandates it through the sponsor contract.

- Ohio Rev. Code Section 2921.42 - This section prohibits having an unlawful interest in a public contract. This statute applies to community schools.
- Also note that RC 9.24, regarding unresolved findings for recovery and contracts, does not apply to community schools.
- ORC 3314.24(A) E-school leases for instructional space

Hospitals

- ORC 9.48, 153.65-.71, 339.05: County hospital bidding procedures and purchasing policies for supplies/equipment
- ORC 749.26, 749.27, 749.28, 749.29, 749.30, and 749.31: Municipal hospital contract procedures

Colleges and Universities

- ORC 9.312, 153.65-.71, 3354.16, 3355.12, 3357.16, and 3358.10: Bidding on improvement contracts

Libraries

- ORC 153.65-.71 and 3375.41: Bidding and letting of contracts over \$25,000

General

- ORC 9.48: Joint contracting and purchasing programs for counties and townships
- ORC 153.50, 153.51, 153.52: Bids and contracts for buildings/structures
- ORC 4115.04, 4115.05: Prevailing wage rates
- ORC 9.314: Reverse Internet auction in lieu of sealed bids (all political subdivisions)
- ORC 9.24 Unresolved Findings for Recovery

Source: 2010 Ohio Compliance Supplement Contracts and Expenditures, Chapter 2, Contracts and Expenditures

ATTACHMENTS

- 2 CFR §200.317-326
- Key Points Regarding Contracting Practices for Local and Tribal Governments, FEMA Document
- Top 10 FEMA Grant Procurement Mistakes, FEMA Document
- Procurement Under Public Assistance Brochure, FEMA Document

200.718 Major Program Determination

The Government Accountability Office (GAO) commented that step 1 of the major program determination would be more easily understood if presented in a table. The COFAR concurred and recommended the new format for ease of comprehension among readers.

Commenters noted the inconsistency of the single audit threshold at \$750,000, the Type A/B program threshold at \$500,000, and the threshold for an entity to have a Type A program at \$1,000,000. Commenters suggested that that the level of the threshold for major programs needed to be raised consistent with the threshold for the Single Audit as a whole at \$750,000 to ensure consistent coverage. The COFAR recommended the modification that all three thresholds be the same at \$750,000 consistent with the single audit threshold.

Commenters also recommended additional language to clarify the criteria under the step 2 determination of Type A programs which are low-risk. The COFAR recommended the addition.

200.520 Criteria for a Low-Risk Auditee

Members of the audit community and states commented on the criteria for a low-risk auditee that includes whether the financial statements were prepared in accordance with GAAP. Members of the audit community note that GAAP is the preferred method, and states note that state law sometimes provides for other methods of preparation. The COFAR considered this and recommended revised language to allow for exceptions where state law requires otherwise.

200.521 Management Decision

Upon review of the structure of the proposed guidance, the COFAR recommended that this section be moved to the end of the document.

Commenters suggested that auditees should be required to initiate corrective action as rapidly as possible, and not wait until audit reports are submitted. The COFAR recommended the addition. Commenters also noted that while they supported the ultimate publication of management decisions through the Federal audit clearinghouse, this is not a change that they are prepared to implement immediately. As a result, the COFAR recommended that this be added to the current Single Audit Resolution Pilot currently underway within the COFAR, and that based on the results of the pilot, the COFAR work with Federal agencies to begin implementation of publication of management decisions in 2016.

Appendix XI Compliance Supplement

While most commenters were in favor of the proposed reduction of the number of types of compliance requirements in the compliance supplement, many voiced concern about the process that would implement such changes.

Comments questioned whether Federal agencies adding back provisions under special tests and provisions would result in increased administrative burden and requested that such fundamental changes be subject to a public notice and comment period. Since the Compliance Supplement is published as part of a separate process, no final changes are made at this time, but the COFAR recommended that any future changes to the compliance supplement be made based on available evidence on past findings and the potential impact of non-compliance for each type of compliance requirement. The COFAR further recommends that further public outreach be conducted prior to making any structural changes to the format of the compliance supplement to mitigate potential risks of an inadvertent increase in administrative burden.

List of Subjects in 2 CFR Parts 200, 215, 220, 225, and 230

Accounting, Auditing, Colleges and universities, State and local governments, Grant programs, Grants administration, Hospitals, Indians, Nonprofit organizations, Reporting and recordkeeping requirements.

Norman Dong,
Deputy Controller.

For the reasons stated in the preamble, under the Authority of the Chief Financial Officer Act of 1990 (31 U.S.C. 503), the Office of Management and Budget amends 2 CFR Chapters I and II as set forth below:

Chapter I—Office Of Management and Budget Governmentwide Guidance for Grants and Agreements

- 1. Remove the subchapter headings for Subchapters A through G from Chapter I.

Chapter II—Office of Management and Budget Guidance

- 2. The heading of chapter II is revised to read as set forth above.
- 3. Add part 200 to read as follows:

PART 200—UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND AUDIT REQUIREMENTS FOR FEDERAL AWARDS**Subpart A—Acronyms and Definitions**

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Authority: 31 U.S.C. 503

Subpart A—Acronyms and Definitions

Acronyms

§ 200.0 Acronyms.

ACRONYM TERM

- CAS Cost Accounting Standards
- CFDA Catalog of Federal Domestic Assistance
- CFR Code of Federal Regulations
- CMIA Cash Management Improvement Act
- COG Councils Of Governments
- COSO Committee of Sponsoring Organizations of the Treadway Commission
- D&B Dun and Bradstreet
- DUNS Data Universal Numbering System
- EPA Environmental Protection Agency
- ERISA Employee Retirement Income Security Act of 1974 (29 U.S.C. 1301–1461)
- EUI Energy Usage Index
- F&A Facilities and Administration
- FAC Federal Audit Clearinghouse
- FAIN Federal Award Identification Number

- FAPIS Federal Awardee Performance and Integrity Information System
- FAR Federal Acquisition Regulation
- FFATA Federal Funding Accountability and Transparency Act of 2006 or Transparency Act—Public Law 109–282, as amended by section 6202(a) of Public Law 110–252 (31 U.S.C. 6101)
- FICA Federal Insurance Contributions Act
- FOIA Freedom of Information Act
- FR Federal Register
- FTE Full-time equivalent
- GAAP Generally Accepted Accounting Principles
- GAGAS Generally Accepted Government Accounting Standards
- GAO General Accounting Office
- GOCO Government owned, contractor operated
- GSA General Services Administration
- IBS Institutional Base Salary
- IHE Institutions of Higher Education
- IRC Internal Revenue Code
- ISDEAA Indian Self-Determination and Education and Assistance Act
- MTC Modified Total Cost
- MTDC Modified Total Direct Cost
- OMB Office of Management and Budget
- PII Personally Identifiable Information
- PRHP Post-retirement Health Plans
- PTE Pass-through Entity
- REUI Relative Energy Usage Index
- SAM System for Award Management
- SFA Student Financial Aid
- SNAP Supplemental Nutrition Assistance Program
- SPOC Single Point of Contact
- TANF Temporary Assistance for Needy Families
- TFM Treasury Financial Manual
- U.S.C. United States Code
- VAT Value Added Tax

§ 200.1 Definitions.

These are the definitions for terms used in this Part. Different definitions may be found in Federal statutes or regulations that apply more specifically to particular programs or activities. These definitions could be supplemented by additional instructional information provided in governmentwide standard information collections.

§ 200.2 Acquisition cost.

Acquisition cost means the cost of the asset including the cost to ready the asset for its intended use. Acquisition cost for equipment, for example, means the net invoice price of the equipment, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for the purpose for which it is acquired. Acquisition costs for software includes those development costs capitalized in accordance with generally accepted accounting principles (GAAP). Ancillary charges, such as taxes, duty, protective in transit insurance, freight, and installation may be included in or excluded from the acquisition cost in

accordance with the non-Federal entity's regular accounting practices.

§200.3 Advance payment.

Advance payment means a payment that a Federal awarding agency or pass-through entity makes by any appropriate payment mechanism, including a predetermined payment schedule, before the non-Federal entity disburses the funds for program purposes.

§200.4 Allocation.

Allocation means the process of assigning a cost, or a group of costs, to one or more cost objective(s), in reasonable proportion to the benefit provided or other equitable relationship. The process may entail assigning a cost(s) directly to a final cost objective or through one or more intermediate cost objectives.

§200.5 Audit finding.

Audit finding means deficiencies which the auditor is required by § 200.516 Audit findings, paragraph (a) to report in the schedule of findings and questioned costs.

§200.6 Auditee.

Auditee means any non-Federal entity that expends Federal awards which must be audited under Subpart F—Audit Requirements of this Part.

§200.7 Auditor.

Auditor means an auditor who is a public accountant or a Federal, state or local government audit organization, which meets the general standards specified in generally accepted government auditing standards (GAGAS). The term auditor does not include internal auditors of nonprofit organizations.

§200.8 Budget.

Budget means the financial plan for the project or program that the Federal awarding agency or pass-through entity approves during the Federal award process or in subsequent amendments to the Federal award. It may include the Federal and non-Federal share or only the Federal share, as determined by the Federal awarding agency or pass-through entity.

§200.9 Central service cost allocation plan.

Central service cost allocation plan means the documentation identifying, accumulating, and allocating or developing billing rates based on the allowable costs of services provided by a state, local government, or Indian tribe on a centralized basis to its departments and agencies. The costs of these services may be allocated or billed to users.

§200.10 Catalog of Federal Domestic Assistance (CFDA) number.

CFDA number means the number assigned to a Federal program in the CFDA.

§200.11 CFDA program title.

CFDA program title means the title of the program under which the Federal award was funded in the CFDA.

§200.12 Capital assets.

Capital assets means tangible or intangible assets used in operations having a useful life of more than one year which are capitalized in accordance with GAAP. Capital assets include:

- (a) Land, buildings (facilities), equipment, and intellectual property (including software) whether acquired by purchase, construction, manufacture, lease-purchase, exchange, or through capital leases; and
- (b) Additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations or alterations to capital assets that materially increase their value or useful life (not ordinary repairs and maintenance).

§200.13 Capital expenditures.

Capital expenditures means expenditures to acquire capital assets or expenditures to make additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations, or alterations to capital assets that materially increase their value or useful life.

§200.14 Claim.

Claim means, depending on the context, either:

- (a) A written demand or written assertion by one of the parties to a Federal award seeking as a matter of right:
 - (1) The payment of money in a sum certain;
 - (2) The adjustment or interpretation of the terms and conditions of the Federal award; or
 - (3) Other relief arising under or relating to a Federal award.
- (b) A request for payment that is not in dispute when submitted.

§200.15 Class of Federal awards.

Class of Federal awards means a group of Federal awards either awarded under a specific program or group of programs or to a specific type of non-Federal entity or group of non-Federal entities to which specific provisions or exceptions may apply.

§200.16 Closeout.

Closeout means the process by which the Federal awarding agency or pass-through entity determines that all applicable administrative actions and all required work of the Federal award have been completed and takes actions as described in § 200.343 Closeout.

§200.17 Cluster of programs.

Cluster of programs means a grouping of closely related programs that share common compliance requirements. The types of clusters of programs are research and development (R&D), student financial aid (SFA), and other clusters. "Other clusters" are as defined by OMB in the compliance supplement or as designated by a state for Federal awards the state provides to its subrecipients that meet the definition of a cluster of programs. When designating an "other cluster," a state must identify the Federal awards included in the cluster and advise the subrecipients of compliance requirements applicable to the cluster, consistent with § 200.331 Requirements for pass-through entities, paragraph (a). A cluster of programs must be considered as one program for determining major programs, as described in § 200.518 Major program determination, and, with the exception of R&D as described in § 200.501 Audit requirements, paragraph (c), whether a program-specific audit may be elected.

§200.18 Cognizant agency for audit.

Cognizant agency for audit means the Federal agency designated to carry out the responsibilities described in § 200.513 Responsibilities, paragraph (a). The cognizant agency for audit is not necessarily the same as the cognizant agency for indirect costs. A list of cognizant agencies for audit may be found at the FAC Web site.

§200.19 Cognizant agency for indirect costs.

Cognizant agency for indirect costs means the Federal agency responsible for reviewing, negotiating, and approving cost allocation plans or indirect cost proposals developed under this Part on behalf of all Federal agencies. The cognizant agency for indirect cost is not necessarily the same as the cognizant agency for audit. For assignments of cognizant agencies see the following:

- (a) For IHEs: Appendix III to Part 200—Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Institutions of Higher Education (IHEs), paragraph C.10.
- (b) For nonprofit organizations: Appendix IV to Part 200—Indirect (F&A) Costs Identification and

Assignment, and Rate Determination for Nonprofit Organizations, paragraph C.1.

(c) For state and local governments: Appendix V to Part 200—State/Local Government and Indian Tribe-Wide Central Service Cost Allocation Plans, paragraph F.1.

§ 200.20 Computing devices.

Computing devices means machines used to acquire, store, analyze, process, and publish data and other information electronically, including accessories (or “peripherals”) for printing, transmitting and receiving, or storing electronic information. See also §§ 200.94 Supplies and 200.58 Information technology systems.

§ 200.21 Compliance supplement.

Compliance supplement means Appendix XI to Part 200—Compliance Supplement (previously known as the Circular A–133 Compliance Supplement).

§ 200.22 Contract.

Contract means a legal instrument by which a non-Federal entity purchases property or services needed to carry out the project or program under a Federal award. The term as used in this Part does not include a legal instrument, even if the non-Federal entity considers it a contract, when the substance of the transaction meets the definition of a Federal award or subaward (see § 200.92 Subaward).

§ 200.23 Contractor.

Contractor means an entity that receives a contract as defined in § 200.22 Contract.

§ 200.24 Cooperative agreement.

Cooperative agreement means a legal instrument of financial assistance between a Federal awarding agency or pass-through entity and a non-Federal entity that, consistent with 31 U.S.C. 6302–6305:

(a) Is used to enter into a relationship the principal purpose of which is to transfer anything of value from the Federal awarding agency or pass-through entity to the non-Federal entity to carry out a public purpose authorized by a law of the United States (see 31 U.S.C. 6101(3)); and not to acquire property or services for the Federal government or pass-through entity's direct benefit or use;

(b) Is distinguished from a grant in that it provides for substantial involvement between the Federal awarding agency or pass-through entity and the non-Federal entity in carrying out the activity contemplated by the Federal award.

(c) The term does not include:

(1) A cooperative research and development agreement as defined in 15 U.S.C. 3710a; or

- (2) An agreement that provides only:
 - (i) Direct United States Government cash assistance to an individual;
 - (ii) A subsidy;
 - (iii) A loan;
 - (iv) A loan guarantee; or
 - (v) Insurance.

§ 200.25 Cooperative audit resolution.

Cooperative audit resolution means the use of audit follow-up techniques which promote prompt corrective action by improving communication, fostering collaboration, promoting trust, and developing an understanding between the Federal agency and the non-Federal entity. This approach is based upon:

- (a) A strong commitment by Federal agency and non-Federal entity leadership to program integrity;
- (b) Federal agencies strengthening partnerships and working cooperatively with non-Federal entities and their auditors; and non-Federal entities and their auditors working cooperatively with Federal agencies;
- (c) A focus on current conditions and corrective action going forward;
- (d) Federal agencies offering appropriate relief for past noncompliance when audits show prompt corrective action has occurred; and
- (e) Federal agency leadership sending a clear message that continued failure to correct conditions identified by audits which are likely to cause improper payments, fraud, waste, or abuse is unacceptable and will result in sanctions.

§ 200.26 Corrective action.

Corrective action means action taken by the auditee that:

- (a) Corrects identified deficiencies;
- (b) Produces recommended improvements; or
- (c) Demonstrates that audit findings are either invalid or do not warrant auditee action.

§ 200.27 Cost allocation plan.

Cost allocation plan means central service cost allocation plan or public assistance cost allocation plan.

§ 200.28 Cost objective.

Cost objective means a program, function, activity, award, organizational subdivision, contract, or work unit for which cost data are desired and for which provision is made to accumulate and measure the cost of processes, products, jobs, capital projects, etc. A cost objective may be a major function of the non-Federal entity, a particular

service or project, a Federal award, or an indirect (Facilities & Administrative (F&A)) cost activity, as described in Subpart E—Cost Principles of this Part. See also §§ 200.44 Final cost objective and 200.60 Intermediate cost objective.

§ 200.29 Cost sharing or matching.

Cost sharing or matching means the portion of project costs not paid by Federal funds (unless otherwise authorized by Federal statute). See also § 200.306 Cost sharing or matching.

§ 200.30 Cross-cutting audit finding.

Cross-cutting audit finding means an audit finding where the same underlying condition or issue affects Federal awards of more than one Federal awarding agency or pass-through entity.

§ 200.31 Disallowed costs.

Disallowed costs means those charges to a Federal award that the Federal awarding agency or pass-through entity determines to be unallowable, in accordance with the applicable Federal statutes, regulations, or the terms and conditions of the Federal award.

§ 200.32 Data Universal Numbering System (DUNS) number.

DUNS number means the nine-digit number established and assigned by Dun and Bradstreet, Inc. (D&B) to uniquely identify entities. A non-Federal entity is required to have a DUNS number in order to apply for, receive, and report on a Federal award. A DUNS number may be obtained from D&B by telephone (currently 866–705–5711) or the Internet (currently at <http://fedgov.dnb.com/webform>).

§ 200.33 Equipment.

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.

§ 200.34 Expenditures.

Expenditures means charges made by a non-Federal entity to a project or program for which a Federal award was received.

(a) The charges may be reported on a cash or accrual basis, as long as the methodology is disclosed and is consistently applied.

(b) For reports prepared on a cash basis, expenditures are the sum of:

(1) Cash disbursements for direct charges for property and services;

(2) The amount of indirect expense charged;

(3) The value of third-party in-kind contributions applied; and

(4) The amount of cash advance payments and payments made to subrecipients.

(c) For reports prepared on an accrual basis, expenditures are the sum of:

(1) Cash disbursements for direct charges for property and services;

(2) The amount of indirect expense incurred;

(3) The value of third-party in-kind contributions applied; and

(4) The net increase or decrease in the amounts owed by the non-Federal entity for:

(i) Goods and other property received;

(ii) Services performed by employees, contractors, subrecipients, and other payees; and

(iii) Programs for which no current services or performance are required such as annuities, insurance claims, or other benefit payments.

§ 200.35 Federal agency.

Federal agency means an “agency” as defined at 5 U.S.C. 551(1) and further clarified by 5 U.S.C. 552(f).

§ 200.36 Federal Audit Clearinghouse (FAC).

FAC means the clearinghouse designated by OMB as the repository of record where non-Federal entities are required to transmit the reporting packages required by Subpart F—Audit Requirements of this Part. The mailing address of the FAC is Federal Audit Clearinghouse, Bureau of the Census, 1201 E. 10th Street, Jeffersonville, IN 47132 and the web address is: <http://harvester.census.gov/sac/>. Any future updates to the location of the FAC may be found at the OMB Web site.

§ 200.37 Federal awarding agency.

Federal awarding agency means the Federal agency that provides a Federal award directly to a non-Federal entity.

§ 200.38 Federal award.

Federal award has the meaning, depending on the context, in either paragraph (a) or (b) of this section: (a)(1) The Federal financial assistance that a non-Federal entity receives directly from a Federal awarding agency or indirectly from a pass-through entity, as described in § 200.101 Applicability; or

(2) The cost-reimbursement contract under the Federal Acquisition Regulations that a non-Federal entity receives directly from a Federal

awarding agency or indirectly from a pass-through entity, as described in § 200.101 Applicability.

(b) The instrument setting forth the terms and conditions. The instrument is the grant agreement, cooperative agreement, other agreement for assistance covered in paragraph (b) of § 200.40 Federal financial assistance, or the cost-reimbursement contract awarded under the Federal Acquisition Regulations.

(c) Federal award does not include other contracts that a Federal agency uses to buy goods or services from a contractor or a contract to operate Federal government owned, contractor operated facilities (GOCOs).

(d) See also definitions of Federal financial assistance, grant agreement, and cooperative agreement.

§ 200.39 Federal award date.

Federal award date means the date when the Federal award is signed by the authorized official of the Federal awarding agency.

§ 200.40 Federal financial assistance.

(a) For grants and cooperative agreements, *Federal financial assistance* means assistance that non-Federal entities receive or administer in the form of:

- (1) Grants;
- (2) Cooperative agreements;
- (3) Non-cash contributions or donations of property (including donated surplus property);
- (4) Direct appropriations;
- (5) Food commodities; and
- (6) Other financial assistance (except assistance listed in paragraph (b) of this section).

(b) For Subpart F—Audit Requirements of this part, *Federal financial assistance* also includes assistance that non-Federal entities receive or administer in the form of:

- (1) Loans;
- (2) Loan Guarantees;
- (3) Interest subsidies; and
- (4) Insurance.

(c) *Federal financial assistance* does not include amounts received as reimbursement for services rendered to individuals as described in § 200.502 Basis for determining Federal awards expended, paragraph (h) and (i) of this Part.

§ 200.41 Federal interest.

Federal interest means, for purposes of § 200.329 Reporting on real property or when used in connection with the acquisition or improvement of real property, equipment, or supplies under a Federal award, the dollar amount that is the product of the:

(a) Federal share of total project costs; and

(b) Current fair market value of the property, improvements, or both, to the extent the costs of acquiring or improving the property were included as project costs.

§ 200.42 Federal program.

Federal program means:

(a) All Federal awards which are assigned a single number in the CFDA.

(b) When no CFDA number is assigned, all Federal awards to non-Federal entities from the same agency made for the same purpose should be combined and considered one program.

(c) Notwithstanding paragraphs (a) and (b) of this definition, a cluster of programs. The types of clusters of programs are:

- (1) Research and development (R&D);
- (2) Student financial aid (SFA); and
- (3) “Other clusters,” as described in the definition of Cluster of Programs.

§ 200.43 Federal share.

Federal share means the portion of the total project costs that are paid by Federal funds.

§ 200.44 Final cost objective.

Final cost objective means a cost objective which has allocated to it both direct and indirect costs and, in the non-Federal entity’s accumulation system, is one of the final accumulation points, such as a particular award, internal project, or other direct activity of a non-Federal entity. See also §§ 200.28 Cost objective and 200.60 Intermediate cost objective.

§ 200.45 Fixed amount awards.

Fixed amount awards means a type of grant agreement under which the Federal awarding agency or pass-through entity provides a specific level of support without regard to actual costs incurred under the Federal award. This type of Federal award reduces some of the administrative burden and record-keeping requirements for both the non-Federal entity and Federal awarding agency or pass-through entity. Accountability is based primarily on performance and results. See §§ 200.201 Use of grant agreements (including fixed amount awards), cooperative agreements, and contracts, paragraph (b) and 200.332 Fixed amount subawards.

§ 200.46 Foreign public entity.

Foreign public entity means:

(a) A foreign government or foreign governmental entity;

(b) A public international organization, which is an organization entitled to enjoy privileges, exemptions, and immunities as an international

organization under the International Organizations Immunities Act (22 U.S.C. 288–288f);

(c) An entity owned (in whole or in part) or controlled by a foreign government; or

(d) Any other entity consisting wholly or partially of one or more foreign governments or foreign governmental entities.

§ 200.47 Foreign organization.

Foreign organization means an entity that is:

(a) A public or private organization located in a country other than the United States and its territories that are subject to the laws of the country in which it is located, irrespective of the citizenship of project staff or place of performance;

(b) A private nongovernmental organization located in a country other than the United States that solicits and receives cash contributions from the general public;

(c) A charitable organization located in a country other than the United States that is nonprofit and tax exempt under the laws of its country of domicile and operation, and is not a university, college, accredited degree-granting institution of education, private foundation, hospital, organization engaged exclusively in research or scientific activities, church, synagogue, mosque or other similar entities organized primarily for religious purposes; or

(d) An organization located in a country other than the United States not recognized as a Foreign Public Entity.

§ 200.48 General purpose equipment.

General purpose equipment means equipment which is not limited to research, medical, scientific or other technical activities. Examples include office equipment and furnishings, modular offices, telephone networks, information technology equipment and systems, air conditioning equipment, reproduction and printing equipment, and motor vehicles. See also Equipment and Special Purpose Equipment.

§ 200.49 Generally Accepted Accounting Principles (GAAP).

GAAP has the meaning specified in accounting standards issued by the Government Accounting Standards Board (GASB) and the Financial Accounting Standards Board (FASB).

§ 200.50 Generally Accepted Government Auditing Standards (GAGAS).

GAGAS means generally accepted government auditing standards issued by the Comptroller General of the

United States, which are applicable to financial audits.

§ 200.51 Grant agreement.

Grant agreement means a legal instrument of financial assistance between a Federal awarding agency or pass-through entity and a non-Federal entity that, consistent with 31 U.S.C. 6302, 6304:

(a) Is used to enter into a relationship the principal purpose of which is to transfer anything of value from the Federal awarding agency or pass-through entity to the non-Federal entity to carry out a public purpose authorized by a law of the United States (see 31 U.S.C. 6101(3)); and not to acquire property or services for the Federal awarding agency or pass-through entity's direct benefit or use;

(b) Is distinguished from a cooperative agreement in that it does not provide for substantial involvement between the Federal awarding agency or pass-through entity and the non-Federal entity in carrying out the activity contemplated by the Federal award.

(c) Does not include an agreement that provides only:

- (1) Direct United States Government cash assistance to an individual;
- (2) A subsidy;
- (3) A loan;
- (4) A loan guarantee; or
- (5) Insurance.

§ 200.52 Hospital.

Hospital means a facility licensed as a hospital under the law of any state or a facility operated as a hospital by the United States, a state, or a subdivision of a state.

§ 200.53 Improper payment.

(a) *Improper payment* means any payment that should not have been made or that was made in an incorrect amount (including overpayments and underpayments) under statutory, contractual, administrative, or other legally applicable requirements; and

(b) *Improper payment* includes any payment to an ineligible party, any payment for an ineligible good or service, any duplicate payment, any payment for a good or service not received (except for such payments where authorized by law), any payment that does not account for credit for applicable discounts, and any payment where insufficient or lack of documentation prevents a reviewer from discerning whether a payment was proper.

§ 200.54 Indian tribe (or "federally recognized Indian tribe").

Indian tribe means any Indian tribe, band, nation, or other organized group

or community, including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act (43 U.S.C. Chapter 33), which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians (25 U.S.C. 450b(e)). See annually published Bureau of Indian Affairs list of Indian Entities Recognized and Eligible to Receive Services.

§ 200.55 Institutions of Higher Education (IHEs).

IHE is defined at 20 U.S.C. 1001.

§ 200.56 Indirect (facilities & administrative (F&A)) costs.

Indirect (F&A) costs means those costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved. To facilitate equitable distribution of indirect expenses to the cost objectives served, it may be necessary to establish a number of pools of indirect (F&A) costs. Indirect (F&A) cost pools should be distributed to benefitted cost objectives on bases that will produce an equitable result in consideration of relative benefits derived.

§ 200.57 Indirect cost rate proposal.

Indirect cost rate proposal means the documentation prepared by a non-Federal entity to substantiate its request for the establishment of an indirect cost rate as described in Appendix III to Part 200—Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Institutions of Higher Education (IHEs) through Appendix VII to Part 200—States and Local Government and Indian Tribe Indirect Cost Proposals of this Part.

§ 200.58 Information technology systems.

Information technology systems means computing devices, ancillary equipment, software, firmware, and similar procedures, services (including support services), and related resources. See also §§ 200.20 Computing devices and 200.33 Equipment.

§ 200.59 Intangible property.

Intangible property means property having no physical existence, such as trademarks, copyrights, patents and patent applications and property, such as loans, notes and other debt instruments, lease agreements, stock and other instruments of property ownership (whether the property is tangible or intangible).

§ 200.60 Intermediate cost objective.

Intermediate cost objective means a cost objective that is used to accumulate indirect costs or service center costs that are subsequently allocated to one or more indirect cost pools or final cost objectives. See also § 200.28 Cost objective and § 200.44 Final cost objective.

§ 200.61 Internal controls.

Internal controls means a process, implemented by a non-Federal entity, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- (a) Effectiveness and efficiency of operations;
- (b) Reliability of reporting for internal and external use; and
- (c) Compliance with applicable laws and regulations.

§ 200.62 Internal control over compliance requirements for Federal awards.

Internal control over compliance requirements for Federal awards means a process implemented by a non-Federal entity designed to provide reasonable assurance regarding the achievement of the following objectives for Federal awards:

- (a) Transactions are properly recorded and accounted for, in order to:
 - (1) Permit the preparation of reliable financial statements and Federal reports;
 - (2) Maintain accountability over assets; and
 - (3) Demonstrate compliance with Federal statutes, regulations, and the terms and conditions of the Federal award;
- (b) Transactions are executed in compliance with:
 - (1) Federal statutes, regulations, and the terms and conditions of the Federal award that could have a direct and material effect on a Federal program; and
 - (2) Any other Federal statutes and regulations that are identified in the Compliance Supplement; and
 - (c) Funds, property, and other assets are safeguarded against loss from unauthorized use or disposition.

§ 200.63 Loan.

Loan means a Federal loan or loan guarantee received or administered by a non-Federal entity, except as used in the definition of § 200.80 Program income.

- (a) The term "direct loan" means a disbursement of funds by the Federal government to a non-Federal borrower under a contract that requires the repayment of such funds with or without interest. The term includes the purchase of, or participation in, a loan

made by another lender and financing arrangements that defer payment for more than 90 days, including the sale of a Federal government asset on credit terms. The term does not include the acquisition of a federally guaranteed loan in satisfaction of default claims or the price support loans of the Commodity Credit Corporation.

(b) The term "direct loan obligation" means a binding agreement by a Federal awarding agency to make a direct loan when specified conditions are fulfilled by the borrower.

(c) The term "loan guarantee" means any Federal government guarantee, insurance, or other pledge with respect to the payment of all or a part of the principal or interest on any debt obligation of a non-Federal borrower to a non-Federal lender, but does not include the insurance of deposits, shares, or other withdrawable accounts in financial institutions.

(d) The term "loan guarantee commitment" means a binding agreement by a Federal awarding agency to make a loan guarantee when specified conditions are fulfilled by the borrower, the lender, or any other party to the guarantee agreement.

§ 200.64 Local government.

Local government means any unit of government within a state, including a:

- (a) County;
- (b) Borough;
- (c) Municipality;
- (d) City;
- (e) Town;
- (f) Township;
- (g) Parish;
- (h) Local public authority, including any public housing agency under the United States Housing Act of 1937;
- (i) Special district;
- (j) School district;
- (k) Intrastate district;
- (l) Council of governments, whether or not incorporated as a nonprofit corporation under state law; and
- (m) Any other agency or instrumentality of a multi-, regional, or intra-state or local government.

§ 200.65 Major program.

Major program means a Federal program determined by the auditor to be a major program in accordance with § 200.518 Major program determination or a program identified as a major program by a Federal awarding agency or pass-through entity in accordance with § 200.503 Relation to other audit requirements, paragraph (e).

§ 200.66 Management decision.

Management decision means the evaluation by the Federal awarding

agency or pass-through entity of the audit findings and corrective action plan and the issuance of a written decision to the auditee as to what corrective action is necessary.

§ 200.67 Micro-purchase.

Micro-purchase means a purchase of supplies or services using simplified acquisition procedures, the aggregate amount of which does not exceed the micro-purchase threshold. Micro-purchase procedures comprise a subset of a non-Federal entity's small purchase procedures. The non-Federal entity uses such procedures in order to expedite the completion of its lowest-dollar small purchase transactions and minimize the associated administrative burden and cost. The micro-purchase threshold is set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1 (Definitions). It is \$3,000 except as otherwise discussed in Subpart 2.1 of that regulation, but this threshold is periodically adjusted for inflation.

§ 200.68 Modified Total Direct Cost (MTDC).

MTDC means all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and subawards and subcontracts up to the first \$25,000 of each subaward or subcontract (regardless of the period of performance of the subawards and subcontracts under the award). MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward and subcontract in excess of \$25,000. Other items may only be excluded when necessary to avoid a serious inequity in the distribution of indirect costs, and with the approval of the cognizant agency for indirect costs.

§ 200.69 Non-Federal entity.

Non-Federal entity means a state, local government, Indian tribe, institution of higher education (IHE), or nonprofit organization that carries out a Federal award as a recipient or subrecipient.

§ 200.70 Nonprofit organization.

Nonprofit organization means any corporation, trust, association, cooperative, or other organization, not including IHEs, that:

- (a) Is operated primarily for scientific, educational, service, charitable, or similar purposes in the public interest;
- (b) Is not organized primarily for profit; and

(c) Uses net proceeds to maintain, improve, or expand the operations of the organization.

§ 200.71 Obligations.

When used in connection with a non-Federal entity's utilization of funds under a Federal award, *obligations* means orders placed for property and services, contracts and subawards made, and similar transactions during a given period that require payment by the non-Federal entity during the same or a future period.

§ 200.72 Office of Management and Budget (OMB).

OMB means the Executive Office of the President, Office of Management and Budget.

§ 200.73 Oversight agency for audit.

Oversight agency for audit means the Federal awarding agency that provides the predominant amount of funding directly to a non-Federal entity not assigned a cognizant agency for audit. When there is no direct funding, the Federal awarding agency which is the predominant source of pass-through funding must assume the oversight responsibilities. The duties of the oversight agency for audit and the process for any reassignments are described in § 200.513 Responsibilities, paragraph (b).

§ 200.74 Pass-through entity.

Pass-through entity means a non-Federal entity that provides a subaward to a subrecipient to carry out part of a Federal program.

§ 200.75 Participant support costs.

Participant support costs means direct costs for items such as stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with conferences, or training projects.

§ 200.76 Performance goal.

Performance goal means a target level of performance expressed as a tangible, measurable objective, against which actual achievement can be compared, including a goal expressed as a quantitative standard, value, or rate. In some instances (e.g., discretionary research awards), this may be limited to the requirement to submit technical performance reports (to be evaluated in accordance with agency policy).

§ 200.77 Period of performance.

Period of performance means the time during which the non-Federal entity may incur new obligations to carry out the work authorized under the Federal

award. The Federal awarding agency or pass-through entity must include start and end dates of the period of performance in the Federal award (see §§ 200.210 Information contained in a Federal award paragraph (a)(5) and 200.331 Requirements for pass-through entities, paragraph (a)(1)(iv)).

§ 200.78 Personal property.

Personal property means property other than real property. It may be tangible, having physical existence, or intangible.

§ 200.79 Personally Identifiable Information (PII).

PII means information that can be used to distinguish or trace an individual's identity, either alone or when combined with other personal or identifying information that is linked or linkable to a specific individual. Some information that is considered to be PII is available in public sources such as telephone books, public Web sites, and university listings. This type of information is considered to be Public PII and includes, for example, first and last name, address, work telephone number, email address, home telephone number, and general educational credentials. The definition of PII is not anchored to any single category of information or technology. Rather, it requires a case-by-case assessment of the specific risk that an individual can be identified. Non-PII can become PII whenever additional information is made publicly available, in any medium and from any source, that, when combined with other available information, could be used to identify an individual.

§ 200.80 Program income.

Program income means gross income earned by the non-Federal entity that is directly generated by a supported activity or earned as a result of the Federal award during the period of performance. (See § 200.77 Period of performance.) Program income includes but is not limited to income from fees for services performed, the use or rental or real or personal property acquired under Federal awards, the sale of commodities or items fabricated under a Federal award, license fees and royalties on patents and copyrights, and principal and interest on loans made with Federal award funds. Interest earned on advances of Federal funds is not program income. Except as otherwise provided in Federal statutes, regulations, or the terms and conditions of the Federal award, program income does not include rebates, credits,

discounts, and interest earned on any of them.

See also § 200.407 Prior written approval (prior approval). See also 35 U.S.C. 200–212 “Disposition of Rights in Educational Awards” applies to inventions made under Federal awards.

§ 200.81 Property.

Property means real property or personal property.

§ 200.82 Protected Personally Identifiable Information (Protected PII).

Protected PII means an individual's first name or first initial and last name in combination with any one or more of types of information, including, but not limited to, social security number, passport number, credit card numbers, clearances, bank numbers, biometrics, date and place of birth, mother's maiden name, criminal, medical and financial records, educational transcripts. This does not include PII that is required by law to be disclosed. (See also § 200.79 Personally Identifiable Information (PII)).

§ 200.83 Project cost.

Project cost means total allowable costs incurred under a Federal award and all required cost sharing and voluntary committed cost sharing, including third-party contributions.

§ 200.84 Questioned cost.

Questioned cost means a cost that is questioned by the auditor because of an audit finding:

(a) Which resulted from a violation or possible violation of a statute, regulation, or the terms and conditions of a Federal award, including for funds used to match Federal funds;

(b) Where the costs, at the time of the audit, are not supported by adequate documentation; or

(c) Where the costs incurred appear unreasonable and do not reflect the actions a prudent person would take in the circumstances.

§ 200.85 Real property.

Real property means land, including land improvements, structures and appurtenances thereto, but excludes moveable machinery and equipment.

§ 200.86 Recipient.

Recipient means a non-Federal entity that receives a Federal award directly from a Federal awarding agency to carry out an activity under a Federal program. The term recipient does not include subrecipients. See also § 200.69 Non-Federal entity.

§ 200.87 Research and Development (R&D).

R&D means all research activities, both basic and applied, and all development activities that are performed by non-Federal entities. The term research also includes activities involving the training of individuals in research techniques where such activities utilize the same facilities as other research and development activities and where such activities are not included in the instruction function.

“Research” is defined as a systematic study directed toward fuller scientific knowledge or understanding of the subject studied. “Development” is the systematic use of knowledge and understanding gained from research directed toward the production of useful materials, devices, systems, or methods, including design and development of prototypes and processes.

§ 200.88 Simplified acquisition threshold.

Simplified acquisition threshold means the dollar amount below which a non-Federal entity may purchase property or services using small purchase methods. Non-Federal entities adopt small purchase procedures in order to expedite the purchase of items costing less than the simplified acquisition threshold. The simplified acquisition threshold is set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1 (Definitions) and in accordance with 41 U.S.C. 1908. As of the publication of this Part, the simplified acquisition threshold is \$150,000, but this threshold is periodically adjusted for inflation. (Also see definition of § 200.67 Micro-purchase.)

§ 200.89 Special purpose equipment.

Special purpose equipment means equipment which is used only for research, medical, scientific, or other technical activities. Examples of special purpose equipment include microscopes, x-ray machines, surgical instruments, and spectrometers. See also §§ 200.33 Equipment and 200.48 General purpose equipment.

§ 200.90 State.

State means any state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and any agency or instrumentality thereof exclusive of local governments.

§ 200.91 Student Financial Aid (SFA).

SFA means Federal awards under those programs of general student

assistance, such as those authorized by Title IV of the Higher Education Act of 1965, as amended, (20 U.S.C. 1070–1099d), which are administered by the U.S. Department of Education, and similar programs provided by other Federal agencies. It does not include Federal awards under programs that provide fellowships or similar Federal awards to students on a competitive basis, or for specified studies or research.

§ 200.92 Subaward.

Subaward means an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a Federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a Federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract.

§ 200.93 Subrecipient.

Subrecipient means a non-Federal entity that receives a subaward from a pass-through entity to carry out part of a Federal program; but does not include an individual that is a beneficiary of such program. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency.

§ 200.94 Supplies.

Supplies means all tangible personal property other than those described in § 200.33 Equipment. A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the non-Federal entity for financial statement purposes or \$5,000, regardless of the length of its useful life. See also §§ 200.20 Computing devices and 200.33 Equipment.

§ 200.95 Termination.

Termination means the ending of a Federal award, in whole or in part at any time prior to the planned end of period of performance.

§ 200.96 Third-party in-kind contributions.

Third-party in-kind contributions means the value of non-cash contributions (i.e., property or services) that—

(a) Benefit a federally assisted project or program; and

(b) Are contributed by non-Federal third parties, without charge, to a non-Federal entity under a Federal award.

§ 200.97 Unliquidated obligations.

Unliquidated obligations means, for financial reports prepared on a cash basis, obligations incurred by the non-Federal entity that have not been paid (liquidated). For reports prepared on an accrual expenditure basis, these are obligations incurred by the non-Federal entity for which an expenditure has not been recorded.

§ 200.98 Unobligated balance.

Unobligated balance means the amount of funds under a Federal award that the non-Federal entity has not obligated. The amount is computed by subtracting the cumulative amount of the non-Federal entity's unliquidated obligations and expenditures of funds under the Federal award from the cumulative amount of the funds that the Federal awarding agency or pass-through entity authorized the non-Federal entity to obligate.

§ 200.99 Voluntary committed cost sharing.

Voluntary committed cost sharing means cost sharing specifically pledged on a voluntary basis in the proposal's budget or the Federal award on the part of the non-Federal entity and that becomes a binding requirement of Federal award.

Subpart B—General Provisions**§ 200.100 Purpose.**

(a)(1) This Part establishes uniform administrative requirements, cost principles, and audit requirements for Federal awards to non-Federal entities, as described in § 200.101 Applicability. Federal awarding agencies must not impose additional or inconsistent requirements, except as provided in §§ 200.102 Exceptions and 200.210 Information contained in a Federal award, or unless specifically required by Federal statute, regulation, or Executive Order.

(2) This Part provides the basis for a systematic and periodic collection and uniform submission by Federal agencies of information on all Federal financial assistance programs to the Office of Management and Budget (OMB). It also establishes Federal policies related to the delivery of this information to the public, including through the use of electronic media. It prescribes the manner in which General Services Administration (GSA), OMB, and Federal agencies that administer Federal financial assistance programs are to carry out their statutory responsibilities under the Federal Program Information Act (31 U.S.C. 6101–6106).

(b) Administrative requirements. Subparts B through D of this Part set

forth the uniform administrative requirements for grant and cooperative agreements, including the requirements for Federal awarding agency management of Federal grant programs before the Federal award has been made, and the requirements Federal awarding agencies may impose on non-Federal entities in the Federal award.

(c) **Cost Principles.** Subpart E—Cost Principles of this Part establishes principles for determining the allowable costs incurred by non-Federal entities under Federal awards. The principles are for the purpose of cost determination and are not intended to identify the circumstances or dictate the extent of Federal government participation in the financing of a particular program or project. The principles are designed to provide that Federal awards bear their fair share of cost recognized under these principles except where restricted or prohibited by statute.

(d) **Single Audit Requirements and Audit Follow-up.** Subpart F—Audit

Requirements of this Part is issued pursuant to the Single Audit Act Amendments of 1996, (31 U.S.C. 7501–7507). It sets forth standards for obtaining consistency and uniformity among Federal agencies for the audit of non-Federal entities expending Federal awards. These provisions also provide the policies and procedures for Federal awarding agencies and pass-through entities when using the results of these audits.

(e) For OMB guidance to Federal awarding agencies on Challenges and Prizes, please see M–10–11 Guidance on the Use of Challenges and Prizes to Promote Open Government, issued March 8, 2010, or its successor.

§ 200.101 Applicability.

(a) General applicability to Federal agencies. The requirements established in this Part apply to Federal agencies that make Federal awards to non-Federal entities. These requirements are applicable to all costs related to Federal awards.

(b)(1) Applicability to different types of Federal awards. The following table describes what portions of this Part apply to which types of Federal awards. The terms and conditions of Federal awards (including this Part) flow down to subawards to subrecipients unless a particular section of this Part or the terms and conditions of the Federal award specifically indicate otherwise. This means that non-Federal entities must comply with requirements in this Part regardless of whether the non-Federal entity is a recipient or subrecipient of a Federal award. Pass-through entities must comply with the requirements described in Subpart D—Post Federal Award Requirements of this Part, §§ 200.330 Subrecipient and contractor determinations through 200.332 Fixed amount Subawards, but not any requirements in this Part directed towards Federal awarding agencies unless the requirements of this Part or the terms and conditions of the Federal award indicate otherwise.

The following portions of the Part:	Are applicable to the following types of Federal Awards (except as noted in paragraphs (d) and (e) of this section):	Are NOT applicable to the following types of Federal Awards:
This table must be read along with the other provisions of this section		
Authority: 31 U.S.C. 503 Subpart A—Acronyms and Definitions Subpart B—General Provisions, except for §§ 200.111 <i>English language</i> , § 200.112 <i>Conflict of interest</i> , § 200.113. <i>Mandatory disclosures</i> § 200.111 <i>English language</i> , § 200.112 <i>Conflict of interest</i> , and § 200.113. <i>Mandatory disclosures</i> Subparts C–D, except for Subrecipient Monitoring and Management. Subpart D—Post Federal Award Requirements, Subrecipient Monitoring and Management. Subpart E—Cost Principles Subpart F—Audit Requirements	—All. —All. —Grant agreements and cooperative agreements. —Grant agreements and cooperative agreements. —All. —Grant agreements and cooperative agreements, except those providing food commodities. —Cost-reimbursement contracts awarded under the Federal Acquisition Regulations and cost-reimbursement subcontracts under these contracts in accordance with the FAR. —All.	—Agreements for: loans, loan guarantees, interest subsidies, and insurance. —Cost-reimbursement contracts awarded under the Federal Acquisition Regulations and cost-reimbursement subcontracts under these contracts. —Agreements for: loans, loan guarantees, interest subsidies, and insurance. —Cost-reimbursement contracts awarded under the Federal Acquisition Regulations and cost-reimbursement subcontracts under these contracts. —Grant agreements and cooperative agreements providing food commodities. —Fixed amount awards. —Agreements for: loans, loan guarantees, interest subsidies, insurance. —Federal awards to hospitals (see Appendix IX to Part 200—Hospital Cost Principles).

(2) Federal award of cost-reimbursement contract under the FAR to a non-Federal entity. When a non-Federal entity is awarded a cost-reimbursement contract, only Subpart D—Post Federal Award Requirements of this Part, §§ 200.330 Subrecipient and contractor determinations through 200.332 Fixed amount Subawards (in addition to any FAR related requirements for subaward monitoring), Subpart E—Cost Principles of this Part and Subpart F—Audit Requirements of this Part are incorporated by reference into the contract. However, when the Cost Accounting Standards (CAS) are applicable to the contract, they take precedence over the requirements of this Part except for Subpart F—Audit Requirements of this Part when they are in conflict. In addition, costs that are made unallowable under 10 U.S.C. 2324(e) and 41 U.S.C. 4304(a) as described in the FAR subpart 31.2 and subpart 31.603 are always unallowable. For requirements other than those covered in Subpart D—Post Federal Award Requirements of this Part, §§ 200.330 Subrecipient and contractor determinations through 200.332 Fixed amount Subawards, Subpart E—Cost Principles of this Part and Subpart F—Audit Requirements of this Part, the terms of the contract and the FAR apply.

(3) With the exception of Subpart F—Audit Requirements of this Part, which is required by the Single Audit Act, in any circumstances where the provisions of Federal statutes or regulations differ from the provisions of this Part, the provision of the Federal statutes or regulations govern. This includes, for agreements with Indian tribes, the provisions of the Indian Self-Determination and Education and Assistance Act (ISDEAA), as amended, 25 U.S.C 450–458ddd–2.

(c) Federal agencies may apply subparts A through E of this Part to for-profit entities, foreign public entities, or foreign organizations, except where the Federal awarding agency determines that the application these subparts would be inconsistent with the international obligations of the United States or the statute or regulations of a foreign government.

(d) Except for § 200.202 Requirement to provide public notice of Federal financial assistance programs and §§ 200.330 Subrecipient and contractor

determinations through 200.332 Fixed amount Subawards of Subpart D—Post Federal Award Requirements of this Part, the requirements in Subpart C—Pre-Federal Award Requirements and Contents of Federal Awards, Subpart D—Post Federal Award Requirements of this Part, and Subpart E—Cost Principles of this Part do not apply to the following programs:

(1) The block grant awards authorized by the Omnibus Budget Reconciliation Act of 1981 (including Community Services; Preventive Health and Health Services; Alcohol, Drug Abuse, and Mental Health Services; Maternal and Child Health Services; Social Services; Low-Income Home Energy Assistance; States' Program of Community Development Block Grant Awards for Small Cities; and Elementary and Secondary Education other than programs administered by the Secretary of Education under title V, subtitle D, chapter 2, section 583—the Secretary's discretionary award program) and both the Alcohol and Drug Abuse Treatment and Rehabilitation Block Grant Award (42 U.S.C. 300x–21 to 300x–35 and 42 U.S.C. 300x–51 to 300x64) and the Mental Health Service for the Homeless Block Grant Award (42 U.S.C. 300x to 300x–9) under the Public Health Services Act.

(2) Federal awards to local education agencies under 20 U.S.C. 7702–7703b, (portions of the Impact Aid program);

(3) Payments under the Department of Veterans Affairs' State Home Per Diem Program (38 U.S.C. 1741); and

(4) Federal awards authorized under the Child Care and Development Block Grant Act of 1990, as amended:

(i) Child Care and Development Block Grant (42 U.S.C. 9858)

(ii) Child Care Mandatory and Matching Funds of the Child Care and Development Fund (42 U.S.C. 9858)

(e) Except for § 200.202 Requirement to provide public notice of Federal financial assistance programs the guidance in Subpart C—Pre-Federal Award Requirements and Contents of Federal Awards of this Part does not apply to the following programs:

(1) Entitlement Federal awards to carry out the following programs of the Social Security Act:

(i) Temporary Assistance to Needy Families (title IV–A of the Social Security Act, 42 U.S.C. 601–619);

(ii) Child Support Enforcement and Establishment of Paternity (title IV–D of the Social Security Act, 42 U.S.C. 651–669b);

(iii) Foster Care and Adoption Assistance (title IV–E of the Act, 42 U.S.C. 670–679c);

(iv) Aid to the Aged, Blind, and Disabled (titles I, X, XIV, and XVI–AABD of the Act, as amended); and

(v) Medical Assistance (Medicaid) (title XIX of the Act, 42 U.S.C. 1396–1396w–5) not including the State Medicaid Fraud Control program authorized by section 1903(a)(6)(B) of the Social Security Act (42 U.S.C. 1396b(a)(6)(B)).

(2) A Federal award for an experimental, pilot, or demonstration project that is also supported by a Federal award listed in paragraph (e)(1) of this section;

(3) Federal awards under subsection 412(e) of the Immigration and Nationality Act and subsection 501(a) of the Refugee Education Assistance Act of 1980 (Pub. L. 96–422, 94 Stat. 1809), for cash assistance, medical assistance, and supplemental security income benefits to refugees and entrants and the administrative costs of providing the assistance and benefits (8 U.S.C. 1522(e));

(4) Entitlement awards under the following programs of The National School Lunch Act:

(i) National School Lunch Program (section 4 of the Act, 42 U.S.C. 1753),

(ii) Commodity Assistance (section 6 of the Act, 42 U.S.C. 1755),

(iii) Special Meal Assistance (section 11 of the Act, 42 U.S.C. 1759a),

(iv) Summer Food Service Program for Children (section 13 of the Act, 42 U.S.C. 1761), and

(v) Child and Adult Care Food Program (section 17 of the Act, 42 U.S.C. 1766).

(5) Entitlement awards under the following programs of The Child Nutrition Act of 1966:

(i) Special Milk Program (section 3 of the Act, 42 U.S.C. 1772),

(ii) School Breakfast Program (section 4 of the Act, 42 U.S.C. 1773), and

(iii) State Administrative Expenses (section 7 of the Act, 42 U.S.C. section 1776).

(6) Entitlement awards for State Administrative Expenses under The Food and Nutrition Act of 2008 (section 16 of the Act, 7 U.S.C. 2025).

(7) Non-discretionary Federal awards under the following non-entitlement programs:

(i) Special Supplemental Nutrition Program for Women, Infants and Children (section 17 of the Child Nutrition Act of 1966) 42 U.S.C. section 1786;

(ii) The Emergency Food Assistance Programs (Emergency Food Assistance Act of 1983) 7 U.S.C. section 7501 note; and

(iii) Commodity Supplemental Food Program (section 5 of the Agriculture and Consumer Protection Act of 1973) 7 U.S.C. section 612c note.

§ 200.102 Exceptions.

(a) With the exception of Subpart F—Audit Requirements of this Part, OMB may allow exceptions for classes of Federal awards or non-Federal entities subject to the requirements of this Part when exceptions are not prohibited by statute. However, in the interest of maximum uniformity, exceptions from the requirements of this Part will be permitted only in unusual circumstances. Exceptions for classes of Federal awards or non-Federal entities will be published on the OMB Web site at www.whitehouse.gov/omb.

(b) Exceptions on a case-by-case basis for individual non-Federal entities may be authorized by the Federal awarding agency or cognizant agency for indirect costs except where otherwise required by law or where OMB or other approval is expressly required by this Part. No case-by-case exceptions may be granted to the provisions of Subpart F—Audit Requirements of this Part.

(c) The Federal awarding agency may apply more restrictive requirements to a class of Federal awards or non-Federal entities when approved by OMB, required by Federal statutes or regulations except for the requirements in Subpart F—Audit Requirements of this Part. A Federal awarding agency may apply less restrictive requirements when making fixed amount awards as defined in Subpart A—Acronyms and Definitions of this Part, except for those requirements imposed by statute or in Subpart F—Audit Requirements of this Part.

(d) On a case-by-case basis, OMB will approve new strategies for Federal awards when proposed by the Federal awarding agency in accordance with OMB guidance (such as M–13–17) to develop additional evidence relevant to addressing important policy challenges or to promote cost-effectiveness in and

across Federal programs. Proposals may draw on the innovative program designs discussed in M–13–17 to expand or improve the use of effective practices in delivering Federal financial assistance while also encouraging innovation in service delivery. Proposals submitted to OMB in accordance with M–13–17 may include requests to waive requirements other than those in Subpart F—Audit Requirements of this Part.

§ 200.103 Authorities.

This Part is issued under the following authorities.

(a) Subpart B—General Provisions of this Part through Subpart D—Post Federal Award Requirements of this Part are authorized under 31 U.S.C. 503 (the Chief Financial Officers Act, Functions of the Deputy Director for Management), 31 U.S.C. 1111 (Improving Economy and Efficiency of the United States Government), 41 U.S.C. 1101–1131 (the Office of Federal Procurement Policy Act), Reorganization Plan No. 2 of 1970, and Executive Order 11541 (“Prescribing the Duties of the Office of Management and Budget and the Domestic Policy Council in the Executive Office of the President”), the Single Audit Act Amendments of 1996, (31 U.S.C. 7501–7507), as well as The Federal Program Information Act (Public Law 95–220 and Public Law 98–169, as amended, codified at 31 U.S.C. 6101–6106).

(b) Subpart E—Cost Principles of this Part is authorized under the Budget and Accounting Act of 1921, as amended; the Budget and Accounting Procedures Act of 1950, as amended (31 U.S.C. 1101–1125); the Chief Financial Officers Act of 1990 (31 U.S.C. 503–504); Reorganization Plan No. 2 of 1970; and Executive Order No. 11541, “Prescribing the Duties of the Office of Management and Budget and the Domestic Policy Council in the Executive Office of the President.”

(c) Subpart F—Audit Requirements of this Part is authorized under the Single Audit Act Amendments of 1996, (31 U.S.C. 7501–7507).

§ 200.104 Supersession.

As described in § 200.110 Effective/applicability date, this Part supersedes the following OMB guidance documents and regulations under Title 2 of the Code of Federal Regulations:

(a) A–21, “Cost Principles for Educational Institutions” (2 CFR Part 220);

(b) A–87, “Cost Principles for State, Local and Indian Tribal Governments” (2 CFR Part 225) and also **Federal Register** notice 51 FR 552 (January 6, 1986);

(c) A–89, “Federal Domestic Assistance Program Information”;

(d) A–102, “Grant Awards and Cooperative Agreements with State and Local Governments”;

(e) A–110, “Uniform Administrative Requirements for Awards and Other Agreements with Institutions of Higher Education, Hospitals, and Other Nonprofit Organizations” (codified at 2 CFR 215);

(f) A–122, “Cost Principles for Non-Profit Organizations” (2 CFR Part 230);

(g) A–133, “Audits of States, Local Governments and Non-Profit Organizations,”; and

(h) Those sections of A–50 related to audits performed under Subpart F—Audit Requirements of this Part.

§ 200.105 Effect on other issuances.

For Federal awards subject to this Part, all administrative requirements, program manuals, handbooks and other non-regulatory materials that are inconsistent with the requirements of this Part must be superseded upon implementation of this Part by the Federal agency, except to the extent they are required by statute or authorized in accordance with the provisions in § 200.102 Exceptions.

§ 200.106 Agency implementation.

The specific requirements and responsibilities of Federal agencies and non-Federal entities are set forth in this Part. Federal agencies making Federal awards to non-Federal entities must implement the language in the Subpart C—Pre-Federal Award Requirements and Contents of Federal Awards of this Part through Subpart F—Audit Requirements of this Part in codified regulations unless different provisions are required by Federal statute or are approved by OMB.

§ 200.107 OMB responsibilities.

OMB will review Federal agency regulations and implementation of this Part, and will provide interpretations of policy requirements and assistance to ensure effective and efficient implementation. Any exceptions will be subject to approval by OMB. Exceptions will only be made in particular cases where adequate justification is presented.

§ 200.108 Inquiries.

Inquiries concerning this Part may be directed to the Office of Federal Financial Management Office of Management and Budget, in Washington, DC. Non-Federal entities’ inquiries should be addressed to the Federal awarding agency, cognizant agency for indirect costs, cognizant or

oversight agency for audit, or pass-through entity as appropriate.

§ 200.109 Review date.

OMB will review this Part at least every five years after December 26, 2013.

§ 200.110 Effective/applicability date.

(a) The standards set forth in this Part which affect administration of Federal awards issued by Federal agencies become effective once implemented by Federal agencies or when any future amendment to this Part becomes final. Federal agencies must implement the policies and procedures applicable to Federal awards by promulgating a regulation to be effective by December 26, 2014 unless different provisions are required by statute or approved by OMB.

(b) The standards set forth in Subpart F—Audit Requirements of this Part and any other standards which apply directly to Federal agencies will be effective December 26, 2013 and will apply to audits of fiscal years beginning on or after December 26, 2014.

§ 200.111 English language.

(a) All Federal financial assistance announcements and Federal award information must be in the English language. Applications must be submitted in the English language and must be in the terms of U.S. dollars. If the Federal awarding agency receives applications in another currency, the Federal awarding agency will evaluate the application by converting the foreign currency to United States currency using the date specified for receipt of the application.

(b) Non-Federal entities may translate the Federal award and other documents into another language. In the event of inconsistency between any terms and conditions of the Federal award and any translation into another language, the English language meaning will control. Where a significant portion of the non-Federal entity's employees who are working on the Federal award are not fluent in English, the non-Federal entity must provide the Federal award in English and the language(s) with which employees are more familiar.

§ 200.112 Conflict of interest.

The Federal awarding agency must establish conflict of interest policies for Federal awards. The non-Federal entity must disclose in writing any potential conflict of interest to the Federal awarding agency or pass-through entity in accordance with applicable Federal awarding agency policy.

§ 200.113 Mandatory disclosures.

The non-Federal entity or applicant for a Federal award must disclose, in a timely manner, in writing to the Federal awarding agency or pass-through entity all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award. Failure to make required disclosures can result in any of the remedies described in § 200.338 Remedies for noncompliance, including suspension or debarment. (See also 2 CFR Part 180 and 31 U.S.C. 3321).

Subpart C—Pre-Federal Award Requirements and Contents of Federal Awards

§ 200.200 Purpose.

(a) Sections 200.201 Use of grant agreements (including fixed amount awards), cooperative agreements, and contracts through 200.208 Certifications and representations. Prescribe instructions and other pre-award matters to be used in the announcement and application process.

(b) Use of §§ 200.203 Notices of funding opportunities, 200.204 Federal awarding agency review of merit of proposals, 200.205 Federal awarding agency review of risk posed by applicants, and 200.207 Specific conditions, is required only for competitive Federal awards, but may also be used by the Federal awarding agency for non-competitive awards where appropriate or where required by Federal statute.

§ 200.201 Use of grant agreements (including fixed amount awards), cooperative agreements, and contracts.

(a) The Federal awarding agency or pass-through entity must decide on the appropriate instrument for the Federal award (i.e., grant agreement, cooperative agreement, or contract) in accordance with the Federal Grant and Cooperative Agreement Act (31 U.S.C. 6301–08).

(b) Fixed Amount Awards. In addition to the options described in paragraph (a) of this section, Federal awarding agencies, or pass-through entities as permitted in § 200.332 Fixed amount subawards, may use fixed amount awards (see § 200.45 Fixed amount awards) to which the following conditions apply:

(1) Payments are based on meeting specific requirements of the Federal award. Accountability is based on performance and results. The Federal award amount is negotiated using the cost principles (or other pricing information) as a guide. Except in the case of termination before completion of the Federal award, there is no

governmental review of the actual costs incurred by the non-Federal entity in performance of the award. The Federal awarding agency or pass-through entity may use fixed amount awards if the project scope is specific and if adequate cost, historical, or unit pricing data is available to establish a fixed amount award with assurance that the non-Federal entity will realize no increment above actual cost. Some of the ways in which the Federal award may be paid include, but are not limited to:

(i) In several partial payments, the amount of each agreed upon in advance, and the “milestone” or event triggering the payment also agreed upon in advance, and set forth in the Federal award;

(ii) On a unit price basis, for a defined unit or units, at a defined price or prices, agreed to in advance of performance of the Federal award and set forth in the Federal award; or,

(iii) In one payment at Federal award completion.

(2) A fixed amount award cannot be used in programs which require mandatory cost sharing or match.

(3) The non-Federal entity must certify in writing to the Federal awarding agency or pass-through entity at the end of the Federal award that the project or activity was completed or the level of effort was expended. If the required level of activity or effort was not carried out, the amount of the Federal award must be adjusted.

(4) Periodic reports may be established for each Federal award.

(5) Changes in principal investigator, project leader, project partner, or scope of effort must receive the prior written approval of the Federal awarding agency or pass-through entity.

§ 200.202 Requirement to provide public notice of Federal financial assistance programs.

(a) The Federal awarding agency must notify the public of Federal programs in the Catalog of Federal Domestic Assistance (CFDA), maintained by the General Services Administration (GSA).

(1) The CFDA, or any OMB-designated replacement, is the single, authoritative, governmentwide comprehensive source of Federal financial assistance program information produced by the executive branch of the Federal government.

(2) The information that the Federal awarding agency must submit to GSA for approval by OMB is listed in paragraph (b) of this section. GSA must prescribe the format for the submission.

(3) The Federal awarding agency may not award Federal financial assistance without assigning it to a program that

has been included in the CFDA as required in this section unless there are exigent circumstances requiring otherwise, such as timing requirements imposed by statute.

(b) For each program that awards discretionary Federal awards, non-discretionary Federal awards, loans, insurance, or any other type of Federal financial assistance, the Federal awarding agency must submit the following information to GSA:

(1) Program Description, Purpose, Goals and Measurement. A brief summary of the statutory or regulatory requirements of the program and its intended outcome. Where appropriate, the Program Description, Purpose, Goals, and Measurement should align with the strategic goals and objectives within the Federal awarding agency's performance plan and should support the Federal awarding agency's performance measurement, management, and reporting as required by Part 6 of OMB Circular A-11;

(2) Identification of whether the program makes Federal awards on a discretionary basis or the Federal awards are prescribed by Federal statute, such as in the case of formula grants.

(3) Projected total amount of funds available for the program. Estimates based on previous year funding are acceptable if current appropriations are not available at the time of the submission;

(4) Anticipated Source of Available Funds: The statutory authority for funding the program and, to the extent possible, agency, sub-agency, or, if known, the specific program unit that will issue the Federal awards, and associated funding identifier (e.g., Treasury Account Symbol(s));

(5) General Eligibility Requirements: The statutory, regulatory or other eligibility factors or considerations that determine the applicant's qualification for Federal awards under the program (e.g., type of non-Federal entity); and

(6) Applicability of Single Audit Requirements as required by Subpart F—Audit Requirements of this Part.

§ 200.203 Notices of funding opportunities.

For competitive grants and cooperative agreements, the Federal awarding agency must announce specific funding opportunities by providing the following information in a public notice:

(a) Summary Information in Notices of Funding Opportunities. The Federal awarding agency must display the following information posted on the OMB-designated governmentwide Web

site for finding and applying for Federal financial assistance, in a location preceding the full text of the announcement:

(1) Federal Awarding Agency Name;

(2) Funding Opportunity Title;

(3) Announcement Type (whether the funding opportunity is the initial announcement of this funding opportunity or a modification of a previously announced opportunity);

(4) Funding Opportunity Number (required, if applicable). If the Federal awarding agency has assigned or will assign a number to the funding opportunity announcement, this number must be provided;

(5) Catalog of Federal Financial Assistance (CFDA) Number(s);

(6) Key Dates. Key dates include due dates for applications or Executive Order 12372 submissions, as well as for any letters of intent or pre-applications. For any announcement issued before a program's application materials are available, key dates also include the date on which those materials will be released; and any other additional information, as deemed applicable by the relevant Federal awarding agency.

(b) The Federal awarding agency must generally make all funding opportunities available for application for at least 60 calendar days. The Federal awarding agency may make a determination to have a less than 60 calendar day availability period but no funding opportunity should be available for less than 30 calendar days unless exigent circumstances require as determined by the Federal awarding agency head or delegate.

(c) Full Text of Funding Opportunities. The Federal awarding agency must include the following information in the full text of each funding opportunity. For specific instructions on the content required in this section, refer to Appendix I to Part 200—Full Text of Notice of Funding Opportunity to this Part.

(1) Full programmatic description of the funding opportunity.

(2) Federal award information, including sufficient information to help an applicant make an informed decision about whether to submit an application. (See also § 200.414 Indirect (F&A) costs, paragraph (b)).

(3) Specific eligibility information, including any factors or priorities that affect an applicant's or its application's eligibility for selection.

(4) Application Preparation and Submission Information, including the applicable submission dates and time.

(5) Application Review Information including the criteria and process to be used to evaluate applications. See also

§ 200.205 Federal awarding agency review of risk posed by applicants. See also 2 CFR Part 27.

(6) Federal Award Administration Information. See also § 200.210 Information contained in a Federal award.

§ 200.204 Federal awarding agency review of merit of proposals.

For competitive grants or cooperative agreements, unless prohibited by Federal statute, the Federal awarding agency must design and execute a merit review process for applications. This process must be described or incorporated by reference in the applicable funding opportunity (see Appendix I to this Part, Full text of the Funding Opportunity.) See also § 200.203 Notices of funding opportunities.

§ 200.205 Federal awarding agency review of risk posed by applicants.

(a) Prior to making a Federal award, the Federal awarding agency is required by 31 U.S.C. 3321 and 41 U.S.C. 2313 note to review information available through any OMB-designated repositories of governmentwide eligibility qualification or financial integrity information, such as Federal Awardee Performance and Integrity Information System (FAPIIS), Dun and Bradstreet, and "Do Not Pay". See also suspension and debarment requirements at 2 CFR Part 180 as well as individual Federal agency suspension and debarment regulations in title 2 of the Code of Federal Regulations.

(b) In addition, for competitive grants or cooperative agreements, the Federal awarding agency must have in place a framework for evaluating the risks posed by applicants before they receive Federal awards. This evaluation may incorporate results of the evaluation of the applicant's eligibility or the quality of its application. If the Federal awarding agency determines that a Federal award will be made, special conditions that correspond to the degree of risk assessed may be applied to the Federal award. Criteria to be evaluated must be described in the announcement of funding opportunity described in § 200.203 Notices of funding opportunities.

(c) In evaluating risks posed by applicants, the Federal awarding agency may use a risk-based approach and may consider any items such as the following:

(1) Financial stability;

(2) Quality of management systems and ability to meet the management standards prescribed in this Part;

(3) History of performance. The applicant's record in managing Federal

awards, if it is a prior recipient of Federal awards, including timeliness of compliance with applicable reporting requirements, conformance to the terms and conditions of previous Federal awards, and if applicable, the extent to which any previously awarded amounts will be expended prior to future awards;

(4) Reports and findings from audits performed under Subpart F—Audit Requirements of this Part or the reports and findings of any other available audits; and

(5) The applicant's ability to effectively implement statutory, regulatory, or other requirements imposed on non-Federal entities.

(d) In addition to this review, the Federal awarding agency must comply with the guidelines on governmentwide suspension and debarment in 2 CFR Part 180, and must require non-Federal entities to comply with these provisions. These provisions restrict Federal awards, subawards and contracts with certain parties that are debarred, suspended or otherwise excluded from or ineligible for participation in Federal programs or activities.

§ 200.206 Standard application requirements.

(a) Paperwork clearances. The Federal awarding agency may only use application information collections approved by OMB under the Paperwork Reduction Act of 1995 and OMB's implementing regulations in 5 CFR Part 1320, Controlling Paperwork Burdens on the Public. Consistent with these requirements, OMB will authorize additional information collections only on a limited basis.

(b) If applicable, the Federal awarding agency may inform applicants and recipients that they do not need to provide certain information otherwise required by the relevant information collection.

§ 200.207 Specific conditions.

(a) Based on the criteria set forth in § 200.205 Federal awarding agency review of risk posed by applicants or when an applicant or recipient has a history of failure to comply with the general or specific terms and conditions of a Federal award, or failure to meet expected performance goals as described in § 200.210 Information contained in a Federal award, or is not otherwise responsible, the Federal awarding agency or pass-through entity may impose additional specific award conditions as needed under the procedure specified in paragraph (b) of this section. These additional Federal

award conditions may include items such as the following:

(1) Requiring payments as reimbursements rather than advance payments;

(2) Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given period of performance;

(3) Requiring additional, more detailed financial reports;

(4) Requiring additional project monitoring;

(5) Requiring the non-Federal entity to obtain technical or management assistance; or

(6) Establishing additional prior approvals.

(b) The Federal awarding agency or pass-through entity must notify the applicant or non-Federal entity as to:

(1) The nature of the additional requirements;

(2) The reason why the additional requirements are being imposed;

(3) The nature of the action needed to remove the additional requirement, if applicable;

(4) The time allowed for completing the actions if applicable, and

(5) The method for requesting reconsideration of the additional requirements imposed.

(c) Any special conditions must be promptly removed once the conditions that prompted them have been corrected.

§ 200.208 Certifications and representations.

Unless prohibited by Federal statutes or regulations, each Federal awarding agency or pass-through entity is authorized to require the non-Federal entity to submit certifications and representations required by Federal statutes, or regulations on an annual basis. Submission may be required more frequently if the non-Federal entity fails to meet a requirement of a Federal award.

§ 200.209 Pre-award costs.

For requirements on costs incurred by the applicant prior to the start date of the period of performance of the Federal award, see § 200.458 Pre-award costs.

§ 200.210 Information contained in a Federal award.

A Federal award must include the following information:

(a) General Federal Award Information. The Federal awarding agency must include the following general Federal award information in each Federal award:

(1) Recipient name (which must match registered name in DUNS);

(2) Recipient's DUNS number (see § 200.32 Data Universal Numbering System (DUNS) number);

(3) Unique Federal Award Identification Number (FAIN);

(4) Federal Award Date (see § 200.39 Federal award date);

(5) Period of Performance Start and End Date;

(6) Amount of Federal Funds Obligated by this action;

(7) Total Amount of Federal Funds Obligated;

(8) Total Amount of the Federal Award;

(9) Budget Approved by the Federal Awarding Agency;

(10) Total Approved Cost Sharing or Matching, where applicable;

(11) Federal award project description, (to comply with statutory requirements (e.g., FFATA));

(12) Name of Federal awarding agency and contact information for awarding official,

(13) CFDA Number and Name;

(14) Identification of whether the award is R&D; and

(15) Indirect cost rate for the Federal award (including if the de minimis rate is charged per § 200.414 Indirect (F&A) costs).

(b) General Terms and Conditions

(1) Federal awarding agencies must incorporate the following general terms and conditions either in the Federal award or by reference, as applicable:

(i) Administrative requirements implemented by the Federal awarding agency as specified in this Part.

(ii) National policy requirements.

These include statutory, executive order, other Presidential directive, or regulatory requirements that apply by specific reference and are not program-specific. See § 200.300 Statutory and national policy requirements.

(2) The Federal award must include wording to incorporate, by reference, the applicable set of general terms and conditions. The reference must be to the Web site at which the Federal awarding agency maintains the general terms and conditions.

(3) If a non-Federal entity requests a copy of the full text of the general terms and conditions, the Federal awarding agency must provide it.

(4) Wherever the general terms and conditions are publicly available, the Federal awarding agency must maintain an archive of previous versions of the general terms and conditions, with effective dates, for use by the non-Federal entity, auditors, or others.

(c) Federal Awarding Agency, Program, or Federal Award Specific Terms and Conditions. The Federal awarding agency may include with each

Federal award any terms and conditions necessary to communicate requirements that are in addition to the requirements outlined in the Federal awarding agency's general terms and conditions. Whenever practicable, these specific terms and conditions also should be shared on a public Web site and in notices of funding opportunities (as outlined in § 200.203 Notices of funding opportunities) in addition to being included in a Federal award. See also § 200.206 Standard application requirements.

(d) Federal Award Performance Goals. The Federal awarding agency must include in the Federal award an indication of the timing and scope of expected performance by the non-Federal entity as related to the outcomes intended to be achieved by the program. In some instances (e.g., discretionary research awards), this may be limited to the requirement to submit technical performance reports (to be evaluated in accordance with Federal awarding agency policy). Where appropriate, the Federal award may include specific performance goals, indicators, milestones, or expected outcomes (such as outputs, or services performed or public impacts of any of these) with an expected timeline for accomplishment. Reporting requirements must be clearly articulated such that, where appropriate, performance during the execution of the Federal award has a standard against which non-Federal entity performance can be measured. The Federal awarding agency may include program-specific requirements, as applicable. These requirements should be aligned with agency strategic goals, strategic objectives or performance goals that are relevant to the program. See also OMB Circular A-11, Preparation, Submission and Execution of the Budget Part 6 for definitions of strategic objectives and performance goals.

(e) Any other information required by the Federal awarding agency.

§ 200.211 Public access to Federal award information.

(a) In accordance with statutory requirements for Federal spending transparency (e.g., FFATA), except as noted in this section, for applicable Federal awards the Federal awarding agency must announce all Federal awards publicly and publish the required information on a publicly available OMB-designated governmentwide Web site (at time of publication, www.USAspending.gov).

(b) Nothing in this section may be construed as requiring the publication of information otherwise exempt under

the Freedom of Information Act (5 U.S.C. 552), or controlled unclassified information pursuant to Executive Order 13556.

Subpart D—Post Federal Award Requirements Standards for Financial and Program Management

§ 200.300 Statutory and national policy requirements.

(a) The Federal awarding agency must manage and administer the Federal award in a manner so as to ensure that Federal funding is expended and associated programs are implemented in full accordance with U.S. statutory and public policy requirements: including, but not limited to, those protecting public welfare, the environment, and prohibiting discrimination. The Federal awarding agency must communicate to the non-Federal entity all relevant public policy requirements, including those in general appropriations provisions, and incorporate them either directly or by reference in the terms and conditions of the Federal award.

(b) The non-Federal entity is responsible for complying with all requirements of the Federal award. For all Federal awards, this includes the provisions of FFATA, which includes requirements on executive compensation, and also requirements implementing the Act for the non-Federal entity at 2 CFR Part 25 Financial Assistance Use of Universal Identifier and Central Contractor Registration and 2 CFR Part 170 Reporting Subaward and Executive Compensation Information. See also statutory requirements for whistleblower protections at 10 U.S.C. 2409, 41 U.S.C. 4712, and 10 U.S.C. 2324, 41 U.S.C. 4304 and 4310.

§ 200.301 Performance measurement.

The Federal awarding agency must require the recipient to use OMB-approved governmentwide standard information collections when providing financial and performance information. As appropriate and in accordance with above mentioned information collections, the Federal awarding agency must require the recipient to relate financial data to performance accomplishments of the Federal award. Also, in accordance with above mentioned governmentwide standard information collections, and when applicable, recipients must also provide cost information to demonstrate cost effective practices (e.g., through unit cost data). The recipient's performance should be measured in a way that will help the Federal awarding agency and other non-Federal entities to improve program outcomes, share lessons

learned, and spread the adoption of promising practices. The Federal awarding agency should provide recipients with clear performance goals, indicators, and milestones as described in § 200.210 Information contained in a Federal award. Performance reporting frequency and content should be established to not only allow the Federal awarding agency to understand the recipient progress but also to facilitate identification of promising practices among recipients and build the evidence upon which the Federal awarding agency's program and performance decisions are made.

§ 200.302 Financial management.

(a) Each state must expend and account for the Federal award in accordance with state laws and procedures for expending and accounting for the state's own funds. In addition, the state's and the other non-Federal entity's financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the Federal award, must be sufficient to permit the preparation of reports required by general and program-specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award. See also § 200.450 Lobbying.

(b) The financial management system of each non-Federal entity must provide for the following (see also §§ 200.333 Retention requirements for records, 200.334 Requests for transfer of records, 200.335 Methods for collection, transmission and storage of information, 200.336 Access to records, and 200.337 Restrictions on public access to records):

(1) Identification, in its accounts, of all Federal awards received and expended and the Federal programs under which they were received. Federal program and Federal award identification must include, as applicable, the CFDA title and number, Federal award identification number and year, name of the Federal agency, and name of the pass-through entity, if any.

(2) Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements set forth in §§ 200.327 Financial reporting and 200.328 Monitoring and reporting program performance. If a Federal awarding agency requires reporting on an accrual basis from a recipient that maintains its

records on other than an accrual basis, the recipient must not be required to establish an accrual accounting system. This recipient may develop accrual data for its reports on the basis of an analysis of the documentation on hand. Similarly, a pass-through entity must not require a subrecipient to establish an accrual accounting system and must allow the subrecipient to develop accrual data for its reports on the basis of an analysis of the documentation on hand.

(3) Records that identify adequately the source and application of funds for federally-funded activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation.

(4) Effective control over, and accountability for, all funds, property, and other assets. The non-Federal entity must adequately safeguard all assets and assure that they are used solely for authorized purposes. See § 200.303 Internal controls.

(5) Comparison of expenditures with budget amounts for each Federal award.

(6) Written procedures to implement the requirements of § 200.305 Payment.

(7) Written procedures for determining the allowability of costs in accordance with Subpart E—Cost Principles of this Part and the terms and conditions of the Federal award.

§ 200.303 Internal controls.

The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States and the “Internal Control Integrated Framework”, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

(b) Comply with Federal statutes, regulations, and the terms and conditions of the Federal awards.

(c) Evaluate and monitor the non-Federal entity's compliance with statute, regulations and the terms and conditions of Federal awards.

(d) Take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings.

(e) Take reasonable measures to safeguard protected personally identifiable information and other information the Federal awarding agency or pass-through entity designates as sensitive or the non-Federal entity considers sensitive consistent with applicable Federal, state and local laws regarding privacy and obligations of confidentiality.

§ 200.304 Bonds.

The Federal awarding agency may include a provision on bonding, insurance, or both in the following circumstances:

(a) Where the Federal government guarantees or insures the repayment of money borrowed by the recipient, the Federal awarding agency, at its discretion, may require adequate bonding and insurance if the bonding and insurance requirements of the non-Federal entity are not deemed adequate to protect the interest of the Federal government.

(b) The Federal awarding agency may require adequate fidelity bond coverage where the non-Federal entity lacks sufficient coverage to protect the Federal government's interest.

(c) Where bonds are required in the situations described above, the bonds must be obtained from companies holding certificates of authority as acceptable sureties, as prescribed in 31 CFR Part 223, “Surety Companies Doing Business with the United States.”

§ 200.305 Payment.

(a) For states, payments are governed by Treasury-State CMIA agreements and default procedures codified at 31 CFR Part 205 “Rules and Procedures for Efficient Federal-State Funds Transfers” and TFM 4A–2000 Overall Disbursing Rules for All Federal Agencies.

(b) For non-Federal entities other than states, payments methods must minimize the time elapsing between the transfer of funds from the United States Treasury or the pass-through entity and the disbursement by the non-Federal entity whether the payment is made by electronic funds transfer, or issuance or redemption of checks, warrants, or payment by other means. See also § 200.302 Financial management paragraph (f). Except as noted elsewhere in this Part, Federal agencies must require recipients to use only OMB-approved standard governmentwide information collection requests to request payment.

(1) The non-Federal entity must be paid in advance, provided it maintains or demonstrates the willingness to maintain both written procedures that minimize the time elapsing between the

transfer of funds and disbursement by the non-Federal entity, and financial management systems that meet the standards for fund control and accountability as established in this Part. Advance payments to a non-Federal entity must be limited to the minimum amounts needed and be timed to be in accordance with the actual, immediate cash requirements of the non-Federal entity in carrying out the purpose of the approved program or project. The timing and amount of advance payments must be as close as is administratively feasible to the actual disbursements by the non-Federal entity for direct program or project costs and the proportionate share of any allowable indirect costs. The non-Federal entity must make timely payment to contractors in accordance with the contract provisions.

(2) Whenever possible, advance payments must be consolidated to cover anticipated cash needs for all Federal awards made by the Federal awarding agency to the recipient.

(i) Advance payment mechanisms include, but are not limited to, Treasury check and electronic funds transfer and should comply with applicable guidance in 31 CFR Part 208.

(ii) Non-Federal entities must be authorized to submit requests for advance payments and reimbursements at least monthly when electronic fund transfers are not used, and as often as they like when electronic transfers are used, in accordance with the provisions of the Electronic Fund Transfer Act (15 U.S.C. 1601).

(3) Reimbursement is the preferred method when the requirements in paragraph (b) cannot be met, when the Federal awarding agency sets a specific condition per § 200.207 Specific conditions, or when the non-Federal entity requests payment by reimbursement. This method may be used on any Federal award for construction, or if the major portion of the construction project is accomplished through private market financing or Federal loans, and the Federal award constitutes a minor portion of the project. When the reimbursement method is used, the Federal awarding agency or pass-through entity must make payment within 30 calendar days after receipt of the billing, unless the Federal awarding agency or pass-through entity reasonably believes the request to be improper.

(4) If the non-Federal entity cannot meet the criteria for advance payments and the Federal awarding agency or pass-through entity has determined that reimbursement is not feasible because the non-Federal entity lacks sufficient

working capital, the Federal awarding agency or pass-through entity may provide cash on a working capital advance basis. Under this procedure, the Federal awarding agency or pass-through entity must advance cash payments to the non-Federal entity to cover its estimated disbursement needs for an initial period generally geared to the non-Federal entity's disbursing cycle. Thereafter, the Federal awarding agency or pass-through entity must reimburse the non-Federal entity for its actual cash disbursements. Use of the working capital advance method of payment requires that the pass-through entity provide timely advance payments to any subrecipients in order to meet the subrecipient's actual cash disbursements. The working capital advance method of payment must not be used by the pass-through entity if the reason for using this method is the unwillingness or inability of the pass-through entity to provide timely advance payments to the subrecipient to meet the subrecipient's actual cash disbursements.

(5) Use of resources before requesting cash advance payments. To the extent available, the non-Federal entity must disburse funds available from program income (including repayments to a revolving fund), rebates, refunds, contract settlements, audit recoveries, and interest earned on such funds before requesting additional cash payments.

(6) Unless otherwise required by Federal statutes, payments for allowable costs by non-Federal entities must not be withheld at any time during the period of performance unless the conditions of §§ 200.207 Specific conditions, Subpart D—Post Federal Award Requirements of this Part, 200.338 Remedies for Noncompliance, or the following apply:

(i) The non-Federal entity has failed to comply with the project objectives, Federal statutes, regulations, or the terms and conditions of the Federal award.

(ii) The non-Federal entity is delinquent in a debt to the United States as defined in OMB Guidance A-129, "Policies for Federal Credit Programs and Non-Tax Receivables." Under such conditions, the Federal awarding agency or pass-through entity may, upon reasonable notice, inform the non-Federal entity that payments must not be made for obligations incurred after a specified date until the conditions are corrected or the indebtedness to the Federal government is liquidated.

(iii) A payment withheld for failure to comply with Federal award conditions, but without suspension of the Federal

award, must be released to the non-Federal entity upon subsequent compliance. When a Federal award is suspended, payment adjustments will be made in accordance with § 200.342 Effects of suspension and termination.

(iv) A payment must not be made to a non-Federal entity for amounts that are withheld by the non-Federal entity from payment to contractors to assure satisfactory completion of work. A payment must be made when the non-Federal entity actually disburses the withheld funds to the contractors or to escrow accounts established to assure satisfactory completion of work.

(7) Standards governing the use of banks and other institutions as depositories of advance payments under Federal awards are as follows.

(i) The Federal awarding agency and pass-through entity must not require separate depository accounts for funds provided to a non-Federal entity or establish any eligibility requirements for depositories for funds provided to the non-Federal entity. However, the non-Federal entity must be able to account for the receipt, obligation and expenditure of funds.

(ii) Advance payments of Federal funds must be deposited and maintained in insured accounts whenever possible.

(8) The non-Federal entity must maintain advance payments of Federal awards in interest-bearing accounts, unless the following apply.

(i) The non-Federal entity receives less than \$120,000 in Federal awards per year.

(ii) The best reasonably available interest-bearing account would not be expected to earn interest in excess of \$500 per year on Federal cash balances.

(iii) The depository would require an average or minimum balance so high that it would not be feasible within the expected Federal and non-Federal cash resources.

(iv) A foreign government or banking system prohibits or precludes interest bearing accounts.

(9) Interest earned on Federal advance payments deposited in interest-bearing accounts must be remitted annually to the Department of Health and Human Services, Payment Management System, Rockville, MD 20852. Interest amounts up to \$500 per year may be retained by the non-Federal entity for administrative expense.

§ 200.306 Cost sharing or matching.

(a) Under Federal research proposals, voluntary committed cost sharing is not expected. It cannot be used as a factor during the merit review of applications or proposals, but may be considered if

it is both in accordance with Federal awarding agency regulations and specified in a notice of funding opportunity. Criteria for considering voluntary committed cost sharing and any other program policy factors that may be used to determine who may receive a Federal award must be explicitly described in the notice of funding opportunity. Furthermore, only mandatory cost sharing or cost sharing specifically committed in the project budget must be included in the organized research base for computing the indirect (F&A) cost rate or reflected in any allocation of indirect costs. See also §§ 200.414 Indirect (F&A) costs, 200.203 Notices of funding opportunities, and Appendix I to Part 200—Full Text of Notice of Funding Opportunity.

(b) For all Federal awards, any shared costs or matching funds and all contributions, including cash and third party in-kind contributions, must be accepted as part of the non-Federal entity's cost sharing or matching when such contributions meet all of the following criteria:

(1) Are verifiable from the non-Federal entity's records;

(2) Are not included as contributions for any other Federal award;

(3) Are necessary and reasonable for accomplishment of project or program objectives;

(4) Are allowable under Subpart E—Cost Principles of this Part;

(5) Are not paid by the Federal government under another Federal award, except where the Federal statute authorizing a program specifically provides that Federal funds made available for such program can be applied to matching or cost sharing requirements of other Federal programs;

(6) Are provided for in the approved budget when required by the Federal awarding agency; and

(7) Conform to other provisions of this Part, as applicable.

(c) Unrecovered indirect costs, including indirect costs on cost sharing or matching may be included as part of cost sharing or matching only with the prior approval of the Federal awarding agency. Unrecovered indirect cost means the difference between the amount charged to the Federal award and the amount which could have been to the Federal award under the non-Federal entity's approved negotiated indirect cost rate.

(d) Values for non-Federal entity contributions of services and property must be established in accordance with § 200.434 Contributions and donations. If a Federal awarding agency authorizes the non-Federal entity to donate

buildings or land for construction/facilities acquisition projects or long-term use, the value of the donated property for cost sharing or matching must be the lesser of paragraphs (d)(1) or (2) of this section.

(1) The value of the remaining life of the property recorded in the non-Federal entity's accounting records at the time of donation.

(2) The current fair market value. However, when there is sufficient justification, the Federal awarding agency may approve the use of the current fair market value of the donated property, even if it exceeds the value described in (1) above at the time of donation.

(e) Volunteer services furnished by third-party professional and technical personnel, consultants, and other skilled and unskilled labor may be counted as cost sharing or matching if the service is an integral and necessary part of an approved project or program. Rates for third-party volunteer services must be consistent with those paid for similar work by the non-Federal entity. In those instances in which the required skills are not found in the non-Federal entity, rates must be consistent with those paid for similar work in the labor market in which the non-Federal entity competes for the kind of services involved. In either case, paid fringe benefits that are reasonable, necessary, allocable, and otherwise allowable may be included in the valuation.

(f) When a third-party organization furnishes the services of an employee, these services must be valued at the employee's regular rate of pay plus an amount of fringe benefits that is reasonable, necessary, allocable, and otherwise allowable, and indirect costs at either the third-party organization's approved federally negotiated indirect cost rate or, a rate in accordance with § 200.414 Indirect (F&A) costs, paragraph (d), provided these services employ the same skill(s) for which the employee is normally paid. Where donated services are treated as indirect costs, indirect cost rates will separate the value of the donated services so that reimbursement for the donated services will not be made.

(g) Donated property from third parties may include such items as equipment, office supplies, laboratory supplies, or workshop and classroom supplies. Value assessed to donated property included in the cost sharing or matching share must not exceed the fair market value of the property at the time of the donation.

(h) The method used for determining cost sharing or matching for third-party-donated equipment, buildings and land

for which title passes to the non-Federal entity may differ according to the purpose of the Federal award, if paragraph (h)(1) or (2) of this section applies.

(1) If the purpose of the Federal award is to assist the non-Federal entity in the acquisition of equipment, buildings or land, the aggregate value of the donated property may be claimed as cost sharing or matching.

(2) If the purpose of the Federal award is to support activities that require the use of equipment, buildings or land, normally only depreciation charges for equipment and buildings may be made. However, the fair market value of equipment or other capital assets and fair rental charges for land may be allowed, provided that the Federal awarding agency has approved the charges. See also § 200.420 Considerations for selected items of cost.

(i) The value of donated property must be determined in accordance with the usual accounting policies of the non-Federal entity, with the following qualifications:

(1) The value of donated land and buildings must not exceed its fair market value at the time of donation to the non-Federal entity as established by an independent appraiser (e.g., certified real property appraiser or General Services Administration representative) and certified by a responsible official of the non-Federal entity as required by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, (42 U.S.C. 4601–4655) (Uniform Act) except as provided in the implementing regulations at 49 CFR Part 24.

(2) The value of donated equipment must not exceed the fair market value of equipment of the same age and condition at the time of donation.

(3) The value of donated space must not exceed the fair rental value of comparable space as established by an independent appraisal of comparable space and facilities in a privately-owned building in the same locality.

(4) The value of loaned equipment must not exceed its fair rental value.

(j) For third-party in-kind contributions, the fair market value of goods and services must be documented and to the extent feasible supported by the same methods used internally by the non-Federal entity.

§ 200.307 Program income.

(a) General. Non-Federal entities are encouraged to earn income to defray program costs where appropriate.

(b) Cost of generating program income. If authorized by Federal

regulations or the Federal award, costs incidental to the generation of program income may be deducted from gross income to determine program income, provided these costs have not been charged to the Federal award.

(c) Governmental revenues. Taxes, special assessments, levies, fines, and other such revenues raised by a non-Federal entity are not program income unless the revenues are specifically identified in the Federal award or Federal awarding agency regulations as program income.

(d) Property. Proceeds from the sale of real property or equipment are not program income; such proceeds will be handled in accordance with the requirements of Subpart D—Post Federal Award Requirements of this Part, Property Standards §§ 200.311 Real property and 200.313 Equipment, or as specifically identified in Federal statutes, regulations, or the terms and conditions of the Federal award.

(e) Use of program income. If the Federal awarding agency does not specify in its regulations or the terms and conditions of the Federal award, or give prior approval for how program income is to be used, paragraph (e)(1) of this section must apply. For Federal awards made to IHEs and nonprofit research institutions, if the Federal awarding agency does not specify in its regulations or the terms and conditions of the Federal award how program income is to be used, paragraph (e)(2) of this section must apply. In specifying alternatives to paragraphs (e)(1) and (2) of this section, the Federal awarding agency may distinguish between income earned by the recipient and income earned by subrecipients and between the sources, kinds, or amounts of income. When the Federal awarding agency authorizes the approaches in paragraphs (e)(2) and (3) of this section, program income in excess of any amounts specified must also be deducted from expenditures.

(1) Deduction. Ordinarily program income must be deducted from total allowable costs to determine the net allowable costs. Program income must be used for current costs unless the Federal awarding agency authorizes otherwise. Program income that the non-Federal entity did not anticipate at the time of the Federal award must be used to reduce the Federal award and non-Federal entity contributions rather than to increase the funds committed to the project.

(2) Addition. With prior approval of the Federal awarding agency, program income may be added to the Federal award by the Federal agency and the non-Federal entity. The program income

must be used for the purposes and under the conditions of the Federal award.

(3) Cost sharing or matching. With prior approval of the Federal awarding agency, program income may be used to meet the cost sharing or matching requirement of the Federal award. The amount of the Federal award remains the same.

(f) Income after the period of performance. There are no Federal requirements governing the disposition of income earned after the end of the period of performance for the Federal award, unless the Federal awarding agency regulations or the terms and conditions of the Federal award provide otherwise. The Federal awarding agency may negotiate agreements with recipients regarding appropriate uses of income earned after the period of performance as part of the grant closeout process. See also § 200.343 Closeout.

§ 200.308 Revision of budget and program plans.

(a) The approved budget for the Federal award summarizes the financial aspects of the project or program as approved during the Federal award process. It may include either the Federal and non-Federal share (see § 200.43 Federal share) or only the Federal share, depending upon Federal awarding agency requirements. It must be related to performance for program evaluation purposes whenever appropriate.

(b) Recipients are required to report deviations from budget or project scope or objective, and request prior approvals from Federal awarding agencies for budget and program plan revisions, in accordance with this section.

(c) For non-construction Federal awards, recipients must request prior approvals from Federal awarding agencies for one or more of the following program or budget-related reasons:

(1) Change in the scope or the objective of the project or program (even if there is no associated budget revision requiring prior written approval).

(2) Change in a key person specified in the application or the Federal award.

(3) The disengagement from the project for more than three months, or a 25 percent reduction in time devoted to the project, by the approved project director or principal investigator.

(4) The inclusion, unless waived by the Federal awarding agency, of costs that require prior approval in accordance with Subpart E—Cost Principles of this Part or 45 CFR Part 74 Appendix E, “Principles for

Determining Costs Applicable to Research and Development under Awards and Contracts with Hospitals,” or 48 CFR Part 31, “Contract Cost Principles and Procedures,” as applicable.

(5) The transfer of funds budgeted for participant support costs as defined in § 200.75 Participant support costs to other categories of expense.

(6) Unless described in the application and funded in the approved Federal awards, the subawarding, transferring or contracting out of any work under a Federal award. This provision does not apply to the acquisition of supplies, material, equipment or general support services.

(7) Changes in the amount of approved cost-sharing or matching provided by the non-Federal entity. No other prior approval requirements for specific items may be imposed unless a deviation has been approved by OMB. See also §§ 200.102 Exceptions and 200.407 Prior written approval (prior approval).

(d) Except for requirements listed in paragraph (c)(1) of this section, the Federal awarding agency are authorized, at their option, to waive prior written approvals required by paragraph (c) this section. Such waivers may include authorizing recipients to do any one or more of the following:

(1) Incur project costs 90 calendar days before the Federal awarding agency makes the Federal award. Expenses more than 90 calendar days pre-award require prior approval of the Federal awarding agency. All costs incurred before the Federal awarding agency makes the Federal award are at the recipient's risk (i.e., the Federal awarding agency is under no obligation to reimburse such costs if for any reason the recipient does not receive a Federal award or if the Federal award is less than anticipated and inadequate to cover such costs). See also § 200.458 Pre-award costs.

(2) Initiate a one-time extension of the period of performance by up to 12 months unless one or more of the conditions outlined in paragraphs (d)(2)(i) through (iii) of this section apply. For one-time extensions, the recipient must notify the Federal awarding agency in writing with the supporting reasons and revised period of performance at least 10 calendar days before the end of the period of performance specified in the Federal award. This one-time extension may not be exercised merely for the purpose of using unobligated balances. Extensions require explicit prior Federal awarding agency approval when:

(i) The terms and conditions of the Federal award prohibit the extension.

(ii) The extension requires additional Federal funds.

(iii) The extension involves any change in the approved objectives or scope of the project.

(3) Carry forward unobligated balances to subsequent periods of performance.

(4) For Federal awards that support research, unless the Federal awarding agency provides otherwise in the Federal award or in the Federal awarding agency's regulations, the prior approval requirements described in paragraph (d) are automatically waived (i.e., recipients need not obtain such prior approvals) unless one of the conditions included in paragraph (d)(2) applies.

(e) The Federal awarding agency may, at its option, restrict the transfer of funds among direct cost categories or programs, functions and activities for Federal awards in which the Federal share of the project exceeds the Simplified Acquisition Threshold and the cumulative amount of such transfers exceeds or is expected to exceed 10 percent of the total budget as last approved by the Federal awarding agency. The Federal awarding agency cannot permit a transfer that would cause any Federal appropriation to be used for purposes other than those consistent with the appropriation.

(f) All other changes to non-construction budgets, except for the changes described in paragraph (c) of this section, do not require prior approval (see also § 200.407 Prior written approval (prior approval)).

(g) For construction Federal awards, the recipient must request prior written approval promptly from the Federal awarding agency for budget revisions whenever paragraph (g)(1), (2), or (3) of this section applies.

(1) The revision results from changes in the scope or the objective of the project or program.

(2) The need arises for additional Federal funds to complete the project.

(3) A revision is desired which involves specific costs for which prior written approval requirements may be imposed consistent with applicable OMB cost principles listed in Subpart E—Cost Principles of this Part.

(4) No other prior approval requirements for budget revisions may be imposed unless a deviation has been approved by OMB.

(5) When a Federal awarding agency makes a Federal award that provides support for construction and non-construction work, the Federal awarding agency may require the recipient to

obtain prior approval from the Federal awarding agency before making any fund or budget transfers between the two types of work supported.

(h) When requesting approval for budget revisions, the recipient must use the same format for budget information that was used in the application, unless the Federal awarding agency indicates a letter of request suffices.

(i) Within 30 calendar days from the date of receipt of the request for budget revisions, the Federal awarding agency must review the request and notify the recipient whether the budget revisions have been approved. If the revision is still under consideration at the end of 30 calendar days, the Federal awarding agency must inform the recipient in writing of the date when the recipient may expect the decision.

§ 200.309 Period of performance.

A non-Federal entity may charge to the Federal award only allowable costs incurred during the period of performance and any costs incurred before the Federal awarding agency or pass-through entity made the Federal award that were authorized by the Federal awarding agency or pass-through entity.

Property Standards

§ 200.310 Insurance coverage.

The non-Federal entity must, at a minimum, provide the equivalent insurance coverage for real property and equipment acquired or improved with Federal funds as provided to property owned by the non-Federal entity. Federally-owned property need not be insured unless required by the terms and conditions of the Federal award.

§ 200.311 Real property.

(a) Title. Subject to the obligations and conditions set forth in this section, title to real property acquired or improved under a Federal award will vest upon acquisition in the non-Federal entity.

(b) Use. Except as otherwise provided by Federal statutes or by the Federal awarding agency, real property will be used for the originally authorized purpose as long as needed for that purpose, during which time the non-Federal entity must not dispose of or encumber its title or other interests.

(c) Disposition. When real property is no longer needed for the originally authorized purpose, the non-Federal entity must obtain disposition instructions from the Federal awarding agency or pass-through entity. The instructions must provide for one of the following alternatives:

(1) Retain title after compensating the Federal awarding agency. The amount paid to the Federal awarding agency will be computed by applying the Federal awarding agency's percentage of participation in the cost of the original purchase (and costs of any improvements) to the fair market value of the property. However, in those situations where non-Federal entity is disposing of real property acquired or improved with a Federal award and acquiring replacement real property under the same Federal award, the net proceeds from the disposition may be used as an offset to the cost of the replacement property.

(2) Sell the property and compensate the Federal awarding agency. The amount due to the Federal awarding agency will be calculated by applying the Federal awarding agency's percentage of participation in the cost of the original purchase (and cost of any improvements) to the proceeds of the sale after deduction of any actual and reasonable selling and fixing-up expenses. If the Federal award has not been closed out, the net proceeds from sale may be offset against the original cost of the property. When non-Federal entity is directed to sell property, sales procedures must be followed that provide for competition to the extent practicable and result in the highest possible return.

(3) Transfer title to the Federal awarding agency or to a third party designated/approved by the Federal awarding agency. The non-Federal entity is entitled to be paid an amount calculated by applying the non-Federal entity's percentage of participation in the purchase of the real property (and cost of any improvements) to the current fair market value of the property.

§ 200.312 Federally-owned and exempt property.

(a) Title to federally-owned property remains vested in the Federal government. The non-Federal entity must submit annually an inventory listing of federally-owned property in its custody to the Federal awarding agency. Upon completion of the Federal award or when the property is no longer needed, the non-Federal entity must report the property to the Federal awarding agency for further Federal agency utilization.

(b) If the Federal awarding agency has no further need for the property, it must declare the property excess and report it for disposal to the appropriate Federal disposal authority, unless the Federal awarding agency has statutory authority to dispose of the property by alternative methods (e.g., the authority provided by

the Federal Technology Transfer Act (15 U.S.C. 3710 (i)) to donate research equipment to educational and non-profit organizations in accordance with Executive Order 12999, "Educational Technology: Ensuring Opportunity for All Children in the Next Century."). The Federal awarding agency must issue appropriate instructions to the non-Federal entity.

(c) Exempt federally-owned property means property acquired under a Federal award the title based upon the explicit terms and conditions of the Federal award that indicate the Federal awarding agency has chosen to vest in the non-Federal entity without further obligation to the Federal government or under conditions the Federal agency considers appropriate. The Federal awarding agency may exercise this option when statutory authority exists. Absent statutory authority and specific terms and conditions of the Federal award, title to exempt federally-owned property acquired under the Federal award remains with the Federal government.

§ 200.313 Equipment.

See also § 200.439 Equipment and other capital expenditures.

(a) Title. Subject to the obligations and conditions set forth in this section, title to equipment acquired under a Federal award will vest upon acquisition in the non-Federal entity. Unless a statute specifically authorizes the Federal agency to vest title in the non-Federal entity without further obligation to the Federal government, and the Federal agency elects to do so, the title must be a conditional title. Title must vest in the non-Federal entity subject to the following conditions:

(1) Use the equipment for the authorized purposes of the project until funding for the project ceases, or until the property is no longer needed for the purposes of the project.

(2) Not encumber the property without approval of the Federal awarding agency or pass-through entity.

(3) Use and dispose of the property in accordance with paragraphs (b), (c) and (e) of this section.

(b) A state must use, manage and dispose of equipment acquired under a Federal award by the state in accordance with state laws and procedures. Other non-Federal entities must follow paragraphs (c) through (e) of this section.

(c) Use.

(1) Equipment must be used by the non-Federal entity in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by

the Federal award, and the non-Federal entity must not encumber the property without prior approval of the Federal awarding agency. When no longer needed for the original program or project, the equipment may be used in other activities supported by the Federal awarding agency, in the following order of priority:

(i) Activities under a Federal award from the Federal awarding agency which funded the original program or project, then

(ii) Activities under Federal awards from other Federal awarding agencies. This includes consolidated equipment for information technology systems.

(2) During the time that equipment is used on the project or program for which it was acquired, the non-Federal entity must also make equipment available for use on other projects or programs currently or previously supported by the Federal government, provided that such use will not interfere with the work on the projects or program for which it was originally acquired. First preference for other use must be given to other programs or projects supported by Federal awarding agency that financed the equipment and second preference must be given to programs or projects under Federal awards from other Federal awarding agencies. Use for non-federally-funded programs or projects is also permissible. User fees should be considered if appropriate.

(3) Notwithstanding the encouragement in § 200.307 Program income to earn program income, the non-Federal entity must not use equipment acquired with the Federal award to provide services for a fee that is less than private companies charge for equivalent services unless specifically authorized by Federal statute for as long as the Federal government retains an interest in the equipment.

(4) When acquiring replacement equipment, the non-Federal entity may use the equipment to be replaced as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property.

(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, as 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), 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.

(e) **Disposition.** When original or replacement equipment acquired under a Federal award is no longer needed for the original project or program or for other activities currently or previously supported by a Federal awarding agency, except as otherwise provided in Federal statutes, regulations, or Federal awarding agency disposition instructions, the non-Federal entity must request disposition instructions from the Federal awarding agency if required by the terms and conditions of the Federal award. Disposition of the equipment will be made as follows, in accordance with Federal awarding agency disposition instructions:

(1) Items of equipment with a current per unit fair market value of \$5,000 or less may be retained, sold or otherwise disposed of with no further obligation to the Federal awarding agency.

(2) Except as provided in § 200.312 Federally-owned and exempt property, paragraph (b), or if the Federal awarding agency fails to provide requested disposition instructions within 120 days, items of equipment with a current per-unit fair-market value in excess of \$5,000 may be retained by the non-Federal entity or sold. The Federal awarding agency is entitled to an amount calculated by multiplying the current market value or proceeds from sale by the Federal awarding agency's percentage of participation in the cost of the original purchase. If the equipment is sold, the Federal awarding agency may permit the non-Federal entity to deduct and retain from the Federal share \$500 or ten percent of the proceeds, whichever is less, for its selling and handling expenses.

(3) The non-Federal entity may transfer title to the property to the

Federal Government or to an eligible third party provided that, in such cases, the non-Federal entity must be entitled to compensation for its attributable percentage of the current fair market value of the property.

(4) In cases where a non-Federal entity fails to take appropriate disposition actions, the Federal awarding agency may direct the non-Federal entity to take disposition actions.

§ 200.314 Supplies.

See also § 200.453 Materials and supplies costs, including costs of computing devices.

(a) Title to supplies will vest in the non-Federal entity upon acquisition. If there is a residual inventory of unused supplies exceeding \$5,000 in total aggregate value upon termination or completion of the project or program and the supplies are not needed for any other Federal award, the non-Federal entity must retain the supplies for use on other activities or sell them, but must, in either case, compensate the Federal government for its share. The amount of compensation must be computed in the same manner as for equipment. See § 200.313 Equipment, paragraph (e)(2) for the calculation methodology.

(b) As long as the Federal government retains an interest in the supplies, the non-Federal entity must not use supplies acquired under a Federal award to provide services to other organizations for a fee that is less than private companies charge for equivalent services, unless specifically authorized by Federal statute.

§ 200.315 Intangible property.

(a) Title to intangible property (see § 200.59 Intangible property) acquired under a Federal award vests upon acquisition in the non-Federal entity. The non-Federal entity must use that property for the originally-authorized purpose, and must not encumber the property without approval of the Federal awarding agency. When no longer needed for the originally authorized purpose, disposition of the intangible property must occur in accordance with the provisions in § 200.313 Equipment paragraph (e).

(b) The non-Federal entity may copyright any work that is subject to copyright and was developed, or for which ownership was acquired, under a Federal award. The Federal awarding agency reserves a royalty-free, nonexclusive and irrevocable right to reproduce, publish, or otherwise use the work for Federal purposes, and to authorize others to do so.

(c) The non-Federal entity is subject to applicable regulations governing patents and inventions, including governmentwide regulations issued by the Department of Commerce at 37 CFR Part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Awards, Contracts and Cooperative Agreements."

(d) The Federal government has the right to:

(1) Obtain, reproduce, publish, or otherwise use the data produced under a Federal award; and

(2) Authorize others to receive, reproduce, publish, or otherwise use such data for Federal purposes.

(e) Freedom of Information Act (FOIA).

(1) In addition, in response to a Freedom of Information Act (FOIA) request for research data relating to published research findings produced under a Federal award that were used by the Federal government in developing an agency action that has the force and effect of law, the Federal awarding agency must request, and the non-Federal entity must provide, within a reasonable time, the research data so that they can be made available to the public through the procedures established under the FOIA. If the Federal awarding agency obtains the research data solely in response to a FOIA request, the Federal awarding agency may charge the requester a reasonable fee equaling the full incremental cost of obtaining the research data. This fee should reflect costs incurred by the Federal agency and the non-Federal entity. This fee is in addition to any fees the Federal awarding agency may assess under the FOIA (5 U.S.C. 552(a)(4)(A)).

(2) Published research findings means when:

(i) Research findings are published in a peer-reviewed scientific or technical journal; or

(ii) A Federal agency publicly and officially cites the research findings in support of an agency action that has the force and effect of law. "Used by the Federal government in developing an agency action that has the force and effect of law" is defined as when an agency publicly and officially cites the research findings in support of an agency action that has the force and effect of law.

(3) Research data means the recorded factual material commonly accepted in the scientific community as necessary to validate research findings, but not any of the following: preliminary analyses, drafts of scientific papers, plans for future research, peer reviews, or

communications with colleagues. This "recorded" material excludes physical objects (e.g., laboratory samples). Research data also do not include:

(i) Trade secrets, commercial information, materials necessary to be held confidential by a researcher until they are published, or similar information which is protected under law; and

(ii) Personnel and medical information and similar information the disclosure of which would constitute a clearly unwarranted invasion of personal privacy, such as information that could be used to identify a particular person in a research study.

§ 200.316 Property trust relationship.

Real property, equipment, and intangible property, that are acquired or improved with a Federal award must be held in trust by the non-Federal entity as trustee for the beneficiaries of the project or program under which the property was acquired or improved. The Federal awarding agency may require the non-Federal entity to record liens or other appropriate notices of record to indicate that personal or real property has been acquired or improved with a Federal award and that use and disposition conditions apply to the property.

Procurement Standards

§ 200.317 Procurements by states.

When procuring property and services under a Federal award, a state must follow the same policies and procedures it uses for procurements from its non-Federal funds. The state will comply with § 200.322 Procurement of recovered materials and ensure that every purchase order or other contract includes any clauses required by section § 200.326 Contract provisions. All other non-Federal entities, including subrecipients of a state, will follow §§ 200.318 General procurement standards through 200.326 Contract provisions.

§ 200.318 General procurement standards.

(a) The non-Federal entity must use its own documented procurement procedures which reflect applicable State and local laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this section.

(b) Non-Federal entities must maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

(c)(1) The non-Federal entity must maintain written standards of conduct covering conflicts of interest and

governing the performance of its employees engaged in the selection, award and administration of contracts. No employee, officer, or agent must participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents of the non-Federal entity must neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts. However, non-Federal entities may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct must provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the non-Federal entity.

(2) If the non-Federal entity has a parent, affiliate, or subsidiary organization that is not a state, local government, or Indian tribe, the non-Federal entity must also maintain written standards of conduct covering organizational conflicts of interest. Organizational conflicts of interest means that because of relationships with a parent company, affiliate, or subsidiary organization, the non-Federal entity is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization.

(d) The non-Federal entity's procedures must avoid acquisition of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.

(e) To foster greater economy and efficiency, and in accordance with efforts to promote cost-effective use of shared services across the Federal government, the non-Federal entity is encouraged to enter into state and local intergovernmental agreements or inter-entity agreements where appropriate for procurement or use of common or shared goods and services.

(f) The non-Federal entity is encouraged to use Federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs.

(g) The non-Federal entity is encouraged to use value engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions. Value engineering is a systematic and creative analysis of each contract item or task to ensure that its essential function is provided at the overall lower cost.

(h) The non-Federal entity must award contracts only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.

(i) The non-Federal entity must maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.

(j)(1) The non-Federal entity may use time and material type contracts only after a determination that no other contract is suitable and if the contract includes a ceiling price that the contractor exceeds at its own risk. Time and material type contract means a contract whose cost to a non-Federal entity is the sum of:

(i) The actual cost of materials; and
(ii) Direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit.

(2) Since this formula generates an open-ended contract price, a time-and-materials contract provides no positive profit incentive to the contractor for cost control or labor efficiency. Therefore, each contract must set a ceiling price that the contractor exceeds at its own risk. Further, the non-Federal entity awarding such a contract must assert a high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.

(k) The non-Federal entity alone must be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes,

and claims. These standards do not relieve the non-Federal entity of any contractual responsibilities under its contracts. The Federal awarding agency will not substitute its judgment for that of the non-Federal entity unless the matter is primarily a Federal concern. Violations of law will be referred to the local, state, or Federal authority having proper jurisdiction.

§ 200.319 Competition.

(a) All procurement transactions must be conducted in a manner providing full and open competition consistent with the standards of this section. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, and invitations for bids or requests for proposals must be excluded from competing for such procurements. Some of the situations considered to be restrictive of competition include but are not limited to:

(1) Placing unreasonable requirements on firms in order for them to qualify to do business;

(2) Requiring unnecessary experience and excessive bonding;

(3) Noncompetitive pricing practices between firms or between affiliated companies;

(4) Noncompetitive contracts to consultants that are on retainer contracts;

(5) Organizational conflicts of interest;

(6) Specifying only a "brand name" product instead of allowing "an equal" product to be offered and describing the performance or other relevant requirements of the procurement; and

(7) Any arbitrary action in the procurement process.

(b) The non-Federal entity must conduct procurements in a manner that prohibits the use of statutorily or administratively imposed state or local geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. Nothing in this section preempts state licensing laws. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

(c) The non-Federal entity must have written procedures for procurement transactions. These procedures must ensure that all solicitations:

(1) Incorporate a clear and accurate description of the technical

requirements for the material, product, or service to be procured. Such description must not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured and, when necessary, must set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a "brand name or equivalent" description may be used as a means to define the performance or other salient requirements of procurement. The specific features of the named brand which must be met by offers must be clearly stated; and

(2) Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.

(d) The non-Federal entity must ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, the non-Federal entity must not preclude potential bidders from qualifying during the solicitation period.

§ 200.320 Methods of procurement to be followed.

The non-Federal entity must use one of the following methods of procurement.

(a) Procurement by micro-purchases. Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed \$3,000 (or \$2,000 in the case of acquisitions for construction subject to the Davis-Bacon Act). To the extent practicable, the non-Federal entity must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the non-Federal entity considers the price to be reasonable.

(b) Procurement by small purchase procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources.

(c) Procurement by sealed bids (formal advertising). Bids are publicly solicited and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction, if the conditions in paragraph (c)(1) of this section apply.

(1) In order for sealed bidding to be feasible, the following conditions should be present:

(i) A complete, adequate, and realistic specification or purchase description is available;

(ii) Two or more responsible bidders are willing and able to compete effectively for the business; and

(iii) The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

(2) If sealed bids are used, the following requirements apply:

(i) The invitation for bids will be publicly advertised and bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids;

(ii) The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond;

(iii) All bids will be publicly opened at the time and place prescribed in the invitation for bids;

(iv) A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and

(v) Any or all bids may be rejected if there is a sound documented reason.

(d) Procurement by competitive proposals. The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply:

(1) Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for

proposals must be considered to the maximum extent practical;

(2) Proposals must be solicited from an adequate number of qualified sources;

(3) The non-Federal entity must have a written method for conducting technical evaluations of the proposals received and for selecting recipients;

(4) Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and

(5) The non-Federal entity may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.

(f) Procurement by noncompetitive proposals. Procurement by noncompetitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:

(1) The item is available only from a single source;

(2) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;

(3) The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity; or

(4) After solicitation of a number of sources, competition is determined inadequate.

§ 200.321 Contracting with small and minority businesses, women's business enterprises, and labor surplus area firms.

(a) The non-Federal entity must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.

(b) Affirmative steps must include:

(1) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;

(2) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;

(3) Dividing total requirements, when economically feasible, into smaller tasks

or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;

(4) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;

(5) Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and

(6) Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (1) through (5) of this section.

§ 200.322 Procurement of recovered materials.

A non-Federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR Part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired by the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

§ 200.323 Contract cost and price.

(a) The non-Federal entity must perform a cost or price analysis in connection with every procurement action in excess of the Simplified Acquisition Threshold including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, the non-Federal entity must make independent estimates before receiving bids or proposals.

(b) The non-Federal entity must negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed. To establish a fair and reasonable profit, consideration must be given to the complexity of the work to be performed,

the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.

(c) Costs or prices based on estimated costs for contracts under the Federal award are allowable only to the extent that costs incurred or cost estimates included in negotiated prices would be allowable for the non-Federal entity under Subpart E—Cost Principles of this Part. The non-Federal entity may reference its own cost principles that comply with the Federal cost principles.

(d) The cost plus a percentage of cost and percentage of construction cost methods of contracting must not be used.

§ 200.324 Federal awarding agency or pass-through entity review.

(a) The non-Federal entity must make available, upon request of the Federal awarding agency or pass-through entity, technical specifications on proposed procurements where the Federal awarding agency or pass-through entity believes such review is needed to ensure that the item or service specified is the one being proposed for acquisition. This review generally will take place prior to the time the specification is incorporated into a solicitation document. However, if the non-Federal entity desires to have the review accomplished after a solicitation has been developed, the Federal awarding agency or pass-through entity may still review the specifications, with such review usually limited to the technical aspects of the proposed purchase.

(b) The non-Federal entity must make available upon request, for the Federal awarding agency or pass-through entity pre-procurement review, procurement documents, such as requests for proposals or invitations for bids, or independent cost estimates, when:

(1) The non-Federal entity's procurement procedures or operation fails to comply with the procurement standards in this Part;

(2) The procurement is expected to exceed the Simplified Acquisition Threshold and is to be awarded without competition or only one bid or offer is received in response to a solicitation;

(3) The procurement, which is expected to exceed the Simplified Acquisition Threshold, specifies a "brand name" product;

(4) The proposed contract is more than the Simplified Acquisition Threshold and is to be awarded to other than the apparent low bidder under a sealed bid procurement; or

(5) A proposed contract modification changes the scope of a contract or increases the contract amount by more than the Simplified Acquisition Threshold.

(c) The non-Federal entity is exempt from the pre-procurement review in paragraph (b) of this section if the Federal awarding agency or pass-through entity determines that its procurement systems comply with the standards of this Part.

(1) The non-Federal entity may request that its procurement system be reviewed by the Federal awarding agency or pass-through entity to determine whether its system meets these standards in order for its system to be certified. Generally, these reviews must occur where there is continuous high-dollar funding, and third party contracts are awarded on a regular basis;

(2) The non-Federal entity may self-certify its procurement system. Such self-certification must not limit the Federal awarding agency's right to survey the system. Under a self-certification procedure, the Federal awarding agency may rely on written assurances from the non-Federal entity that it is complying with these standards. The non-Federal entity must cite specific policies, procedures, regulations, or standards as being in compliance with these requirements and have its system available for review.

§ 200.325 Bonding requirements.

For construction or facility improvement contracts or subcontracts exceeding the Simplified Acquisition Threshold, the Federal awarding agency or pass-through entity may accept the bonding policy and requirements of the non-Federal entity provided that the Federal awarding agency or pass-through entity has made a determination that the Federal interest is adequately protected. If such a determination has not been made, the minimum requirements must be as follows:

(a) A bid guarantee from each bidder equivalent to five percent of the bid price. The "bid guarantee" must consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of the bid, execute such contractual documents as may be required within the time specified.

(b) A performance bond on the part of the contractor for 100 percent of the contract price. A "performance bond" is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.

(c) A payment bond on the part of the contractor for 100 percent of the contract price. A "payment bond" is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.

§ 200.326 Contract provisions.

The non-Federal entity's contracts must contain the applicable provisions described in Appendix II to Part 200—Contract Provisions for non-Federal Entity Contracts Under Federal Awards.

Performance and Financial Monitoring and Reporting

§ 200.327 Financial reporting.

Unless otherwise approved by OMB, the Federal awarding agency may solicit only the standard, OMB-approved governmentwide data elements for collection of financial information (at time of publication the Federal Financial Report or such future collections as may be approved by OMB and listed on the OMB Web site). This information must be collected with the frequency required by the terms and conditions of the Federal award, but no less frequently than annually nor more frequently than quarterly except in unusual circumstances, for example where more frequent reporting is necessary for the effective monitoring of the Federal award or could significantly affect program outcomes, and preferably in coordination with performance reporting.

200.328 Monitoring and reporting program performance.

(a) Monitoring by the non-Federal entity. The non-Federal entity is responsible for oversight of the operations of the Federal award supported activities. The non-Federal entity must monitor its activities under Federal awards to assure compliance with applicable Federal requirements and performance expectations are being achieved. Monitoring by the non-Federal entity must cover each program, function or activity. See also § 200.331 Requirements for pass-through entities.

(b) Non-construction performance reports. The Federal awarding agency must use standard, OMB-approved data elements for collection of performance information (including performance progress reports, Research Performance Progress Report, or such future collections as may be approved by OMB and listed on the OMB Web site).

(1) The non-Federal entity must submit performance reports at the interval required by the Federal awarding agency or pass-through entity

recommendations to the deciding official), the announcement may describe the phases. It also may include: the number of people on an evaluation panel and how it operates, the way reviewers are selected, reviewer qualifications, and the way that conflicts of interest are avoided. With respect to electronic methods for providing information about funding opportunities or accepting applicants' submissions of information, each Federal awarding agency is responsible for compliance with Section 508 of the Rehabilitation Act of 1973 (29 U.S.C. 794d).

In addition, if the Federal awarding agency permits applicants to nominate suggested reviewers of their applications or suggest those they feel may be inappropriate due to a conflict of interest, that information should be included in this section.

3. Anticipated Announcement and Federal Award Dates—Optional. This section is intended to provide applicants with information they can use for planning purposes. If there is a single application deadline followed by the simultaneous review of all applications, the Federal awarding agency can include in this section information about the anticipated dates for announcing or notifying successful and unsuccessful applicants and for having Federal awards in place. If applications are received and evaluated on a "rolling" basis at different times during an extended period, it may be appropriate to give applicants an estimate of the time needed to process an application and notify the applicant of the Federal awarding agency's decision.

F. Federal Award Administration Information

1. Federal Award Notices—Required. This section must address what a successful applicant can expect to receive following selection. If the Federal awarding agency's practice is to provide a separate notice stating that an application has been selected before it actually makes the Federal award, this section would be the place to indicate that the letter is not an authorization to begin performance (to the extent that it allows charging to Federal awards of pre-award costs at the non-Federal entity's own risk). This section should indicate that the notice of Federal award signed by the grants officer (or equivalent) is the authorizing document, and whether it is provided through postal mail or by electronic means and to whom. It also may address the timing, form, and content of notifications to unsuccessful applicants. See also § 200.210 Information contained in a Federal award.

2. Administrative and National Policy Requirements—Required. This section must identify the usual administrative and national policy requirements the Federal awarding agency's Federal awards may include. Providing this information lets a potential applicant identify any requirements with which it would have difficulty complying if its application is successful. In those cases, early notification about the requirements allows the potential applicant to decide not to apply or to take needed actions before receiving the Federal award. The announcement need not include all of the terms and conditions of the Federal

award, but may refer to a document (with information about how to obtain it) or Internet site where applicants can see the terms and conditions. If this funding opportunity will lead to Federal awards with some special terms and conditions that differ from the Federal awarding agency's usual (sometimes called "general") terms and conditions, this section should highlight those special terms and conditions. Doing so will alert applicants that have received Federal awards from the Federal awarding agency previously and might not otherwise expect different terms and conditions. For the same reason, the announcement should inform potential applicants about special requirements that could apply to particular Federal awards after the review of applications and other information, based on the particular circumstances of the effort to be supported (e.g., if human subjects were to be involved or if some situations may justify special terms on intellectual property, data sharing or security requirements).

3. Reporting—Required. This section must include general information about the type (e.g., financial or performance), frequency, and means of submission (paper or electronic) of post-Federal award reporting requirements. Highlight any special reporting requirements for Federal awards under this funding opportunity that differ (e.g., by report type, frequency, form/format, or circumstances for use) from what the Federal awarding agency's Federal awards usually require.

G. Federal Awarding Agency Contact(s)—Required

The announcement must give potential applicants a point(s) of contact for answering questions or helping with problems while the funding opportunity is open. The intent of this requirement is to be as helpful as possible to potential applicants, so the Federal awarding agency should consider approaches such as giving:

- i. Points of contact who may be reached in multiple ways (e.g., by telephone, FAX, and/or email, as well as regular mail).
- ii. A fax or email address that multiple people access, so that someone will respond even if others are unexpectedly absent during critical periods.
- iii. Different contacts for distinct kinds of help (e.g., one for questions of programmatic content and a second for administrative questions).

H. Other Information—Optional

This section may include any additional information that will assist a potential applicant. For example, the section might:

- i. Indicate whether this is a new program or a one-time initiative.
- ii. Mention related programs or other upcoming or ongoing Federal awarding agency funding opportunities for similar activities.
- iii. Include current Internet addresses for Federal awarding agency Web sites that may be useful to an applicant in understanding the program.
- iv. Alert applicants to the need to identify proprietary information and inform them about the way the Federal awarding agency will handle it.

v. Include certain routine notices to applicants (e.g., that the Federal government is not obligated to make any Federal award as a result of the announcement or that only grants officers can bind the Federal government to the expenditure of funds).

Appendix II to Part 200—Contract Provisions for Non-Federal Entity Contracts Under Federal Awards

In addition to other provisions required by the Federal agency or non-Federal entity, all contracts made by the non-Federal entity under the Federal award must contain provisions covering the following, as applicable.

(A) Contracts for more than the simplified acquisition threshold currently set at \$150,000, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. 1908, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.

(B) All contracts in excess of \$10,000 must address termination for cause and for convenience by the non-Federal entity including the manner by which it will be effected and the basis for settlement.

(C) Equal Employment Opportunity. Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of "federally assisted construction contract" in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."

(D) Davis-Bacon Act, as amended (40 U.S.C. 3141-3148). When required by Federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-Federal entity must report all suspected or reported violations to

the Federal awarding agency. The contracts must also include a provision for compliance with the Copeland "Anti-Kickback" Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.

(E) Contract Work Hours and Safety Standards Act (40 U.S.C. 3701–3708). Where applicable, all contracts awarded by the non-Federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

(F) Rights to Inventions Made Under a Contract or Agreement. If the Federal award meets the definition of "funding agreement" under 37 CFR § 401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that "funding agreement," the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency.

(G) Clean Air Act (42 U.S.C. 7401–7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251–1387), as amended—Contracts and subgrants of amounts in excess of \$150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401–7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251–1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

(H) Mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (42 U.S.C. 6201).

(I) Debarment and Suspension (Executive Orders 12549 and 12689)—A contract award (see 2 CFR 180.220) must not be made to parties listed on the governmentwide Excluded Parties List System in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR Part 1986 Comp., p. 189) and 12689 (3 CFR Part 1989 Comp., p. 235), "Debarment and Suspension." The Excluded Parties List System in SAM contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

(J) Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)—Contractors that apply or bid for an award of \$100,000 or more must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.

(K) See § 200.322 Procurement of recovered materials.

Appendix III to Part 200—Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Institutions of Higher Education (IHEs)

A. General

This appendix provides criteria for identifying and computing indirect (or indirect (F&A)) rates at IHEs (institutions). Indirect (F&A) costs are those that are incurred for common or joint objectives and therefore cannot be identified readily and specifically with a particular sponsored project, an instructional activity, or any other institutional activity. See subsection B.1, Definition of Facilities and Administration, for a discussion of the components of indirect (F&A) costs.

1. Major Functions of an Institution

Refers to instruction, organized research, other sponsored activities and other institutional activities as defined in this section:

a. *Instruction* means the teaching and training activities of an institution. Except for research training as provided in subsection b, this term includes all teaching and training activities, whether they are offered for credits toward a degree or certificate or on a non-

credit basis, and whether they are offered through regular academic departments or separate divisions, such as a summer school division or an extension division. Also considered part of this major function are departmental research, and, where agreed to, university research.

(1) *Sponsored instruction and training* means specific instructional or training activity established by grant, contract, or cooperative agreement. For purposes of the cost principles, this activity may be considered a major function even though an institution's accounting treatment may include it in the instruction function.

(2) *Departmental research* means research, development and scholarly activities that are not organized research and, consequently, are not separately budgeted and accounted for. Departmental research, for purposes of this document, is not considered as a major function, but as a part of the instruction function of the institution.

b. *Organized research* means all research and development activities of an institution that are separately budgeted and accounted for. It includes:

(1) *Sponsored research* means all research and development activities that are sponsored by Federal and non-Federal agencies and organizations. This term includes activities involving the training of individuals in research techniques (commonly called research training) where such activities utilize the same facilities as other research and development activities and where such activities are not included in the instruction function.

(2) *University research* means all research and development activities that are separately budgeted and accounted for by the institution under an internal application of institutional funds. University research, for purposes of this document, must be combined with sponsored research under the function of organized research.

c. *Other sponsored activities* means programs and projects financed by Federal and non-Federal agencies and organizations which involve the performance of work other than instruction and organized research. Examples of such programs and projects are health service projects and community service programs. However, when any of these activities are undertaken by the institution without outside support, they may be classified as other institutional activities.

d. *Other institutional activities* means all activities of an institution except for instruction, departmental research, organized research, and other sponsored activities, as defined in this section; indirect (F&A) cost activities identified in this Appendix paragraph B, Identification and assignment of indirect (F&A) costs; and specialized services facilities described in § 200.468 Specialized service facilities of this Part.

Examples of other institutional activities include operation of residence halls, dining halls, hospitals and clinics, student unions, intercollegiate athletics, bookstores, faculty housing, student apartments, guest houses, chapels, theaters, public museums, and other similar auxiliary enterprises. This definition also includes any other categories of activities, costs of which are "unallowable"

6 Frequent Sources of Non-Compliance Issues

1. **Time & Materials Contracts.** T&M contracts can be used for a reasonable amount of time when (1) no other contract type is suitable; and (2) the contract includes a ceiling that the contractor exceeds at its own risk. Non-federal entities must also maintain a high degree of oversight (§ 200.318(j)).
2. **Cost-Plus-Percentage-of-Cost Contracts.** These are contracts where the contractor's profit is based on a percentage of the underlying project costs actually incurred. Such contracts are explicitly prohibited by the Federal procurement standards and ineligible for FEMA grant funding (§ 200.323(d)).
3. **Piggybacking.** Adopting a pre-existing contract solicited and awarded by another entity is referred to as "piggybacking." Non-state applicants considering piggybacking should closely examine whether use of another jurisdiction's contract would violate the federal procurement standards, as often these contracts do not contain required assignability clauses, are improper in scope, or were not procured in compliance with the federal procurement standards (§ 200.319).
4. **Geographic Preferences.** Non-state applicants must conduct procurements in a manner that prohibits the use of statutorily or administratively imposed state, local, or tribal geographical preferences in the evaluation of bids or proposals (§ 200.323(b)).
5. **Awarding to Contractors that Drafted Solicitation Documents.** Non-state applicants must prohibit contractors that develop or draft specifications, requirements, statements of work, invitations for bid or requests for proposal from competing for and being awarded the subsequent contract for that work (§ 200.323(a)).
6. **Suspended or Debarred Contractors.** Non-state applicants may not award a contract to a suspended or debarred contractor, nor may any prime contractor award to a suspended or debarred subcontractor. Check the database at www.sam.gov prior to awarding the contract (§§ 200.213, 200.318(h)).

What do non-state applicants need to document in the contract file?

Maintaining contemporaneous records to detail the history of a procurement action is both required under the federal procurement standards (§ 200.318(i)) and the best defense in the event of an audit. FEMA requires non-state applicants to keep at least the following documentation:

- **Why you chose the procurement method** (e.g., documentation explaining that the contract was for construction so sealed bidding was the preferred procurement type pursuant to the federal procurement standards).
- **Why you chose the type of contract** (e.g., documentation explaining that the debris removal contract is a time and materials contract because no other contract type is suitable due to the uncertain amount of debris; that a firm ceiling price is included in the contract; and that this contract will be monitored to ensure the efficiency and avoid abuse by the contractor).
- **Why you chose or rejected a contractor** (e.g., documentation explaining that Contractor X was rejected because it failed to submit the required bid bond, whereas Contractor A was selected because it was deemed responsive, responsible, and had the lowest bid price).
- **The basis for the contract price** (e.g., documentation showing an independent cost estimate was performed prior to procurement; that although the contract price is slightly higher than the cost estimate, this contractor had a superior technical solution and was selected as the most advantageous; and that cost was further negotiated with the contractor to bring it closer to the cost estimate).



Procurement Under Public Assistance Awards

September 2017



FEMA

Intended Audience. This publication is primarily intended for local governments, tribal governments, institutions of higher education, hospitals, and other nonprofit organizations (non-state applicants) who receive funding through FEMA's Public Assistance Program. While this publication does not address the federal procurement standards that apply to state entities, states must follow the rule set forth in 2 C.F.R. § 200.317. States are defined as any of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, or any agency or instrumentality of a state except for local governments.

Purpose of this Publication. The purpose of this publication is to assist eligible Public Assistance applicants in identifying and applying the federal procurement standards. Public Assistance applicants must follow these standards when using FEMA funds to procure disaster materials, supplies, public works projects, and services. Non-compliance with the federal procurement standards may result in the denial or de-obligation of Public Assistance funding. This document only provides a snapshot of the federal procurement standards; it does not address all Public Assistance requirements. The information provided is not legal advice. Public Assistance applicants should always consult with their legal counsel regarding any legal questions.

Federal Procurement Standards. The federal procurement standards applicable to federal awards can be found at Title 2 of the Code of Federal Regulations, Part 200, Sections 200.317 through 200.326 (2 C.F.R. §§ 200.317-200.326).

FEMA Resources. The Procurement Disaster Assistance Team (PDAT) provides resources to help Public Assistance applicants comply with the federal procurement standards at their website: www.fema.gov/procurement-disaster-assistance-team. PDAT's resources include:

- Field Manual and Supplement on the Federal procurement standards;
- Compliance checklists;
- Required contract clauses template;
- Cost and price analysis guide; and
- Webinar series.

What federal procurement standards apply to non-state applicants (i.e., local governments, tribal governments, institutions of higher education, hospitals, and other nonprofit organizations)?

Non-state applicants must:

- Follow their own documented procurement procedures which reflect applicable state, local, and tribal laws and regulations; and
- Conform their procurements to applicable Federal law and the regulations identified in 2 C.F.R. §§ 200.318 through 200.326.

What procurement methods can non-state applicants use?

Micro-Purchase Procedures (§ 200.320(a))

- ≤\$3,500 or comparable state/local/tribal threshold, whichever is lower
- Requires only ONE quote if price is reasonable
- MUST distribute equitably among vendors

Small Purchase Procedures (§ 200.320(b))

- ≤\$150,000 or comparable state/local/tribal threshold, whichever is lower
- Requires quotes from three (3) suppliers

Sealed Bidding (§ 200.320(c))

- Preferred method for construction contracts
- Firm-fixed-price contract is awarded to the lowest priced, responsive, responsible bidder
- Non-state applicants must solicit bids from an adequate number of suppliers
- Local and tribal governments must publicly advertise the invitation for bids and open bids publicly

Competitive Proposals (§ 200.320(d))

- Method generally used when conditions are not appropriate for sealed bidding
- Fixed price or cost reimbursement contract is awarded to the responsible firm whose proposal is most advantageous to the non-state applicant
- Non-state applicants must publicize requests for proposals (RFPs), and solicit proposals from an adequate number of qualified sources
- RFPs must identify all evaluation factors and their relative importance

Do non-state applicants have to award to small, minority owned, women's business enterprises, or labor surplus area firms?

Non-state applicants must engage these categories of socioeconomic firms in the procurement process, but are not required to set aside awards for them. To engage them in the procurement process, non-state applicants MUST take the following affirmative steps (§ 200.321):

1. Place qualified socioeconomic firms on their solicitation lists;
2. Assure that socioeconomic firms are solicited whenever they are potential sources;
3. Divide total requirements, when economically feasible, into smaller tasks or quantities;
4. Establish delivery schedules, where the requirement permits, which encourage participation by socioeconomic firms;
5. Use the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
6. Require prime contractors to take steps (1) through (5) if they use subcontractors.

Is it ever permissible for non-state applicants to sole source a contract?

Yes, the federal procurement standards identify four situations in which a non-state applicant may sole source a contract (§ 200.320(f)):

1. The item is available from only one source;
2. A public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
3. FEMA or the State authorizes a written request to sole source; or
4. After solicitation of a number of sources, competition is determined inadequate.

When sole sourcing, the non-state applicant must provide a written justification in the contract file.



PUBLIC ASSISTANCE: CONTRACTING REQUIREMENTS CHECKLIST

The Federal Emergency Management Agency (FEMA) Public Assistance (PA) Program provides supplemental assistance to states, tribes, and local governmental entities, as well as certain private non-profit organizations (hereinafter referred to as applicants). FEMA's *Public Assistance Program and Policy Guide* (<http://www.fema.gov/public-assistance-policy-and-guidance>) provides comprehensive information regarding assistance that FEMA can provide and the requirements that applicants must follow in order to receive the assistance. The purpose of this Fact Sheet is to provide key information that applicants need to consider when utilizing contracted resources.

Avoid the Risk of Not Being Reimbursed for Contract Costs in a Time of Need

Failure to follow federal contracting requirements when procuring and selecting contractors puts applicants at risk of not receiving full reimbursement for associated disaster costs. Both FEMA and the U.S. Department of Homeland Security's Office of Inspector General (OIG) closely review applicant procurement actions and contract selections to evaluate whether Federal requirements were met. Where requirements were not met, funding can be disallowed and, in some cases, taken back even years after the event. Due to the frequency of applicants not following contracting requirements and the millions of dollars subsequently put at risk, FEMA and the OIG are increasing their efforts to ensure applicants understand Federal requirements for contracting resources. In addition to this Fact Sheet, FEMA has extensive procurement and contracting resources for applicants, including the *Procurement Under Grants Field Manual Supplement*, which are available at www.fema.gov/procurement-disaster-assistance-team. Additionally, the OIG in July 2016 issued its *Audit Tips for Managing Disaster-Related Project Costs* (OIG-16-109-D-Jul16).

FEMA reimburses costs incurred using fixed-price or cost-reimbursement contracts. FEMA advises against the use of Time and Materials (T&M) contracts and generally limits the use of these contracts to a reasonable time based on the circumstances during which the applicant could not define a clear scope of work because T&M contracts do not adequately incentivize contractors to control costs or maximize labor efficiency.

AVOIDANCE CHECKLIST

DO NOT:

- ☐ "Piggyback" on other jurisdiction's contracts.
- ☐ Award cost-plus-a-percentage-of-cost contracts or contracts with a percentage-of construction-cost method.
- ☐ Include local preference.

AVOID:

- ☐ Time & Material (T&M) Contracts (FEMA may reimburse costs incurred under a T&M contract **only if all** of the following apply:
 - ☐ No other contract was suitable;
 - ☐ The contract has a ceiling price that the contractor exceeds at its own risk; and
 - ☐ The Applicant provides a high degree of oversight to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.
- ☐ Sole-Source Contracts unless you can support their use under the procurement rules.
- ☐ Pre-disaster/stand-by contracts with price proposals that increase when awarded post-disaster.

REQUIREMENTS CHECKLIST

- ☐ Provide full and open competition;
- ☐ Place qualified small and minority businesses and women's business enterprises on solicitation lists;
- ☐ Assure that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
- ☐ Divide total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;
- ☐ Establish delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;
- ☐ Use the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce;
- ☐ Maintain oversight to ensure contractors perform according to the terms, conditions, and specifications of their contracts or purchase orders;
- ☐ Maintain written standards of conduct covering conflicts of interest and governing the performance of employees who engage in the selection, award, and administration of contracts;
- ☐ Negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed;
- ☐ Perform a cost or price analysis in connection with every procurement action in excess of the Simplified Acquisition Threshold, including contract modifications. The Federal threshold is currently \$150,000, if state or local procurement law is more restrictive, then the state or local law must be followed;
- ☐ Include required provisions in all contracts awarded; and
- ☐ Maintain records sufficient to detail the history of the procurement. These records will include, but are not limited to the rationale for the method of procurement, selection of contract type; contractor selection or rejection; and basis for the contract price.

Noncompetitive procurement may be used under certain circumstances, one of which is when the public exigency or emergency will not permit a delay resulting from competitive solicitation.

Examples Illustrating the Meaning of Exigency and Emergency

Emergency: A tornado impacts the City and causes widespread and catastrophic damage, including loss of life, loss of power, damage to public and private structures, and millions of cubic yards of debris across the City, leaving almost the entire jurisdiction inaccessible. The City needs to begin debris clearance activities immediately to restore access to the community and support search and rescue operations and power restoration.

Exigency: A tornado impacts the City in June and causes widespread and catastrophic damage, including damage to a City school. The City wants to repair the school and have it ready for the beginning of the following school year in September. The City estimates, based on past experience, that the sealed bidding process will take at least 90 days, and the City's engineer estimates that the repair work would take another 60 days. This would bring the project completion to well after the beginning of the school year. Rather than going through sealed bidding, the City—in compliance with State and local law—wants to solicit bids from five contractors that have previously constructed schools in the State and award the contract to the lowest bidder among those five. This would be an example of an "exigency", such that sealed bidding would cause a delay under the circumstances and the use of some other procurement method was necessary based on the particular situation.

Applicants should ensure their attorneys review all procurement actions and contracts. FEMA has a Procurement Disaster Assistance Team that is available to review contracts to ensure they include required provisions. Applicants may contact the State or Territory to request FEMA assist with review.

QUICK REFERENCE GUIDE – SBA DYNAMIC SMALL BUSINESS SEARCH

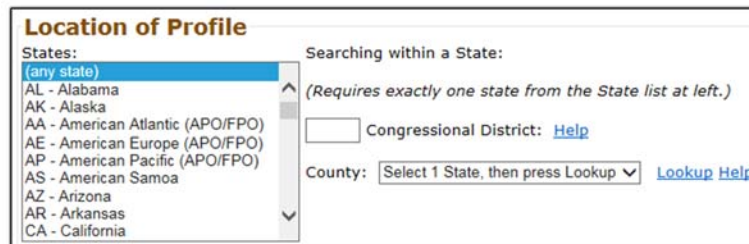
Background: The Uniform Administrative Requirements established for federal awards require non-Federal entities (NFEs) to take six affirmative steps aimed to include minority businesses, women's business enterprises, and labor surplus area firms in federally funded procurements. See 2 C.F.R. §200.321.

One of these six steps requires NFEs to use the resources, as appropriate, of such organizations as the Small Business Administration (SBA) and the Minority Business Development Agency (MBDA). 2 C.F.R. §200.321(b)(5). NFE's should document use of these resources by saving records of searches in their procurement files. This reference guide discusses these resources, and demonstrates how to use them.

SBA Resources: NFEs can use the Dynamic Small Business Search tool to view databases for minority businesses, women-owned businesses and small businesses.

Step 1: Access the search tool: http://dsbs.sba.gov/dsbs/search/dsp_dsbs.cfm.

Step 2: Select the applicable state. NFEs can narrow the search by county, Metropolitan Statistical Area, Zip Code, or Area Code. NFE's can also search for businesses in a labor surplus area (designated and published by the Department of Labor by federal fiscal year).



The screenshot shows the 'Location of Profile' section of the SBA Dynamic Small Business Search tool. It features a list of states on the left, with '(any state)' selected. To the right, there is a 'Searching within a State:' section with a note '(Requires exactly one state from the State list at left.)'. Below this is a 'Congressional District:' field with a 'Help' link. At the bottom, there is a 'County:' field with a dropdown menu labeled 'Select 1 State, then press Lookup' and a 'Lookup Help' link.

Step 3: To search for minority businesses, select “Any Minority Owned” under the Ownership and Self-Certifications section.



The screenshot shows the 'Ownership and Self-Certifications' section of the SBA Dynamic Small Business Search tool. It contains a list of checkboxes for different ownership types. The 'Any Minority Owned' checkbox is selected. Below it, there are several other options, including 'Any Native American Owned', 'Tribally Owned', 'Alaskan Native Corp (ANC) Owned', 'Native Hawaiian Org (NHO) Owned', 'Other Native American', and 'Other Minority Owned'.

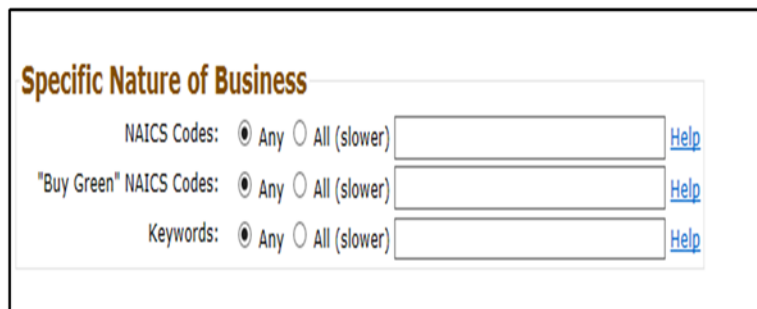
Step 4: To search for women’s business enterprises, select “Any Women-Owned Small Business” under the Ownership and Self-Certifications section.



☐ Any Women-Owned Small Business: ([search help](#))

- ☐ Women-Owned Small Business under the Women-Owned Small Business Program ([more information](#))
- ☐ Economically Disadvantaged Women-Owned Small Business under the Women-Owned Small Business Program
- ☐ Women-Owned Small Business Joint Venture
- ☐ Economically Disadvantaged Women-Owned Small Business Joint Venture

Step 5: Enter the specific North American Industry Classification System (NAICS) code for the applicable industry in the Specific Nature of Business section. These NAICS codes may be found on www.naics.com, or by using the SBA list identifying small business size by NAICS code, https://www.sba.gov/sites/default/files/files/Size_Standards_Table.pdf.



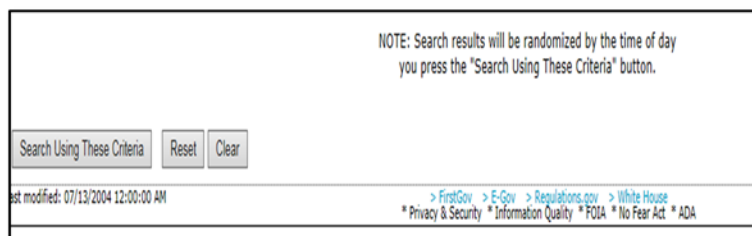
Specific Nature of Business

NAICS Codes: ☒ Any ☐ All (slower) [Help](#)

"Buy Green" NAICS Codes: ☒ Any ☐ All (slower) [Help](#)

Keywords: ☒ Any ☐ All (slower) [Help](#)

Step 6: Scroll down and click on “Search Using These Criteria” to run the search.



NOTE: Search results will be randomized by the time of day you press the "Search Using These Criteria" button.

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[> FirstGov](#) [> E-Gov](#) [> Regulations.gov](#) [> White House](#)
* Privacy & Security * Information Quality * FOIA * No Fear Act * ADA

NFEs may choose to run separate searches for minority-owned businesses, women’s business enterprises and, if applicable, labor surplus areas. The search site has a “Help” tab with useful guidance on maximizing the search tool based on user’s operating system and device.

MBDA Resources: MBDA has numerous resources for NFEs, including lists of state and local-sponsored minority business enterprises, and state offices for minority and women’s business enterprises. MBDA resources are also available on FEMA’s Procurement Disaster Assistance Team website, <https://www.fema.gov/procurement-disaster-assistance-team>, under the “Socioeconomic Contracting Resources” tab.

Conclusion: As stated in the opening paragraph of this guide, NFEs should document use of these resources to demonstrate compliance with the requirement in 2 C.F.R. §200.321(b)(5) that NFEs use the resources of the SBA and MBDA.



**Top 10 Procurement Under Grant Mistakes
Leading to Audits and Potential Loss of FEMA Public
Assistance Funding**

1. Engaging in a noncompetitive procurement (i.e., sole-sourcing) without carefully documenting how the situation has created an urgent need to perform the work sooner than a competitive procurement process would allow.
2. Continuing work under a sole-source contract after the urgent need (see #1) has ended, instead of transitioning to a competitively procured contract.
3. Piggybacking onto another jurisdiction's contract in a situation that doesn't allow noncompetitive procurement (see #1) or where the other contract is materially different in terms of scope or requirements. Piggybacking is rarely allowable.
4. Awarding a "time-and-materials" contract without a ceiling price that the contractor exceeds at its own risk and without documenting why no other contract type is suitable.
5. Awarding a "cost-plus-percentage-of-cost" or "percentage-of-construction-cost" contract.
6. Not including the required contract clauses (available online at the below website under "PDAT Resources" menu).
7. Including a geographic preference in a solicitation (i.e., giving an advantage to local firms).
8. Not making and documenting efforts to solicit small businesses, minority businesses, and woman's business enterprises.
9. Conducting a procurement exceeding \$150,000 without conducting a detailed cost or price analysis.
10. Not carefully documenting all steps of a procurement to create a record if questions arise potentially years later.

For further information on FEMA grant procurement requirements, including contract review checklists, detailed guidance on the above topics, and online webinar training classes, please visit <https://www.fema.gov/procurement-disaster-assistance-team>.

