



U.S. Department of Transportation
**Pipeline and Hazardous Materials
Safety Administration**

HAZARDOUS MATERIALS EMERGENCY PREPAREDNESS GRANT GUIDE

Catalog of Federal Domestic Assistance Program No. 20.703



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I. Introduction

The Hazardous Materials Emergency Preparedness (HMEP) Grant Guide provides information on grant management processes and compliance needed to successfully manage HMEP Grant funds. It is designed to reduce risk and error, while increasing efficiencies to help grantees effectively administer their programs.

The HMEP Grant Guide is produced by the United States Department of Transportation (USDOT), Pipeline and Hazardous Materials Safety Agency (PHMSA). PHMSA's mission is to protect people and the environment by advancing the safe transportation of energy and other hazardous materials that are essential to our daily lives. The agency produces the Emergency Response Guidebook (ERG), establishes national policy, sets and enforces standards, educates, and conducts research to prevent incidents.

PHMSA collects registration fees from HAZMAT shippers and carriers. Those fees are then redistributed by PHMSA through several grant programs to include: The Hazardous Materials Emergency Preparedness (HMEP) Grant; Assistance for Local Emergency Response Training (ALERT) Grant; Hazardous Materials Instructor Training (HMIT); Supplemental Public Sector Training (SPST) Grant; and Community Safety (CS) Grant.

II. HMEP Grant Overview

The HMEP grant program was established under The Hazardous Materials Transportation Uniform Safety Act of 1990 (P.L. 101-615), to assist States, Territories, and Native American Tribes to "develop, improve, and carry out emergency plans" within the National Response System and the Emergency Planning and Community Right-To-Know Act of 1986 (EPCA). This includes awarding grants for planning and training activities related to HAZMAT incidents in commercial transportation.

This grant does ***not*** fund operational expenditures.

The HMEP grant program is designed to allow grantees the flexibility to implement training and planning programs that address differing needs for each location based on demographics, emergency response capabilities, commodity flow studies, and hazard analysis. Relevant trainings are found in the National Fire Protection Association (NFPA) 472: Standard for Competence of Responders to Hazardous Materials/Weapons of Mass Destruction Incidents publication and the Occupational Safety and Health Administration (OSHA) regulations found in 29 CFR § 1910.120.

Planning efforts fall under the Emergency Planning and Community Right-to-Know Act (EPCRA) of 1986 (Title 42 U.S.C. Chapter 116), Emergency Planning (301-303). This includes three sections and provisions intended to help communities prepare for chemical emergencies:

- 301 - State and Tribal Emergency Response Commissions (SERCS and TERCs) and Local and Tribal Emergency Planning Committees (LEPCs and TECs)
- 302 - Regulated Substances and Facilities; Emergency Planning Notification), and
- 303 - Comprehensive Emergency Response Plans

Training efforts must be directed towards public sector HAZMAT emergency response employee’s ability to respond to accidents and incidents involving HAZMAT in commercial transportation. This may also include course evaluation to determine effectiveness of delivery and student retention. HMEP training must adhere to either the requirements set forth by the National Fire Protection Association (NFPA) 472 or Occupational Safety and Health Administration (OSHA) 29 CFR § 1910.120 Competencies.

The following sections in this document provide listed reference examples of what a grantee can do to support planning and training efforts.

III. Expenditure Guidelines

This section provides direct examples of allowable, generally unallowable, and conditionally allowable activities. These examples are for reference only.

4.1 Allowable Management and Administration Costs (M&A)

M&A costs (sometimes referred to as general expenditures) are allowable administrative expenditures incurred during the administration of an award and that do not fall under preparedness or response efforts. These must be directly related to the management and administration of the HMEP grant award. This includes but is not limited to: Grants Management Courses, Continuing Education Specific to Grants Management

4.2 Allowable Planning and Preparedness Activities

ALLOWABLE PLANNING AND PREPAREDNESS ACTIVITIES		
<i>This list is not all inclusive</i>		
Activity	Description and Summary	Additional Guidance and Materials
Commodity Flow Studies	A hazardous materials commodity flow survey (HMCFS) identifies HAZMAT transported into, out of, within, and through a specified area.	PHMSA published document, “Hazardous Materials Commodity Flow Data and Analysis” and EPA’s Sample Commodity Flow Studies https://www.epa.gov/epcra/sample-commodity-flow-studies
Other Commodity Flow Study Related Costs	Example: Aerial photography for use with Commodity Flow Study research using drones.	Expenses must be HMEP related and only charged to the HMEP grant at the rate of use for this program.

ALLOWABLE PLANNING AND PREPAREDNESS ACTIVITIES

This list is not all inclusive

	Tier II Chemical Inventory Reports and Databases expenses tied to a commodity flow study.	HMEP does not pay for operational costs.
GAP Analysis/Needs Assessment Costs	A needs assessment is the process to determine existing gaps between current conditions and desired conditions.	HMEP Sample Application, Page 6 https://www.phmsa.dot.gov/working-phmsa/grants/hmep-sample-application
EPCRA Compliance Costs. Section 301 State and Tribal Emergency Response Commissions (SERCS and TERCs) and Local and Tribal Emergency Planning Committees (LEPCs and TEPCs)	Per EPCRA 301, Local or Tribal Emergency Planning Committees (LEPCs or TEPCs) <i>must</i> develop an emergency response plan, review the plan at least annually, and provide information about chemicals in the community to citizens.	Refer to Appendix B Resources for additional EPCRA information and EPCRA Compliance Costs Section 301 (cont.) for a breakdown of the required elements of a community emergency response plan.
EPCRA Compliance Costs. Section 301 (cont.) <i>This list is not all inclusive</i>	<ul style="list-style-type: none"> • Identification of facilities and transportation routes of extremely hazardous substances. • Description of emergency response procedures, on and off site. • Outline of emergency notification procedures. • Outline of evacuation plans. • A training program for emergency responders (including schedules). • Methods and schedules for exercising emergency response plans. 	<p>Full list of required elements of a community emergency response plan can be found from the Environmental Protection Agency (EPA)</p> <p>https://www.epa.gov/epcra/local-emergency-planning-committees#Local%20Emergency%20Planning%20Committee%20Resources</p>

ALLOWABLE PLANNING AND PREPAREDNESS ACTIVITIES

This list is not all inclusive

<p>EPCRA Compliance Costs. Section 302</p> <p>Emergency Planning Notification</p>	<p>HMEP funds <i>must</i> be used for the benefit of the first responder.</p> <p>The HMEP grant may cover costs associated with incorporation information derived from EPCRA 302 requirements into their Emergency Operations Plan (EOP).</p>	<p>Refer to EPCRA Section 302: Emergency Planning notification https://www.epa.gov/system/files/documents/2022-01/chapter-2-epcra-section-302.pdf</p>
<p>EPCRA Compliance Costs. Section 303.</p> <p>Comprehensive Emergency Response Plans Local and Tribal Emergency Planning Committee (LEPC and TEPC) Responsibilities Facility Responsibilities State and Tribal Emergency Response Commission (SERC and TERC) Responsibilities</p>	<p>Costs include, but are not limited to:</p> <ul style="list-style-type: none"> • LEPCs/TEPCs developing and maintaining comprehensive emergency response plans and submitting these plans to the State or Tribal Emergency Response Commission. • LEPCs/TEPCs to review the plans annually, or more frequently as circumstances change within the community or at any facility. 	<p>All plans should contain:</p> <ul style="list-style-type: none"> • Analysis of the emergencies likely to occur. • Assessment of available resources and existing capabilities. • HAZMAT Planning Curriculum response operations strategies and assignments that address notification, command and control, life safety, and other functional requirements; and identification of prevention measures that can mitigate the seriousness of an emergency or prevent it from occurring. <p>See: Appendix B - Resources</p>
<p>Conference Attendance and/or Hosting Costs for Emergency Planners</p>	<p>HMEP may fund costs associated with conference attendance as they relate allowable HMEP grant activities.</p>	<p>See: 4.2 Allowable Planning and Preparedness Conferences for a list of examples</p>
<p>HMEP Planning Program Manager Personnel Costs</p>	<p>Only include compensation paid for employees engaged in HMEP grant related activities.</p> <p>Costs should be consistent with that paid for similar types of work within the organization.</p>	<p>Grantees must meet the grants pass-through requirement: 75% of the total award must be to the direct benefit of the first responder. No more than 25% of a total grant award may be attributable towards M&A costs.</p> <p>See: HMEP Sample Application, Page 6</p>

ALLOWABLE PLANNING AND PREPAREDNESS ACTIVITIES

This list is not all inclusive

		https://www.phmsa.dot.gov/working-phmsa/grants/hmep-sample-application
Attending and/or Hosting Workshops, Drills and Exercises	Events must be related to allowable HMEP grant activities and have a connection to HAZMAT in commercial transportation	HMEP Sample Application, budget narrative https://www.phmsa.dot.gov/working-phmsa/grants/hmep-sample-application
Capability Assessments	Evaluate the ability for first responders, non-governmental organizations, and other involved stakeholders to respond to a HAZMAT emergency	Hazardous Materials Incident Response Curriculum Guidelines https://www.phmsa.dot.gov/grants/hazmat/response-guidelines Mission Specific Planning Competencies: Capability Assessment. Page 49
Risk Assessments to Enhance Plans	A risk assessment is a process to identify potential hazards and analyze what could happen if a hazard occurs.	Comprehensive Preparedness Guide 201: Threat and Hazard Identification and Risk Assessment Guide (FEMA CPG 201). Example: https://www.phmsa.dot.gov/hazmat/reports/risk-assessment-hazmat-uavs
Computer-Aided Management of Emergency Operations (CAMEO) Training	Training towards the usage of CAMEO	Developed by EPA and the National Oceanic and Atmospheric Administration to assist front-line chemical emergency planners and responders, CAMEO can access, store, and evaluate information critical for developing emergency plans.

4.3 Allowable Training Courses

ALLOWABLE TRAINING COURSES

This list is not all inclusive

Air Monitoring and Sampling	HAZMAT IQ Training (Above and Below the line, Advanced IQ & ToxMedic, etc.)
Airport Rescue Fire Fighting (aircraft rescue and response)	HAZMAT Risk Analysis Courses
Alternative Fuels	Hazardous Waste Operations and Emergency Response Standard (HAZWOPER)
Ammonia, Ethanol, Chlorine Response	Industrial Fire Fighting (rail yards, fuel transfer facilities, and ports)

ALLOWABLE TRAINING COURSES	
<i>This list is not all inclusive</i>	
Cargo Tank Specialty	Intermodal Tank Specialty
Chemistry of Hazmat-Part I/II	Level A/Level B Personal Protective
Commodity Flow Study courses	Liquid Natural Gas (LNG) rail training
Confined Space Rescue	LP Gas Emergencies/Propane Emerge
Courses aimed at developing, improving, and implementing emergency plans under the Emergency Planning and Community Right-to-Know Act (EPCRA) §§ 301 and 303 (Title 42 U.S.C. Chapter 116)	Lithium Ion-Battery training related to incidents in commercial transportation
Crude Oil Training	Marine Operations - Ship-board rescue, firefighting, HAZMAT focus
Decontamination: Mass, Technical, Refresher	Marine Tank Vessel Specialty
Developing Chemistry for Emergency Responders	NIMS ICS-100: Introduction to the Incident Command System
Emergency Medical Technician (EMT) Training for HAZMAT	NIMS ICS-200: Incident Command System for Single Resources and Initial Action Incidents
Employee HAZMAT Emergency Response Readiness Training	NIMS ICS-300: Intermediate Incident Command System
Explosive Ordinance Disposal involving transportation	NIMS ICS-400: Advanced Incident Command System
First Receiver Awareness Training	Pipeline Incident in Transportation Response Training
Flammable Liquid Bulk Storage	Radiological (sources in transportation, but not Weapons of Mass Destruction.)
Flammable Gas Bulk Storage	Regional Response Strategy Selection courses
Grants Management Training, Courses, and continuing education	Rope Rescue (pre-requisite for Confined Space Rescue)
HAM Radio Training	Surveying a HAZMAT Incident
HAZ-CAT Training	Tactical Chemistry
Cargo Tank Specialty	Tank Specialty: Car, Cargo, Marine Vessel, Intermodal
HAZMAT Awareness, Operations, Technician, Specialist, and Refresher Courses	TRANSCAER Training as it relates to HMEP
HAZMAT Basic Life Support/Advance Life Support	Using Personal Protective Equipment
HAZMAT Containers	Victim Rescue/Recovery
HAZMAT for Dispatcher	Financial Management courses with Grants Management correlation
HAZMAT for Emergency Management System (EMS)	Victim Rescue/Recovery

4.4 Allowable Planning and Training Preparedness Conferences

Costs associated with attending conferences are allowed. When requesting these costs grantees must state what projects, goals, and deliverables the events support. For example, attendance to a planning conference where the HMEP Grant manager participates in Tabletop Exercises (TTX) will provide lessons learned that the HMEP Grant manager can apply when performing the annual Emergency Operations Plan (EOP) update and review for they LEPCs/TEPCs.

ALLOWABLE PLANNING AND TRAINING PREPAREDNESS CONFERENCES		
<i>This list is not all inclusive</i>		
Conference	Location	Website
Arizona Tribal Hazardous Materials (HAZMAT) Training and Information Conference	Flagstaff, AZ	http://itcaonline.com
International Hazardous Materials Response Teams Conference (IAFC)	Baltimore, MD	https://www.iafc.org/
PHMSA HMEP Conference	Varies	https://www.phmsa.dot.gov/grants/hazmat/hmep-resources
Virginia Hazardous Materials Conference	Harrisonburg, VA	http://www.virginiahazmat.org
The Continuing Challenge	Sacramento, CA	http://www.hazmat.org
National Association of SARA Title III Program Officials Annual and <i>Mid-Year</i> and <i>Annual</i> Conference	Houston, TX (mid-year), Varies (annual)	https://nasttpo.com/
HOTZONE	Houston, TX	https://hotzone.mobi/
COLDZONE	Minneapolis, MN	http://coldzone.org/
Midwest HAZMAT Conference	Northbrook, IL	https://emerysafety.com/
Northwest Tribal Emergency Management Council (NWTEMC) Annual Conference	Spokane, WA	http://nwtemc.org/Conferences_NWTEMC.aspx
TRANSCAER Conferences and Events	Varies	http://www.transcaer.com/

4.5 Allowable Equipment, Supplies, and Materials

Equipment, materials and supplies necessary to conduct HMEP planning, and training related activities are allowable. The list below provides examples of previously approved items.

ALLOWABLE EQUIPMENT, SUPPLIES AND MATERIALS	
<i>This list is not all inclusive</i>	
Airline connection	Oxygen meter
Aerial Photography Equipment for Commodity Flow Studies/Exercises/Training – usage must be entirely HMEP or charged to HMEP by proportion of HMEP use	Passive dosimeters
Bottom outlet valve	Personal Protective Equipment (PPE)
Carbon monoxide meter	pH indicators and/or pH meters

ALLOWABLE EQUIPMENT, SUPPLIES AND MATERIALS	
<i>This list is not all inclusive</i>	
Colorimetric tubes	Portable pumps (air, electrical, gasoline/diesel)
Combustible gas indicator	Power-take-off (PTO) driven pumps
Compressors or compressed gas	Pressure gauge
Computing Devices - 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	Publication materials
Equipment Trailer	Sample valve
Gauging device	Self-Contained Breathing Apparatus (SCBA)
General Purpose Equipment	Simulators for HAZMAT Training and Exercise
HAZMAT Suits	Thermometer
Information Technology Systems computing devices, ancillary equipment, software, firmware, and similar procedures, services (including support services), and related resources.	Training trailer
Inventory management system	Vacuum trucks
Liquid or vapor valve	Vehicle not for operational usage (i.e., required to tow training trailers and to carry out planning related activities such as a vehicle for a HAZMAT planner solely dedicated to the HMEP Grant that travels to local emergency responders to carry out the duties to meet EPCRA requirements)
Office supplies related to HMEP activities	Foam for specific HAZMAT transportation related planning and training related activities

Equipment is tangible personal property (including information technology systems) having a useful life of more than one year and costs more than \$5,000 per item.

Supplies are all tangible personal property other than those described in the definition of equipment and cost less than \$5,000 per item.

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.

Refer to Appendix A – Definitions and Appendix E – Category of expenditures for additional details.

4.5 Conditionally Allowable Expenditures

Conditionally allowable expenditures are expenditures that are generally allowable but require additional or specific conditions.

CONDITIONALLY ALLOWABLE EXPENDITURES	
<i>This list is not all inclusive</i>	
Expenditure	Conditions
Tier II Chemical Inventory Reports and Databases	Allowable: Duties and costs related to planning and training for the benefit of first responders, i.e., information gathering for a commodity flow study. CAMEO. See below. Unallowable: Operational costs. Note: Information Systems/Computing devices related to Tier II reporting <i>may</i> be considered allowable in full or in part with PHMSA approval See Appendix A - Definitions for Tier II Inventory Reports and Databases more information.
Emergency Operating Center (EOC) Leadership Exercises	Leadership exercises for events concerning HAZMAT preparedness and responses
Hospital Drills	Decontamination from a transportation incident (radiological, chemical, or other HAZMAT)
LEPC Meeting Expenses	HMEP covers the portion of costs as related to EPCRA Sections 301-303
Food and Refreshments	Food must be necessary for the safety of participants, i.e., hydration, remote location, dietary necessities, cultural accommodations etc.
Fixed-facility HAZMAT preparedness	Exercises and plans that include transportation of materials to and from fixed facilities; exercises that test the same capabilities that would be used to respond to a HAZMAT transportation incident
Fire Department Instructors Conference (FDIC)	Transportation HAZMAT-themed schedule

4.5.1 Costs Requiring Prior Approval

Conditionally allowable expenditures may also include costs requiring prior approval the table below includes examples of when a grantee needs to do so.

COSTS REQUIRING PRIOR APPROVAL	
<i>This list is not all inclusive</i>	
Cost Type	Cost Description and Information
Sole Source Approval	A request to enter a non-competitive contractual relationship for equipment, technology, or services more than the simplified acquisition threshold must be

COSTS REQUIRING PRIOR APPROVAL <i>This list is not all inclusive</i>	
	submitted to PHMSA in writing certifying that the award of a contract through full and open competition is infeasible.
Prior Approval of Certain Costs	<p>Written prior approval must be obtained for some costs, as specified in 2 C.F.R. Part 200 (specifically in 2 C.F.R. § 200.407). The following are some examples of costs that require prior approval:</p> <ul style="list-style-type: none"> • Costs incurred prior to the date of the subaward period • Foreign travel (only applicable to territories)
Changes to the Scope of the Award	<p>Recipients must initiate an Activity Request (AR) for changes in scope, duration, activities, or other significant areas. In general, a change in scope is a cost that is 10% of the total award or more.</p> <p>These changes include but are not limited to:</p> <ul style="list-style-type: none"> • Altering programmatic activities • Changing the purpose of the project • Changing the project site • Experiencing or making changes to the organization or staff with primary responsibility for implementation of the award, contracting out, subawarding (if authorized by law), or otherwise obtaining the services of a third party to perform activities which are central to the purpose of the award • Changes in scope that affect the budget
Equipment and Other Capital Expenditures	<p>If recipients or subrecipients have received prior approval for expenditures for equipment and other capital assets, including repairs which materially increase the useful life of equipment, then these expenditures are allowable. See 2 C.F.R. § 200.439.</p> <p>Expenditures for equipment must be fully justified in the budget and budget narrative; otherwise, the grant-making component may require that the type, quantity estimated, unit, or other information be provided before the final budget can be issued.</p> <p>In reviewing equipment acquisition budgets and proposals, the following principles should be followed:</p> <ul style="list-style-type: none"> • No other equipment owned by the recipient/subrecipient is suitable for the project. • No luxury vehicles will be approved. <p>If the vehicle request is approved, the vehicle should be reasonable, and the recipients must follow the Internal Revenue Service guidelines.</p> <p>If the vehicle(s) was purchased as part of a unit of government fleet by the State or local central procurement activities, it is generally accepted as reasonable.</p> <ul style="list-style-type: none"> • Federal funds are not used to provide reimbursement for the purchase of equipment already owned by the recipient/subrecipient. • Equipment purchased and used commonly for two or more programs should be appropriately divided among each activity.

COSTS REQUIRING PRIOR APPROVAL

This list is not all inclusive

- An expenditure for equipment purchased for a common pool is generally allowable as a charge to the award at cost value.
- Equipment that has already been purchased and charged to other activities of the organization is not an allowable expense to the award.

4.6 Unallowable Expenditures

Unallowable expenditures are costs which may never be used with HMEP Grant funding dollars. Examples of generally unallowable expenses include but are not limited to the below.

GENERALLY UNALLOWABLE EXPENDITURES

This list is not all inclusive

Active Shooter Training	FRI (Fire Rescue International): Fire Rescue International (FRI) annual conference for fire and emergency service leaders from across North America and around the globe for 5 days of networking, learning, and collaboration
Alcohol	Joint Terrorism Task Force (JTTF) Exercises
All-Hazards Warning System Drills	Lobbying
Any costs disallowable or stated as ineligible in 49 CFR part 110 and 2 CFR 200 Subpart E	Mobile Meth Lab Training
Any cost specifically prohibited in the General Terms and Conditions of the grant award, or identified in PHMSA policy guidance, or as a Special Terms and Conditions listed on the NGA (Remarks section).	Natural Disaster Exercises without a commercial transportation in HAZMAT tie-in
Bonuses or Commissions See 2 C.F.R. § 200.430(g)	Operational Expenses
Corporate Formation	Pro Board® accreditation and certification
Courses not related to HAZMAT emergency response (except for the pipeline training listed in section 4.1 above)	School Violence Prevention
Emergency Preparedness Presentation to Child Care Providers	State and Local Sales Taxes
Entertainment Costs	Tips
Fines and Penalties	Weapons of Mass Destruction (WMD) Radiological Training and Terrorism courses

Unallowable expenditures and disallowed costs are costs prohibited by law or regulation, Federal cost principles, PHMSA policy, or special terms and condition of award. Disallowed costs are 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 (2 CFR 200.31)

IV. Grant Lifecycle

The grant lifecycle timeline previews the overall steps and process of a grant. There are three phases. Each phase has steps, responsible parties, and required actions. This section provides an overview of the grants management process and lifecycle in three phases: Pre-Award, Award Phase, Post Award.

5.1 Pre-Award Phase

The pre-award phase occurs before a grant is awarded.

Lifecycle Steps	Responsible Party	Actions
Planning an Opportunity	PHMSA	Plan and develop funding priorities based on the mission, the Administration, and congressional initiatives.
Announcing an Opportunity	PHMSA	Formally announce the availability of funds and publish details on grants.gov
Searching for Opportunities	Applicant	Search for CFDA 20.703 on grants.gov and stay up to date with announcements
Registering on grants.gov	Applicant	Regularly check grants.gov for funding opportunities and requirements.
Completing an application	Applicant	Allow for enough time to complete an application. Download the application and save offline. Submit prior to the closing date and time.
Retrieving the application	Applicant	Applicant will be notified of receipt via e-mail when completed. PHMSA beings review of application.
Staying in the Loop	Applicant	Applicants can track the status of their application by communicating with the grant-making agency. The application status process is handled differently by each agency.
Finishing the review process	PHMSA	As the funding agency reviews applications, a range of program stakeholders will participate. The review process takes time and varies based on grant type. As the review process takes place, grant-making agencies may update applicants on the status of their application.

5.1.1 Planning an Opportunity

The Department of Transportation (DOT) makes awards for a specified period, referred to as the award or project period. The award period is established for each award and is included in the

Notice of Grant Award (NGA) document. Award periods range from 1 year for tribes up to 3 years for states and territories. The performance periods may vary depending on the specific program, and if there are extensions necessary.

Local and Tribal Emergency Planning Committees (LEPCs and TEPCs) are responsible for developing and maintaining comprehensive emergency response plans and submitting these plans to the State or Tribal Emergency Response Commission (SERC or TERC). Local or Tribal Emergency Planning Committees (LEPCs or TEPCs) should review the plans annually, or more frequently as circumstances change within the community or at any facility.

5.1.2 Announcing an Opportunity

PHMSA formally announces the funding opportunity, advertising it to applicant communities and inviting proposals tailored to address the program mission. The grant-making agency will publish details of the funding opportunity on Grants.gov.

5.1.3 Searching for Opportunities

Applicants will use the Grants.gov search tool to find funding opportunities that they are eligible for and are a mission match for their organization. HMEP Funds are announced and issued annually. Applicants are encouraged to e-mail HMEP.Grants@dot.gov to join the grants program contact list.

5.1.4 Registering on Grants.gov

HMEP Grant applicants are required to complete the registration process on grants.gov and sam.gov. System for Award Management (SAM) is the Official U.S. Government system that consolidated the capabilities of the Central Contractor Registration (CCR), Federal Agency Registration (FedReg), the Online Representations and Certifications Application (ORCA), and the Excluded Parties List System (EPLS). It became operational in August 2012. Recipients must have registered their Unique Entity ID (UEI) <https://www.sam.gov/portal/SAM/> to receive an award.

Unless exempted from this requirement under 2 CFR § 25.110, the recipient must maintain the information in SAM until the final financial report required under this award is submitted or the Recipient receives the final payment, whichever is later. This requires that the Recipient review and update the information at least annually after the initial registration, and more frequently if required by changes in your information or another award term.

5.1.5 Completing an Application

Completing a grant application can take weeks. The application package can be downloaded from Grants.gov in the form of a PDF, and progress can be saved as form fields are filled in. These fields require everything from basic organizational information to explanations of

proposed work and financial data. When an application package has been completed per the opportunity instructions and checked for errors, it can be submitted through Grants.gov

A sample application can be found in Appendix I Sample Application.

5.1.6 Retrieving an Application

Once an application has been retrieved by the agency from Grants.gov, the applicant is automatically notified via email. At this point, the grantor application processing begins.

5.1.7 Risk Assessment

PHMSA is required to review and assess the potential risks presented by applicants for Federal grants prior to making an award (2 C.F.R. § 200.205). This includes financial capabilities and past performance in a risk-based approach. PHMSA applicants may be required to complete a questionnaire and submit it to PHMSA before they can be approved for an award.

It is PHMSA's goal for each recipient to be successful. Each HMEP Grantee has an assigned Grant Specialist to assist in meeting the needs of each grantee, to include special attention to high-risk grantees providing guidance, technical assistance, and best practices. Each category will be clearly listed in each Notice of Grant Award (NGA) and include details of what conditions apply to each category. Requirements for each status are specific to each grantee.

In general, a recipient may be designated as high-risk if the following conditions are met:

- Is a first time HMEP Grant recipient.
- Has a history of unsatisfactory performance
- Is not financially stable.
- Has a management system that does not meet the standards set forth in 2 C.F.R. Part 200 (Subpart D-Post Federal Award Requirements (Standards for Financial and Program Management)). Recipient has audit reports with recommendation(s) that have been open for more than one year and has not submitted documentation adequate to close the recommendation(s).
- Recipient has not provided a corrective action plan to the DOT, PHMSA within 105 days of transmission of the audit report to the recipient.
- Recipient has audit reports with questioned costs more than \$500,000 (regardless of the amount of time the audit report has been open).
- Recipient has been referred to the Department of Treasury for collection because of their failure to timely repay funds.

If a high-risk grantee does not comply with additional conditions imposed or fails to make timely progress in addressing the issues that resulted in the high-risk designation, PHMSA must consider farther action.

5.1.8 Programmatic Review

PHMSA will complete a programmatic review of the grant application to ensure that recipients are financially capable and have the financial integrity to administer Federal funds.

As part of this review, PHMSA will take the following steps:

- Perform a cost analysis of the project. Obtain cost breakdowns, verify cost data, evaluate specific elements of cost, and examine data to determine the necessity, reasonableness, allowability, allocability, and appropriateness of the proposed cost.
 - Review the current indirect cost rates or rates approved by other Federal agencies.
 - Non-Federal entities that have never received a negotiated indirect cost rate, except for those non-Federal entities described in Appendix VII to 2 C.F.R. Part 200—States and Local Government and Indian Tribe Indirect Cost Proposals, may elect to negotiate a rate or, if eligible, charge a de minimis rate of 10% of modified total direct costs (MTDC) which may be used indefinitely.
 - Determine the adequacy of the accounting system and operations to ensure that Federal funds, if awarded, will be expended in a reasonable manner.
 - Non-Federal entities that have not received an award within the past three years may require an additional financial review.
- Review the status of any Federal debt that the applicant may have to ensure the debt is not delinquent, and other prescreening information, including checking SAM to ensure the organization is not suspended or debarred from receiving Federal funds.

5.1.9 Completing the Review Process

PHMSA is required to ensure that awards meet certain legislative, regulatory, and administrative requirements. This requires that PHMSA review and assess each application to determine the following:

- The applicant is eligible for the specified program.
- The costs and activities in the application are for allowable, allocable, necessary, and reasonable costs.
- The applicant possesses the responsibility, financial management, fiscal integrity, and financial capability to administer Federal funds adequately and appropriately.

5.1.10 Tracking Application Status

Applicants can track the status of their application by communicating with the grant-making agency. The application status process is handled differently by each agency. Further inquiry can be made by contacting HMEP.Grants@dot.gov.

5.2 Award Phase

The award phase is the Period of Performance listed on award documentation.

Lifecycle Steps	Responsible Party	Actions
Notifying the Award Recipient	PHMSA	When the review process has been completed, the funding agency notifies the applicants whether they have been awarded a grant. The agency also begins working with the award recipient to finalize the legal

Lifecycle Steps	Responsible Party	Actions
		framework for the funding agreement. Following this, the funds are disbursed.
Beginning the Hard Work	PHMSA	After an applicant receives a Notice of Award and the funds have been disbursed, they will begin their project. The award recipient is responsible for meeting the administrative, financial, and programmatic reporting requirements of the award.

5.2.1 Notifying Award Recipient

After PHMSA has completed the application review phase, applicants are notified of the award decision. To accept an award, the applicant must follow the instructions contained in the award notice, and follow the procedures as directed in the award Terms and Conditions (T&C). To decline an award, the applicant must notify PHMSA and follow the directions as indicated.

Funding process:

- Applicant will be notified of the award, approval, and obligation, as described previously.
- Once an award has been accepted, to receive payment of funds obligated in DOT’s accounting system, recipients must follow the special conditions listed in the award document as well as with all reporting requirements.

Upon receipt of the NGA, grantees are expected to review the award document in detail. Pay attention to the project start and end dates as well as the reporting requirements.

All recipients are required to submit Federal Financial Reports (SF-425s or FFRs) as well as performance/progress reports on the due dates as indicated in the Terms & Conditions. Please refer to 5.3.2 REPORTING YOUR PROGRESS for more details.

5.2.2 Awarding Grant

Recipients must meet the administrative, financial, and programmatic reporting requirements of the award. Some of those requirements include but are not limited to the information provided in Appendix C Recipient Financial System Requirements, Appendix D Matching Information, Appendix E Categories of Expenditures, Appendix F Subrecipient Management and Monitoring, Appendix G Procurement Standards, and Appendix H Property Standards.

5.3 Post Award Phase

The post-award phase occurs after the period of performance begins.

Lifecycle Steps	Responsible Party	Actions	Reference
Providing Support and Oversight	PHMSA	Technical assistance, conference calls, site visits, spot checks, desk reviews	Refer to grant award Terms and Conditions

Lifecycle Steps	Responsible Party	Actions	Reference
Reporting your Progress	Grantee	Prepare and submit programmatic and financial reports on a timely basis. It is expected that programmatic and financial personnel both be aware of the contents of the entire grant award package.	Refer to NGA for specific report types, due dates, and submission requirements. Programmatic and Financial personnel should receive a copy of the agreement documents <i>and</i> the entire Notice of Grant Award Package to ensure compliance. https://www.grants.gov/web/grants/learn-grants/grants-101/post-award-phase.html#reporting
Award Closeout	PHMSA	Upon completing all the closeout requirements, including a review of the final financial and technical reports from the awardee, the grant lifecycle comes to an end.	https://www.grants.gov/web/grants/learn-grants/grants-101/post-award-phase.html#closeout

5.3.1 Support and Oversight

After an award has been disbursed, a grants management officer at PHMSA oversees an awardee's reporting compliance. This process extends across the life of the grant award and involves reviewing reports submitted by the awardees. Representatives from the grantor agency may perform on-site visits with the project director and implementation staff. Oversight may also occur in the form of auditing. PHMSA also conducts quarterly conference calls with recipients as well as monitors the obligation of funds.

5.3.2 Obligation of Funds

An obligation is a binding agreement made during a given period that requires payment during the same or a future period. For example, if an order is placed for a piece of equipment to be purchased with award funds, the order is an obligation. See 2 C.F.R. § 200.71

Obligations must occur during the project period stated on the award document. An obligation occurs when there is a binding agreement, such as in a valid purchase order or requisition, that covers the cost of purchasing an authorized item on or after the begin date and up to the last day of the award period. See 2 C.F.R. § 200.309

Note: Obligations must occur during the project period. If funds are obligated (e.g., enter a contract) prior to the start of the project period, that obligation may not be an allowable expense,

unless the award recipient notifies the awarding agency in advance in writing and receives prior written approval from the awarding agency.

5.3.3 Reporting Progress

Award recipients must report their progress per the Terms and Conditions (T&C) of their Notice of Grant Award (NGA). This includes but is not limited to: Federal Financial Report (FFR) submission, Progress Reports, Reimbursement requests, and post-Award adjustments.

At a minimum, required reporting documentation includes:

- Federal Financial Reports (FFRs) Each Grantee is required to submit Semiannual, Annual, and Final FFRs. Each FFR is cumulative.
- The Final FFR should capture the cumulative obligations and disbursements that have occurred from the initial grant award date through the end date of the performance period.
- Each grantee is required to submit an annual Performance Progress Reports (PPR) and a Final PPR. The Final PPR is a comprehensive report of the entire performance period. It should include all activities that were completed during the entire performance period.
- All Grantees must provide a final SF424A that reflects the combined total for all three years of funding.

HMEP Grant recipients are required to submit reimbursement requests (or requests for advancement) to receive payment.

5.3.4 Reimbursement of Expenditures

Recipients are required to request, obtain, and maintain an active account in the accounting system used for reimbursement of HMEP funds within Delphi E-Invoicing.

<https://einvoice.esc.gov/> E-mail HMEP.Grants@dot.gov to request account access. Recipients are expected and required to request reimbursement for expenditures in a reasonable and timely manner.

Requests for reimbursement must include a SF-270 that can be accessed online via the Delphi eInvoicing System or uploaded if the online SF-270 is not operational. Grantees are also required to submit supporting documentation for payment requests. PHMSA may request additional substantiation for supporting reimbursement payments at any time. A lack of supporting documentation on file may result in questioned or unallowable costs. PHMSA will not approve reimbursement requests for unapproved activities.

Funds should be requested based on immediate disbursement and reimbursement requirements. Funds will not be paid in a lump sum, but rather disbursed over time as project costs are incurred or anticipated.

Draw down requests should be timed to ensure that Federal cash on hand is the minimum needed for disbursements and reimbursements to be made immediately or within 10 days. If not spent or disbursed within 10 days, funds must be returned to PHMSA.

Fund requests from subrecipients create a continuing cash demand on award balances of the recipient. Recipients should keep in mind that idle funds in the hands of subrecipients will impair the goals of effective cash management.

Recipients must have written procedures for cash management of funds to ensure that Federal cash on hand is kept at or near zero.

5.3.5 Post-Award Adjustments

Project changes are budget modifications and award recipients must request an activity request to make a programmatic, administrative, or adjustment through the PHMSA Agency Portal for budget modification if:

- The proposed cumulative change is greater than 10% of the total award amount. The 10% rule does not apply to an award of less than \$250,000 (increased from \$150,000).
- The budget modification changes the scope of the project. Examples include altering the purpose of the project, authorizing use of a subcontractor or other organization that was not identified in the original approved budget, or contracting for or transferring of award-supported efforts.
- A budget adjustment affects a cost category that was not included in the original budget. For example, if the direct cost category “Travel” did not exist in the original budget, the adjustment to transfer funds from Equipment to Travel requires an activity request.

5.3.6 Award Closeout

All obligations properly incurred by the end of the Federal award must be liquidated no later than 120-days after the end date of the award. If the award has been properly obligated, the full liquidation period is available for remaining expenditures. Any funds not liquidated at the end of the 120-day period may revert to the awarding agency.

The liquidation period exists to allow projects time to receive ordered goods and make final payments. No new obligations may be made during the liquidation period.

As reports and financial data are passed along to the grantor agency, the program stakeholders ensure that all requirements are being met. Upon completing all the closeout requirements, including a review of the final financial and technical reports from the awardee, the grant lifecycle comes to an end.

Award recipients will receive a formal close out letter from PHMSA.

APPENDIX A - Definitions

TERM	DEFINITIONS as per 2 CFR 200 and 49 CFR 107
Acquisition cost	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.
Advance payment	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.
Allocation	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.
Budget	The financial plan for the Federal award 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.
Budget period	The time interval from the start date of a funded portion of an award to the end date of that funded portion during which recipients are authorized to expend the funds awarded, including any funds carried forward or other revisions pursuant to 2 CFR 200.308.
Budget	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.
Capital Assets	Tangible or intangible assets used in operations having a useful life of more than one year which are capitalized in accordance with GAAP 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).

TERM	DEFINITIONS as per 2 CFR 200 and 49 CFR 107
Capital expenditures	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
Catalog of Federal Domestic Assistance (CFDA) number	The title of the program under which the Federal award was funded in the CFDA.
Closeout	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 2 CFR 200.344
Cognizant agency for indirect costs	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.
Computing devices	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 the definitions of <i>supplies</i> and <i>information technology systems</i> in this section.
Contract	For the purpose of Federal financial assistance, a legal instrument by which a recipient or subrecipient purchases property or services needed to carry out the project or program under a federal award. For additional information on subrecipient and contractor determinations, see 2 CFR 200.331. See also the definition of <i>subaward</i> in this section.
Contractor	An entity that receives a contract as defined in this section.
Corrective action	Actions taken by the auditee to correct identified deficiencies, produce recommended improvements, or demonstrate that audit finders are either invalid or do not warrant auditee action.
Cost allocation plan	Central service cost allocation plan or public assistance cost allocation plan.
Cost objective	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
Cost sharing or matching	The portion of project costs not paid by Federal funds or contributions (unless otherwise authorized by Federal statute). See also 2 CFR 200.306
Disallowed costs	Those charges to a federal award that the Federal awarding agency or pass-through entity determines to be unallowable, in accordance with the

TERM	DEFINITIONS as per 2 CFR 200 and 49 CFR 107
	applicable Federal statutes, regulations, or the terms and conditions of the Federal award.
Equipment	Tangible personal property (including information technology systems) have 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 the definitions of <i>capital assets</i> , <i>computing devices</i> , <i>general purpose equipment</i> , <i>information technology systems</i> , <i>special purpose equipment</i> , and <i>supplies</i> in this section.
Expenditures	<p>Expenditures are charges made by a non-Federal entity to a project or program for which a Federal award was received.</p> <p>(1) The charges may be reported on a cash or accrual basis, as long as the methodology is disclosed and is consistently applied.</p> <p>(2) For reports prepared on a cash basis, expenditures are the sum of:</p> <ul style="list-style-type: none"> (i) Cash disbursements for direct charges for property and services; (ii) The amount of indirect expense charged; (iii) The value of third-party in-kind contributions applied; and (iv) The amount of cash advance payments and payments made to subrecipients. <p>(3) For reports prepared on an accrual basis, expenditures are the sum of:</p> <ul style="list-style-type: none"> (i) Cash disbursements for direct charges for property and services; (ii) The amount of indirect expense incurred; (iii) The value of third-party in-kind contributions applied; and (iv) The net increase or decrease in the amounts owed by the non-Federal entity for: <ul style="list-style-type: none"> (A) Goods and other property received; (B) Services performed by employees, contractors, subrecipients, and other payees; and (C) Programs for which no current services or performance are required such as annuities, insurance claims, or other benefit payments.
Federal Audit Clearinghouse (FAC)	The clearinghouse designated by OMB as the repository of record where non-Federal entities are required to transmit the information required by subpart F in 2 CFR 200.
Federal award date	The date when the Federal award is signed by the authorized official of the Federal awarding agency.
Federal interest	<p>For purposes of 2 CFR 200.330 or when used in the acquisition or improvement of real property, equipment, or supplies under a federal award, the dollar amount is the product of the:</p> <ul style="list-style-type: none"> (1) The percentage of Federal participation in the total cost of the real property, equipment, or supplies; and (2) 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.
Federal share	The portion of the Federal award costs that are paid using Federal funds.

TERM	DEFINITIONS as per 2 CFR 200 and 49 CFR 107
Final cost objective	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 the definitions of <i>cost objective</i> and <i>intermediate cost objective</i> in this section.
Financial obligations	When referencing a recipient's or subrecipient's use of funds under a Federal award, means orders placed for property and services, contracts and subawards made, and similar transactions that require payment.
General purpose equipment	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 the definitions of <i>equipment</i> and <i>special purpose equipment</i> in this section.
Generally accepted accounting principles (GAAP)	The meaning specified in accounting standards issued by the GASB and FASB.
Generally accepted government auditing standards (GAGAS)	Known as the Yellow Book, means generally accepted government auditing standards issued by the Comptroller General of the United States, which are applicable to financial audits.
Indirect (facilities & administrative (F&A)) costs	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 must be distributed to benefitted cost objectives on bases that will produce an equitable result in consideration of relative benefits derived.
Indirect cost rate proposal	The documentation prepared by a non-Federal entity to substantiate its request for the establishment of an indirect cost rate as described in appendices III through VII and appendix IX to this part.
Information technology systems	Computing devices, ancillary equipment, software, firmware, and similar procedures, services (including support services), and related resources. See also the definitions of <i>computing devices</i> and <i>equipment</i> in this section.
Intangible property	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).

TERM	DEFINITIONS as per 2 CFR 200 and 49 CFR 107
Intermediate cost objective	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 the definitions of <i>cost objective</i> and <i>final cost objective</i> in this section.
Internal controls	Processes designed and implemented by non-Federal entities to provide reasonable assurance regarding the achievement of objectives in the following categories: (i) Effectiveness and efficiency of operations. (ii) Reliability of reporting for internal and external use; and (iii) Compliance with applicable laws and regulations.
Management and Administration (M&A) Costs	M&A costs are administrative expenses that are incurred during the administration of an award. These must be directly related to the management and administration of the HMEP grant award
Mandatory Disclosures	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. Non-Federal entities that have received a federal award including the term and condition outlined in appendix XII to this part are required to report certain civil, criminal, or administrative proceedings to SAM (currently FAPIIS). Failure to make required disclosures can result in any of the remedies described in 2 CFR 200.339. (See also 2 CFR part 180, 31 U.S.C. 3321, and 41 U.S.C. 2313.)
Micro-purchase	A purchase of supplies or services, the aggregate amount of which does not exceed the micro-purchase threshold. Micro-purchases comprise a subset of a non-Federal entity's small purchases as defined in §2 CFR 200.320.
Micro-purchase threshold	<u>The dollar amount at or below which a non-Federal entity may purchase property or services using micro-purchase procedures (see 2 CFR 200.320). Generally, the micro-purchase threshold for procurement activities administered under Federal awards is not to exceed the amount set by the FAR at 48 CFR part 2, subpart 2.1, unless a higher threshold is requested by the non-Federal entity and approved by the cognizant agency for indirect costs. The micro-purchase threshold is \$50,000 as per 2 CFR 200.320(a)(1)(iii).</u>
Modified Total Direct Cost (MTDC)	All direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$25,000 of each subaward (regardless of the period of performance of the subawards 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 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.

TERM	DEFINITIONS as per 2 CFR 200 and 49 CFR 107
Notice of funding opportunity (NOFO)	A formal announcement of the availability of Federal funding through a financial assistance program from a federal awarding agency. The notice of funding opportunity provides information on the award, who is eligible to apply, the evaluation criteria for selection of an awardee, required components of an application, and how to submit the application. The notice of funding opportunity is any paper or electronic issuance that an agency uses to announce a funding opportunity, whether it is called a “program announcement,” “notice of funding availability,” “broad agency announcement,” “research announcement,” “solicitation,” or some other term.
Participant support costs	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.
Pass-through entity (PTE)	A non-Federal entity that provides a subaward to a subrecipient to carry out part of a federal program.
Performance goal	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).
Period of performance (POP)	The total estimated time interval between the start of an initial Federal award and the planned end date, which may include one or more funded portions, or budget periods. Identification of the period of performance in the Federal award per 2 CFR 200.211(b)(5) does not commit the awarding agency to fund the award beyond the currently approved budget period.
Personal property	Property other than real property. It may be tangible, having physical existence, or intangible.
Personally Identifiable Information (PII)	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 PII is available in public sources such as telephone books, public websites, and university listings. This type of information is 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.
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 2 CFR 200.458

TERM	DEFINITIONS as per 2 CFR 200 and 49 CFR 107
Program income	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 except as provided in 2 CFR 200.307(f). (See the definition of period of performance in this section.) Program income includes but is not limited to income from fees for services performed, the use or rental of 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 2 CFR 200.407. See also 35 U.S.C. 200-212 "Disposition of Rights in Educational Awards" applies to inventions made under Federal awards.
Project cost	Total allowable costs incurred under a federal award and all required cost sharing and voluntary committed cost sharing, including third-party contributions.
Property	Real property or personal property. See also the definitions of <i>real property</i> and <i>personal property</i> in this section.
Protected Personally Identifiable Information (Protected PII)	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 the definition of <i>Personally Identifiable Information (PII)</i> in this section.
Questioned cost	A cost that is questioned by the auditor because of an audit finding: (1) 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; (2) Where the costs, at the time of the audit, are not supported by adequate documentation; or (3) Where the costs incurred appear unreasonable and do not reflect the actions a prudent person would take in the circumstances; Questioned costs are not an improper payment until reviewed and confirmed.
Real property	Land, including land improvements, structures, and appurtenances thereto, but excludes moveable machinery and equipment.
Recipient	A recipient is a non-Federal entity that receives a Federal award directly from a federal awarding agency to carry out an activity under a Federal program.
Simplified acquisition threshold	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 to expedite the purchase of items costing less than the

TERM	DEFINITIONS as per 2 CFR 200 and 49 CFR 107
	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 \$250,000, but this threshold is periodically adjusted for inflation. (Also see definition of 2 CFR 200.67 Micro-purchase.)
Special purpose equipment	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 the definitions of <i>equipment</i> and <i>general-purpose equipment</i> in this section.
Subaward	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.
Subrecipient	An entity, usually but not limited to non-Federal entities, that receives a subaward from a pass-through entity to carry out part of a Federal award; but does not include an individual that is a beneficiary of such award. A subrecipient may also be a recipient of other Federal awards directly from a Federal awarding agency.
Supplies	All tangible personal property other than those described in the definition of <i>equipment</i> in this section. 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 the definitions of <i>computing devices</i> and <i>equipment</i> in this section.
Suspension and Debarment	Non-Federal entities are subject to the non-procurement debarment and suspension regulations implementing Executive Orders 12549 and 12689, 2 CFR part 180. The regulations in 2 CFR part 180 restrict awards, subawards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs or activities.
Telecommunications cost	The cost of using communication and telephony technologies such as mobile phones, land lines, and internet.
Third-party in-kind contributions	The value of non-cash contributions (<i>i.e.</i> , property or services) that: (1) Benefit a federally assisted project or program; and (2) Are contributed by non-Federal third parties, without charge, to a non-Federal entity under a Federal award.
Tier II Chemical Inventory Reports and Databases	Refer to EPCRA 312 requirements for facilities covered by EPCRA. Facilities covered by these requirements must submit an emergency and hazardous chemical inventory form to their State or Tribal Emergency Response Commission (SERC or TERC), Local or Tribal Emergency Planning Committee (LEPC or TEPC), and the local fire department

TERM	DEFINITIONS as per 2 CFR 200 and 49 CFR 107
	<p>annually. Facilities provide either a Tier I or Tier II form. Most States require the Tier II form. Tier II forms require basic facility identification information, employee contact information for both emergencies and non-emergencies, information about chemicals stored or used at the facility, and additional data elements which would be useful to local planners and responders.</p>
<p>Tribal Emergency Planning Committee</p>	<p>Local or Tribal Emergency Planning Committees (LEPCs or TEPCs) must develop an emergency response plan, review the plan at least annually, and provide information about chemicals in the community to citizens.</p> <p>Plans are developed by Local or Tribal Emergency Planning Committees (LEPCs or TEPCs) with stakeholder participation. The Local or Tribal Emergency Planning Committee (LEPC or TEPC) membership must include (at a minimum):</p> <ul style="list-style-type: none"> • Elected state and local or tribal officials • Police, fire, civil defense, and public health professionals • Environment, transportation, and hospital officials • Facility representatives • Representatives from community groups and the media
<p>Tribal Emergency Response Commission</p>	<p>A Tribal Emergency Response Commission (TERC) has similar responsibilities as a State Emergency Response Commission (SERC). Tribes may enter into a cooperative agreement with other tribes, or with the state(s) within which its lands are located to achieve a workable EPCRA program.</p> <p>The State or Tribal Emergency Response Commission (SERC or TERC) duties include:</p> <ul style="list-style-type: none"> • Designating local emergency planning districts • Appointing a Local or Tribal Emergency Planning Committees (LEPC or TEPC) for each district • Reviewing local emergency response plans • Supervising the activities of the Local or Tribal Emergency Planning Committees (LEPC or TEPC) • Establishing procedures for receiving and processing public requests for information collected under EPCRA
<p>Unliquidated financial obligations</p>	<p>For financial reports prepared on a cash basis, financial obligations incurred by the non-Federal entity that have not been paid (liquidated). For reports prepared on an accrual expenditure basis, these are financial obligations incurred by the non-Federal entity for which an expenditure has not been recorded.</p>
<p>Unobligated balance</p>	<p>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 financial obligations and expenditures of funds under the Federal award from the cumulative amount</p>

TERM	DEFINITIONS as per 2 CFR 200 and 49 CFR 107
	of the funds that the Federal awarding agency or pass-through entity authorized the non-Federal entity to obligate.
Voluntary committed cost sharing	Cost sharing specifically pledged on a voluntary basis in the proposal's budget on the part of the non-Federal entity and that becomes a binding requirement of Federal award. See also §2 CFR 200.306.

APPENDIX B – Resources

Resource	Location and Information
Hazardous Materials Grant Program Information & Related Links	https://www.phmsa.dot.gov/grants/hazmat/hazardous-materials-grants-program
HMEP Performance Reporting Tool	https://portal.phmsa.dot.gov/PhmsaHazMatGrant/faces/jsp/External.jspx?_afLoop=2042018736663687&_afWindowMode=0&_afWindowId=null&_adf.ctrl-state=sqhbss9u6_10
HMEP Financial Reporting	https://www.phmsa.dot.gov/grants/hazmat/hmep-federal-financial-report-ffr-template
HMEP Activity Requests/Post-award Modification online form	https://hazmatgrants.phmsa.dot.gov/activity_request.asp
Delphi E-Invoicing	https://einvoice.esc.gov/
Introduction to HAZMAT Guidelines	https://www.phmsa.dot.gov/grants/hazmat/hazmat-guidelines
Hazardous Materials Incident Planning Curriculum Guidelines	https://www.phmsa.dot.gov/grants/hazmat/hazmat-planning-curriculum-guidelines
Hazardous Materials Incident Prevention/Mitigation Curriculum Guidelines	https://www.phmsa.dot.gov/grants/hazmat/preventionmitigation-guidelines
Hazardous Materials/WMD Incident Response Curriculum Guidelines	https://www.phmsa.dot.gov/grants/hazmat/response-guidelines
EPCRA	https://www.epa.gov/epcra/what-epcra
EPCRA Section 301	https://www.epa.gov/epcra/emergency-planning#301
EPCRA Section 302	https://www.epa.gov/epcra/emergency-planning#302
EPCRA Section 303	https://www.epa.gov/epcra/emergency-planning#303
State Emergency Response Commissions Resources	https://www.epa.gov/epcra/state-emergency-response-commissions
Local Emergency Planning Committee Resources	https://www.epa.gov/epcra/local-emergency-planning-committees
Emergency Response Plan Requirements	https://www.epa.gov/epcra/local-emergency-planning-committees#Emergency%20response%20plan%20requirements
National LEPC-TEPC Handbook	https://www.epa.gov/epcra/national-lepc-tepc-handbook
Local Emergency Planning Committee Resources	https://www.epa.gov/epcra/local-emergency-planning-committees
EPCRA Training Resources	https://www.epa.gov/epcra/emergency-planning-and-community-right-know-act-training-resources

APPENDIX C – Recipient Financial System Requirements

An adequate accounting system can be used to generate reports required by award and Federal regulations.

The accounting system must support all the following:

- Financial reporting that is accurate, current, complete, and compliant with all financial reporting requirements of the award or subaward.
- Recipients must establish reasonable procedures to ensure the receipt of reports on subrecipients' cash balances and cash disbursements in sufficient time to enable them to prepare complete and accurate cash transactions reports to the awarding agency.
- Accounting systems should be able to account for award funds separately (no commingling of funds).
- An adequate accounting system allows recipients to maintain documentation to support all receipts and expenditures and obligations of Federal funds.
- An adequate accounting system collects and reports financial data for planning, controlling, measuring, and evaluating direct and indirect costs.

The accounting system should have all the following capabilities:

- Internal control - The system should allow for effective control and accountability for all grant and subgrant cash, real and personal property, and other assets. Recipients and subrecipients must adequately safeguard all such property and assure that it is used solely for authorized purposes. Please consult 2 C.F.R. § 200.303 for additional information.
- Budget control - The system should compare actual expenditures or outlays with budgeted amounts for each award and subaward. It also must relate financial information to performance or productivity data, including the development of unit cost information whenever appropriate or specifically required in the award or subaward agreement.
- Allowable cost - The system should support making sure that Federal cost principles, agency program regulations, and the terms of grant and subgrant agreements are followed in determining the reasonableness, allowability, and allocability of costs.
- Source documentation: The system should require support for accounting records with source documentation (e.g., canceled checks, paid bills, payrolls, time and attendance records, and contract and subgrant award documents).
- Cash management - An adequate system will require following procedures for minimizing the time between the transfer of funds from the U.S. Department of the Treasury and disbursement by recipients and subrecipients whenever advance payment procedures are used. Also, when advances are made by electronic funds transfer, or EFT methods, the system should help to make drawdowns as close as possible to the time of making disbursements.
- Subrecipient monitoring support - The system should involve monitoring of cash drawdowns by subrecipients to assure that they conform substantially to the same standards of timing and amount as apply to advances to the direct recipient.

An adequate accounting system for a recipient must be able to accommodate a fund and account structure to separately track receipts, expenditures, assets, and liabilities for awards, programs, and subrecipients.

The adequacy of the financial management system may be reviewed as part of the application process or at any time after the award. For additional information see Subpart D of 2 C.F.R. Part 200.

Separate Tracking of Awards

To properly account for all awards, recipients should establish and maintain program accounts which will enable separate identification and accounting for:

- Grant funds expended through subrecipients
- Receipt and disposition of all funds (including program income)
- Funds applied to each budget category included within the approved award
- Expenditures governed by any special and general provisions
- Non-Federal matching contribution, if required

For additional information see Subpart D of 2 C.F.R. Part 200.

Total Project Cost Budgeting and Accounting

To ensure adequate fiscal administration, accounting, and auditability of all Federal funds received, records should be established using the Federal agency “total project cost”. This includes all the following types of funding sources:

- Federal funds
- State, Tribe or Territory funds
- Match
- Program income (if applicable)
- Any other funds received for the program

Intermixing of Funds

Although Federal regulations do not require physical segregation of cash deposits, the accounting systems of all recipients and subrecipients must ensure that agency funds are not intermixing with funds from other Federal or private agencies.

Recipients and subrecipients must account for each award separately. Recipients and subrecipients are prohibited from commingling funds on either a program-by-program or project-by-project basis. Funds specifically budgeted and/or received for one project may not be used to support another. If the recipient’s or subrecipient’s automated general ledger accounting system cannot comply with this requirement, a system should be established to adequately track funds.

Recipient and Subrecipient Accounting Responsibilities

Direct recipients must have established written policies on subrecipient monitoring (2 C.F.R. § 200.331). Please refer to Appendix F Subrecipient management and monitoring.

Reviewing Financial Operations

- Direct recipients should be familiar with, and periodically monitor, their subrecipients' financial operations, records, systems, and procedures.
- Recipients should direct particular attention to the subrecipient's maintenance of current financial data.

Recording Financial Activities

- The recipient should record in its financial records in summary form the subrecipient's award or contract obligation, as well as cash advances and other financial activities.
- The recipient should record in its records the expenditures of its subrecipients. Alternatively, the subrecipient may file report forms for tracking of its financial activities.
- Non-Federal contributions applied to programs or projects by subrecipients should likewise be recorded, as should any program income resulting from program operations.

Budgeting and Budget Review

- The recipient should ensure that each subrecipient prepares an adequate budget on which its award commitment will be based.
- The detail of each project budget should be kept on file by the recipient.

Note: Where the conduct of a program or one of its components is delegated to a subrecipient, the direct recipient is responsible for all aspects of the program including proper accounting and financial recordkeeping by the subrecipient. The recipient is responsible for the accounting of receipts and expenditures, cash management, maintenance of adequate financial records, and refunding of expenditures disallowed by audits.

Reporting Irregularities

Recipients and their subrecipients are responsible for promptly notifying the awarding agency and the Federal cognizant audit agency of any illegal acts, irregularities, and/or proposed or actual actions.

Illegal acts and irregularities include conflicts of interest, falsification of records or reports, and misappropriation of funds or other assets.

Please notify the appropriate DOT, PHMSA awarding agency of any irregularities that occur.

Avoiding Business with Debarred and Suspended Organizations

Recipients and subrecipients must not award or permit any award at any level to any party which is debarred or suspended from participation in Federal assistance programs.

For details regarding debarment procedures, see the government-wide guide guidelines for debarment and suspension codified in 2 C.F.R. Part 180, and 2 C.F.R. Part 2867, which adopts the OMB guidance in subparts A through I of Title 2 C.F.R. Part 180, as supplemented by Title 2 Part 2867, as the DOT policies and procedures for non- procurement debarment and suspension.

Bonding

The awarding agency may require adequate fidelity bond coverage where a recipient lacks sufficient coverage to protect the Federal Government interest (see 2 C.F.R. § 200.304).

Accounting for Non-Federal Contributions

Non-Federal contributions may include in-kind services (donated services such as volunteered time) or cash. Recipients should ensure that the requirements, limitations, and regulations pertinent to non-Federal contributions are applied.

Ensuring Subrecipients Meet All Grant Requirements

Recipients must ensure that subrecipients have met the necessary audit requirements contained in this Guide. For additional information, see 2 C.F.R. § 200.331(f).

APPENDIX D – Matching Information

Match Requirements

Matching or cost sharing means the portion of project costs not paid by Federal funds, unless otherwise authorized by Federal statute. See 2 C.F.R. § 200.29 (definition of “cost sharing or matching”). Matching requirements vary across the different Department of Transportation (DOT) programs. Recipients should read the award announcement and award notice carefully to understand the specific match requirements applicable to their award. Recipients unclear about the match requirements for their awards should contact their Grants Management Specialist.

For general government-wide rules regarding match, see 2 C.F.R. § 200.306.

Match requirements are typically stated as a percentage of the total project costs for an award. For example, a 20 percent (20%) match on a \$100,000 project would be \$20,000, where \$80,000 is provided by the Federal Government and \$20,000 is provided by the recipient.

Two Kinds of Match

Cash match (hard) includes cash spent for project-related costs. An allowable cash match must include costs which are allowable with Federal funds, except acquisition of land, when applicable.

Third party in-kind match (soft) includes, but is not limited to, the valuation of non-cash contributions. “In-kind” may be in the form of services, supplies, real property, and equipment.

- For example, if in-kind match is permitted by law, then the value of donated services can be used to comply with the match requirement. Also, third-party in-kind contributions may count toward satisfying match requirements, provided the recipient of the contributions expends them as allowable costs.
- Documentation supporting the market value of in-kind match must be maintained in the award recipient files.

Valuation of in-kind match may take one of the following forms

Valuation of donated services. 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.

Volunteer services. Recipient or subrecipient rates for third-party volunteer services must be consistent with those rates ordinarily paid for similar work in the recipient’s or subrecipient’s organization. If the recipient or subrecipient does not have employees performing similar work, the rates will be consistent with those ordinarily paid by other employers for similar work in the same labor market. In either case, a reasonable amount for fringe benefits may be included in the valuation.

Employees of other organizations. When an employer other than a recipient or subrecipient furnishes free of charge the services of an employee in the employee’s normal line of work, the services will be valued at the employee’s regular rate of pay plus an amount of fringe benefits, but exclusive of overhead costs.

Valuation of third party donated supplies, equipment, or space. If a third party donates supplies, equipment, or space, the value must not exceed the fair market value of the property at the time of donation.

Valuation of third party donated equipment, buildings, and land. If a third party donates equipment, buildings, or land, and title passes to a recipient or subrecipient, the treatment of the donated property will depend upon the purpose of the Federal award.

For additional guidance on cost sharing or matching, please review 2 C.F.R. § 200.306.

Awards for capital expenditures

If the purpose of the award is to assist the recipient or subrecipient in the acquisition of equipment, buildings or land, the aggregate value of the donated property may be counted as cost sharing or matching.

If the purpose of the award is to support activities that require the use of the property, normally only depreciation can be charged. However, the fair market value may be allowed, if the grant-making component has approved the charges.

Please refer to 2 C.F.R. § 200.306 for more information about types of match and match requirements.

How to Calculate Match

Formula					
Step 1	Award Amount	÷	% of Federal Share	=	Total (Adjusted) Project Cost
Step 2	Total (Adjusted) Project Cost	x	% of Recipient's Share	=	Required Match
Example					
Match Requirement - 80/20 (Federal/Recipient) Federal Award = 100,000					
Step 1	\$100,000	÷	80% Federal Share	=	\$125,000
Step 2	\$125,000	x	20% Recipient's Share	=	\$25,000

Timing of Matching Contributions

Matching contributions do not need to be applied at the exact time or in proportion to the obligation of the Federal funds. However, the full matching share must be contributed by the end of the award period.

Note: The local match must be paid in full during the project period; payments made prior to or after the project period do not qualify as matching funds. It is highly recommended that cash matching funds are paid during each quarter of the award to ensure the required matching funds are fully paid by the end of the award.

APPENDIX E – Categories of Expenditures

All expenditures fall within a certain category (as delineated in the SF-424A). These cost categories are Personnel, Fringe Benefits, Travel, Equipment, Supplies, Contractual, Other, Indirect, and Match.

OBJECT CLASS CATEGORY	DESCRIPTION
Personnel Costs (2 CFR 200.430)	The cost of wages and salaries paid to employees of the applicant who are directly involved in grant implementation. Generally, personnel are issued a W-2 by the applicant.
Fringe Benefits (2 CFR 200.431)	The cost of benefits paid to personnel as compensation in addition to their regular salaries and wages, including the cost of the applicant’s share of FICA, health insurance, workers’ compensation, and vacation.
Travel (2 CFR 200.474)	Travel costs of personnel that are reasonable and necessary to effectively manage and carry out grant activities, provide oversight, and measure program effectiveness.
Equipment (2 CFR 200.439)	Non-expendable personal property having a useful life of more than one year and a per-unit cost of \$5,000 or more per unit.
Supplies (2 CFR 200.453)	Tangible materials costing less than \$5,000 per unit, such as copy paper, pens and pencils, and computers.
Contractual (2 CFR 200.330)	A <u>sub-award</u> is provided by a pass-through entity to a sub-recipient to carry out part of the pass-through entity’s federal award. Sub-recipients are responsible for programmatic decision-making. A <u>contract</u> is a legal instrument implemented by grant recipients to purchase property or acquire services in order to carry out a project. The property or services acquired are not directly involved in programmatic activities.
Other	Direct costs that do not fit any of the categories, such as rent for buildings used to conduct grant activities, utilities, leased equipment, childcare, transportation expenses, employee training, tuition, etc. <i>Note: A subaward may fall under the “other” category depending on how the awards are managed.</i> Additional information can be found in the Appendix Subrecipient management and guidance
Indirect Costs (2 CFR 200.416)	Costs incurred for common or joint objectives that benefit more than one project.
Match (2 CFR 200.306)	Costs not paid by Federal funds. This amount is 20% for HMEP grants (some exclusions apply). Additional guidance on match can be found in Appendix D Matching Information

APPENDIX F – Subrecipient Management and Monitoring

A subaward is an award made by a pass-through entity to a subrecipient for the purpose of carrying out a portion of the work funded by the pass-through entity's Federal award. The pass-through entity may use any form of legal agreement for making a subaward, including an agreement that the pass-through entity considers a contract. A subaward is not a contract by which the non-Federal entity (i.e., the recipient or a subrecipient) enters into an agreement with an entity to purchase property or services needed to carry out the project or program under a Federal award see 2 C.F.R. § 200.22 (Contract).

In keeping with 2 C.F.R. § 200.330 (Subrecipient and Contractor Determinations), the following circumstances support classification of a non-Federal entity as a subrecipient of the pass-through entity:

- The non-Federal entity determines who is eligible to receive what Federal assistance.
- The non-Federal entity's performance is measured in relation to whether objectives of the Federal program were met.
- The non-Federal entity has responsibility for programmatic decision making.
- The non-Federal entity has responsibility for adhering to applicable program requirements under the Federal award; and
- The non-Federal entity uses the Federal funds to carry out a program for a public purpose specified in the authorizing statute, as opposed to providing goods or services for the benefit of the pass-through entity.

In contrast, a contract for the purpose of obtaining goods and services for the pass-through entity's own use creates a procurement relationship with the contractor. Circumstances supporting this type of relationship include:

- The non-Federal entity provides the goods and services within normal business operations.
- The non-Federal entity provides similar goods or services to many different purchasers.
- The non-Federal entity normally operates in a competitive environment.
- The non-Federal entity provides goods or services that are ancillary to the operation of the Federal program; and
- The non-Federal entity is not subject to the compliance requirements of the Federal program because of the agreement.

Note: In determining whether an agreement between a pass-through entity and non-Federal entity creates a subrecipient or a contractor relationship, the substance of the relationship is more important than the form of the agreement.

All characteristics listed above may not be present in all cases, so the pass-through entity must use judgment when categorizing each agreement as a subaward or a procurement contract.

The contract or other written agreement must not affect the recipient's overall responsibility and accountability to the Federal Government as the award recipient for the duration of the project. The recipient of the award is responsible for monitoring the subrecipient and ascertaining that all fiscal and programmatic responsibilities are fulfilled.

Subrecipient Monitoring

The purpose of subrecipient monitoring is to ensure that the subaward is being used for the authorized purpose, in compliance with the Federal program and grant requirements, laws, and regulations, and the subaward performance goals are achieved. All pass-through entities are required to monitor their subrecipients. The requirements for subrecipient monitoring can be found in Title 2 C.F.R. § 200 (including, but not limited to, the sections on "Subrecipient Monitoring and Management" contained in Subpart D and audit requirements applicable to subrecipients contained in Subpart F).

Additional requirements can be found in the program legislation and the terms and conditions of the award.

Note: To effectively monitor subrecipients, ensure that Federal award information and compliance requirements are identified to the subrecipient at the time of the award and that subrecipient activities are monitored throughout the grant period.

As part of the organization's subrecipient monitoring process, it is important to develop systems, policies, and procedures to ensure that subrecipient reviews are conducted in accordance with Federal program and grant requirements, laws, and regulations.

Additionally, organizations should develop, implement, and perform procedures to ensure that the subrecipient obtains the required audits, and that audit findings identified in subrecipient audit reports are timely and effectively resolved and corrected.

Subrecipient Agreements

When a pass-through entity makes an award to a subrecipient, the Federal award information and applicable compliance requirements, including applicable special conditions, must be clearly identified in the subrecipient award agreement. Pass-through entities must ensure subaward documents include the following information at the time of the subaward. If any of these data elements change during the period of performance, the changes must be included in subsequent subaward modifications.

The subaward must include the following information:

- Federal Award Identification.
- Subrecipient Name (which must match the name associated with its unique entity identifier).
- Subrecipient's UEI number.
- Federal Award Identification Number (FAIN).
- Federal Award Date.
- Subaward Period of Performance Start and End Date.

- Amount of Federal Funds Obligated in this action/agreement.
- Total Amount of Federal Funds Obligated to the Subrecipient.
- Total amount of the Federal Award.
- Federal Award Project Description.
- Name of the Federal Awarding Agency, Pass-through entity, and contact information for the awarding official.
- Indirect cost rate for the Federal award.
- All requirements imposed by the pass-through entity on the subrecipient so that the Federal award is used in accordance with Federal statutes, regulations and the terms and conditions of the Federal award.
- Any additional requirements that the pass-through entity imposes on the subrecipient in order for the pass-through entity to meet its own responsibility to the DOT grant-making component including identification of required financial and/or performance reports.
- Indirect cost rate to be used by the subrecipient (either a Federally approved rate, a rate negotiated between the pass-through entity and the subrecipient, or the de minimis indirect cost rate).
- A requirement that the subrecipient permit the pass-through entity and auditors to have access to the subrecipient's records and financial statements as necessary for the pass-through entity to meet the requirements of 2 C.F.R. § 200.
- Appropriate terms and conditions concerning closeout of the subaward.

Subrecipient Monitoring Procedures

The pass-through entity must have established written policies on subrecipient monitoring, as described in 2 C.F.R. § 200.331. The pass-through entity is required to monitor the subrecipient's use of Federal funds during the program period. The pass-through entity should evaluate the subrecipient's risk of non-compliance with Federal statutes, regulations and terms and conditions of the subaward for purposes of determining the appropriate monitoring.

The methods of monitoring may vary; some of the factors to be considered in determining the nature, timing, and extent of monitoring are as follows:

- Subrecipient's prior experience with the same or similar subawards.
- Results of previous audits.
- Whether the subrecipient has new personnel or a new or substantially changed system
- The extent and results of Federal awarding agency monitoring.

Subrecipients may be evaluated as higher risk or lower risk to determine the need for closer monitoring. Generally, new subrecipients require closer monitoring. For existing subrecipients, closer monitoring may be warranted based on results noted during monitoring and subrecipient audits, (e.g., the subrecipient has a history of non-compliance as either a recipient or subrecipient, new personnel, or new or substantially changed systems).

Programs with complex compliance requirements have a higher risk of non-compliance; The larger the percentage of program awards passed through, the greater the need for subrecipient monitoring; larger dollar awards are of greater risk.

Some of the mechanisms that may be used to monitor subrecipient activities throughout the year include regular communication with subrecipients, and appropriate inquiries concerning program activities; performing subrecipient site visits to examine financial and programmatic records and observe operations; and reviewing detailed financial and program data and information submitted by the subrecipient.

However, when no site visit is conducted, the pass-through entity should be familiar with the subrecipient's financial operations and procedures, as well as their maintenance of current financial data such as timesheets, invoices, contracts, and ledgers that tie back to financial reports.

Subrecipient monitoring by the pass-through entity must include:

- Reviewing financial and performance reports submitted by the subrecipient;
- Following-up and ensuring the subrecipient acts to address deficiencies found through audits, onsite reviews, and other means; and
- Issuing a management decision for audit findings pertaining to the award

The purpose of these monitoring activities is to provide reasonable assurance that the subrecipient has administered the pass-through funding in compliance with the laws, regulations, and the provisions of the award and that the required performance goals are being achieved.

Note: Recipients must have written subrecipient monitoring policies and procedures.

[Subrecipient Audits Requirements and Recommendations for Recipients](#)

The pass-through entity needs to develop procedures to ensure that subrecipients expending \$750,000 or more in Federal awards during the subrecipient's fiscal year submit the required completed audit within 9 months after their year-end or one month after the issuance of their audit. Upon receipt of the subrecipient audit, the pass-through entity needs to:

- Evaluate the impact of subrecipient activities on the recipient organization's ability to comply with applicable Federal regulations; and
- Issue a management decision on audit findings within 6 months after receipt of the subrecipient's audit report and ensure that the subrecipient takes timely and appropriate corrective action on all audit findings.

In cases of continued inability or unwillingness of a subrecipient to have the required audits conducted, the pass-through entity must take appropriate action using sanctions. It is important to have policies and procedures in place to properly exercise the fiduciary responsibility in executing the award requirements should a subrecipient not comply with requirements, laws, and regulations.

As prescribed in 2 C.F.R. § 200 Subpart F, subrecipients are not required to submit a copy of the reporting package when there are “no audit findings,” (i.e., when the schedule of findings and questioned costs does not disclose audit findings relating to the Federal award requirements that was provided in the agreement with the subrecipient, and the summary schedule of prior audit findings does not report the status of audit findings relating to Federal awards).

Note: The information in the Federal Audit Clearinghouse (FAC) database may be used as evidence to verify that the required audit was performed and the subrecipient had “no audit findings.” This verification is in lieu of reviewing submissions from the subrecipient when there are no audit findings. The FAC database is available online.

APPENDIX G – Procurement Standards

The Procurement Standards in the Uniform Guidance at 2 C.F.R. § 200.317 through 2 C.F.R. § 200.326 detail requirements and restrictions imposed on non-Federal entities (i.e., recipients and subrecipients) that use Federal assistance funds to procure property or services needed to carry out the grant-funded project.

For procurement transactions using Federal award funds, the non-Federal entity must use its own documented procurement procedures consistent with applicable State, local, and tribal laws and regulations. Procurement procedures must be formally documented by the non-Federal entity and periodically reviewed to ensure compliance with applicable regulations. A state must follow the same policies and procedures it uses for the state's procurement for its non-Federal funds.

Non-Federal entities must maintain written standards of conduct covering conflict of interest and employee participation in selection, award and administration of contracts. Recipients or subrecipients must also ensure that contractors perform in accordance with the terms, conditions and specifications of their awards.

Contracts should only be awarded to responsible contractors possessing the ability to perform successfully under the terms and conditions of proposed procurements. Records that detail the history of all procurements must be maintained and should include, but not limited to:

- Rationale for the method of procurement.
- Selection of contract type.
- Contractor selection and/or rejection process; and
- Basis for the contract prices.

Non-Federal entities are responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of the procurement.

Award recipients and subrecipients must:

- Have a documented process to check for organizational conflict of interest with potential contractors;
- Have a process in place to ensure that contracts are not awarded to contractors or individuals on the List of Parties Excluded from Federal Procurement and Non-procurement Programs; and
- Perform a System for Award Management (SAM) review of potential contractors or individuals.

Non-Federal entities' procedures must avoid acquisition of unnecessary or duplicative items. Where appropriate, lease versus purchase analysis should be performed as well as other appropriate analysis for determining the most economical method for obtaining items or services. Recipients are encouraged to use Federal excess and surplus property when possible and to enter

into inter-agency or inter-governmental agreements where appropriate to procure common or shared goods and services.

Non-Federal entities must include any applicable provisions found at 2 C.F.R. § 200 (“Contract Provisions for Non-Federal Entity Contracts Under Federal Awards”) in all contracts made by non-Federal entities (i.e., recipients and subrecipients) under the Federal grant award.

Methods of Procurement

There are several methods of procurement that may be used by recipients and subrecipients including:

- Procurement by micro-purchase;
- Procurement by small purchase procedures;
- Procurement by sealed bids;
- Procurement by competitive proposals; and
- Procurement by noncompetitive proposal.

Competition

Recipients and subrecipients must conduct all procurement transactions in a manner providing full and open competition consistent with the Procurement Standards in the Uniform Guidance. This requirement holds whether procurement transactions are negotiated or competitively bid, and without regard to dollar value. In order to avoid unfair competitive advantage, contractors that develop or draft specifications, requirements, statement of work, and invitations for bids or requests for proposals must be excluded from competing for such procurements.

The following situations are restrictive and should not take place:

- Placing unreasonable requirements on firms for them to qualify to do business;
- Requiring unnecessary experience or excessive bonding;
- Noncompetitive pricing practices between firms or between affiliated companies;
- Noncompetitive contracts to consultants that are on retainer contracts;
- Organizational conflicts of interest;
- Specifying a “brand name” product instead of allowing “an equal” product to be offered; and
- Any arbitrary action in the procurement process.

Written procedures for procurement transactions must ensure that all solicitations incorporate a clear and accurate description of the technical requirements of the material, product or service to be procured. Solicitations should also identify all requirements which offerors must fulfill and all other factors to be used in evaluating bids and proposals.

Noncompetitive Practices

Non-Federal entities may conduct noncompetitive proposals (or, “sole source” procurement), by procurement through solicitation from only one source when one or more of the following circumstances apply:

- The item or service is available only from a single source;
- The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
- DOT or the pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the non-Federal entity; or
- After solicitation of several sources, competition is determined to be inadequate.

Sole Source procurement should be used only when use of competitive solicitation procedures like sealed bids, or competitive proposals are not applicable to the requirement or is impracticable.

All sole source procurements in excess of the simplified acquisition threshold must receive prior approval from the grant-making component before entering into the contract.

APPENDIX H – Property Standards

Property includes both real property and personal property. Real property typically includes things like land and buildings. Personal property includes both tangible personal property, which is classified as either equipment or supplies; and intangible personal property, which includes things having no physical existence, like trademarks, copyrights, and patents. See definitions in 2 C.F.R. § 200.1. Each of these is addressed in further detail below.

DOT expects recipients and subrecipients of Federal funds to use good judgment when purchasing, managing, and disposing of property paid for by Federal funds. If a recipient or subrecipient uses award funds to purchase new property when suitable property is already available within the relevant organization, this use will be considered an unnecessary expenditure.

Note: Organizations may use their own capitalization policy for classification of equipment and supplies, but only where it is less than the Federal policy threshold of \$5,000.

Equipment means tangible personal property, including information technology systems, having a useful life of more than one year and a per-unit acquisition cost of \$5,000 or greater (or the organization's capitalization policy, if it is less than \$5,000. If the organization does not have a capitalization policy in place, the Federal policy amount of \$5,000 must be followed.

Supplies are all other items of tangible personal property that are not equipment. This includes computing devices that cost less than \$5,000 per unit, or the organization's capitalization threshold, if that is less than \$5,000.

Equipment Ownership, Use, Management, and Disposition

DOT recipients must follow the standards and procedures for ownership (title), use, management, and disposition of equipment set out below.

Ownership of Equipment

Unless more specific rules are identified for a grant program, title to equipment acquired under a federal award will vest in the recipient organization (or, in the case of a subaward, in the subrecipient's organization). The legal right of ownership and conditions for use, management, and disposal of equipment are set forth in 2 C.F.R. § 200.313 and are described below.

Use of Equipment

A State must use equipment acquired under a federal award in accordance with State laws and procedures. DOT encourages the States to follow the procedures that are in this Guide.

Recipients and subrecipients other than States must use equipment acquired under an award (or subaward) for the authorized program or project purposes for which it was acquired as long as needed, whether or not the project or program continues to be supported by Federal funds. When no longer needed for the original program or project, the equipment may be used in other activities currently or previously supported by a Federal agency.

Use for other Federal projects - Equipment must be made available for use on other projects or programs currently or previously supported by the Federal government, provided the use does not interfere with the work on the projects or programs for which it was originally acquired. First preference for other use should be given to other programs or projects supported by the awarding agency.

User fees - User fees should be considered and treated as program income to the project, when appropriate.

See 2 C.F.R. § 200.307 (Program Income) - During the time the Federal government retains an interest in the equipment, the non-Federal entities must not use equipment acquired with a Federal award to provide services for a fee that is less than private companies charge for equivalent services, unless doing so is specifically authorized by law. See 2 C.F.R. § 200.313(c)(3).

Replacement equipment - When acquiring replacement equipment, recipients or subrecipients may use the equipment to be replaced as a trade-in or may sell the equipment and use the proceeds to offset the cost of the replacement equipment, subject to the written approval of the awarding agency.

Encumbrances - A non-Federal entity must not encumber equipment acquired under a Federal award without approval of the awarding agency or pass-through entity.

Management of Equipment

A State should ensure equipment acquired under a Federal award to the State is managed in accordance with State laws and procedures for property.

Recipients and subrecipients other than States must use procedures for managing equipment (including replacement equipment) acquired in whole or in part under a Federal award, until disposition takes place, that, at a minimum, meet the following requirements:

- Property records must be maintained to include all the following information:
 - Description of the property
 - Serial number or other identification number
 - Source of the property, including the federal award identification number
 - Identification of the title holder
 - Acquisition date
 - Cost of the property
 - Percentage of Federal participation in the cost of the property
 - Location of the property
 - Use and condition of the property
 - Disposition data, including the date of disposal and sale price
- A physical inventory of the property must be taken, and the results reconciled with the property records at least once every 2 years;

- Adequate maintenance procedures must be established and used to keep the property in good condition;
- A control system must be in place with adequate safeguards to prevent loss, damage, and theft;
- Promptly and properly investigate and fully document any loss, damage, or theft, and make the documentation part of the official project records. 2 C.F.R. § 200.313 (d)(3);
- Provide at a minimum, the equivalent insurance coverage for equipment acquired with Federal funds that the non-Federal entity owns. Federally owned equipment need not be insured unless required by the award. 2.C.F.R. § 200.310;
- Non-Federal entities are responsible for replacing or repairing property that is willfully or negligently lost, stolen, damaged, or destroyed;
- If authorized or required to sell the property, the recipient or subrecipient must establish proper sales procedures to ensure the highest possible return.

Disposition of Equipment

A State recipient must dispose of equipment acquired under the award in accordance with State laws and procedures. Recipients and subrecipients other than States must dispose of the equipment when original or replacement equipment acquired under the award or subaward is no longer needed for the original project, or for other activities currently or previously supported by a Federal awarding agency, as follows:

If the item to be disposed of has a current per-unit fair market value of \$5,000 or less, the item may be retained, sold, or otherwise disposed of with no further obligation to the awarding agency.

If the item has a current per-unit fair market value of more than \$5,000, the item may be retained or sold, but the awarding agency will have a right to a specific dollar amount. Calculate this amount by multiplying the current market value or proceeds from the item sale by the awarding agency's share of the equipment (i.e, the agency's percentage of participation in the cost of the original purchase). The seller is also eligible for limited sale and handling costs of \$500 or 10% of the proceeds, whichever is less. In cases where the recipient or subrecipient fails to take appropriate disposition actions, the awarding agency may direct other disposition actions.

Replacement of Equipment

When an item of property is no longer efficient or serviceable but continues to be needed in the program or project for which it was acquired, or other programs permitted under 2 C.F.R. § 200.313(c), the property may be replaced through trade-in or sale and subsequent purchase of new property.

In this case, the following conditions must be met:

- Same function and character - Replacement property must serve the same function as the original property and be of the same nature or character, although not necessarily of the same grade or quality.

- Timing - Purchase of replacement property must take place soon enough after the sale of the property to show that the sale and the purchase are related.
- Trade-ins - When acquiring replacement property, the recipient or subrecipient may use the property to be replaced as a trade-in. Value credited for the property, if the property is traded in, must be related to its fair market value. The recipient or subrecipient also may use the proceeds from the sale of the property to offset the cost of the new property.
- Subrecipients of States - State subrecipients must obtain the written permission of the State to use the provisions of this section prior to entering negotiation for the replacement or trade-in of property.

Supplies

The title of supplies acquired under an award vests with the recipient upon acquisition. For supplies acquired under a subaward, the title vests with the subrecipient upon acquisition. Recipients and subrecipients must compensate the grant-making component for its share of residual inventory of unused supplies if both following apply:

- The residual inventory of unused supplies exceeds \$5,000 in total aggregate fair market value upon termination or completion of the funding support; and
- The supplies are not needed for any other Federally sponsored programs or projects.

Compute the compensation amount in the same manner as for nonexpendable personal property or equipment.

Real Property Acquired with Federal Funds

- Real property means land, including land improvements, structures and appurtenances thereto, but excludes moveable machinery and equipment. See 2 C.F.R. § 200.85. DOT funds generally cannot be used for land acquisition unless specifically permitted under the awarding program or terms of the award.
- Title - Subject to the obligations and conditions in the award, title to real property acquired or improved under an award or subaward vests upon acquisition in the recipient or subrecipient, as applicable.
- Use - Recipients and subrecipients may use real property acquired, in whole or in part, with Federal funds for the authorized purposes of the original award or subaward as long as needed for that purpose.
- An inventory report should be maintained which identifies real property acquired, in whole or in part, with Federal funds.
- Do not dispose of or encumber its title or other interests.

Disposition

When real property is no longer needed for the original award purposes, the non-Federal entity should obtain disposition instructions from the grant-making component or pass-through entity, as appropriate.

The instructions may allow one of the following:

- 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 the 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.
- 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 the 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.
- 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.

Retention of Property Records

Records for equipment, nonexpendable personal property, and real property must be retained for a period of three years from the date of disposition, replacement, or transfer at the discretion of the grant-making component. If any litigation, claim, or audit is started before the expiration of the three-year period, records must be retained until all litigation, claims, or audit findings involving the records have been resolved.

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). 2 C.F.R. § 200.59.

Title - Intangible property acquired under a Federal award vest upon acquisition in the non-Federal entity.

Use - 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.

Disposition - When no longer needed for the originally authorized purpose, intangible property is treated similarly to equipment for disposition purposes. Disposition must occur in accordance with 2 C.F.R. § 200.313(e). In general, intangible property with a per-unit fair market value of \$5,000 or less may be retained, sold, or otherwise disposed of with no further obligation to the grant-making component; while intangible property valued above \$5,000 may be retained or sold, but the grant-making component is entitled to compensation for its share of participation in the cost of the original purchase, minus some selling and handling expenses. See the provisions for disposition of equipment (above) for a summary of these requirements.

See 2 C.F.R. § 200.315 for additional detailed rules regarding intangible property.

APPENDIX I – Sample Application

BUDGET INFORMATION - Non-Construction Programs

OMB Approval No. 0348-

0044

SECTION A - BUDGET SUMMARY						
Grant Program Function or Activity (a)	Catalog of Federal Domestic Assistance Number (b)	Estimated Unobligated Funds		New or Revised Budget		
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)
HMEP Grant	20.703	\$	\$	220,090.00	55,023.00	275,113.00
						0.00
Totals		\$ 0.00	\$ 0.00	\$ 220,090.00	\$ 55,023.00	\$ 275,113.00
SECTION B - BUDGET CATEGORIES						
6. Object Class Categories	GRANT PROGRAM, FUNCTION OR ACTIVITY					Total (5)
	(1)	Federal	(2)	Non-Federal	(3)	
a. Personnel	\$	46,000.00	\$	0.00	\$	\$ 46,000.00
b. Fringe Benefits		0.00		67522.50		16,834.00
c. Travel		6,390.00		0.00		6,390.00
d. Equipment		50,000		0.00		50,000.00
e. Supplies		6,000.00		0.00		6,000.00
f. Contractual		145,500.00		0.00		145,500.00
g. Construction		0.00		0.00		0.00
h. Other		16,200.00				54,389.00
i. Total Direct Charges (sum of 6a-6h)		220,090.00			0.00	275,113.00
j. Indirect Charges		0.00		0.00		0.00
k. TOTALS (sum of 6i and 6j)	\$	270,090.00	\$	67,522.50	\$ 0.00	\$ 337,612.50
7. Program Income	\$		\$		\$	\$ 0.00

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SECTION C - NON-FEDERAL RESOURCES					
(a) Grant Program	(b) Applicant	(c) State	(d) Other Sources	(e) TOTALS	
8. HMEP	\$ 67,522.50	\$ 0.00	\$	\$ 67,522.50	
9.				0.00	
10.				0.00	
11.				0.00	
12. TOTAL (sum of lines 8-11)	\$ 67,522.50	\$ 0.00	\$	\$ 67,522.50	
SECTION D - FORECASTED CASH NEEDS					
13. Federal	Total for 1st Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
	\$ 0.00	\$	\$	\$	\$
14. Non-Federal	0.00				
15. TOTAL (sum of lines 13 and 14)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
SECTION E - BUDGET ESTIMATES OF FEDERAL FUNDS NEEDED FOR BALANCE OF THE PROJECT					
(a) Grant Program	FUTURE FUNDING PERIODS (Years)				
	(b) First	(c) Second	(d) Third	(e) Fourth	
16.HMEP	\$	\$	\$	\$	
17.					
18.					
19.					
20. TOTAL (sum of lines 16-19)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	
SECTION F - OTHER BUDGET INFORMATION					
21. Direct Charges: 220090			22. Indirect Charges: 0.00		
23. Remarks:					

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**HAZARDOUS MATERIALS EMERGENCY PREPAREDNESS (HMEP)
GRANT PROGRAM**

Calisota Sample Application

PART A: GRANTEE INFORMATION

GRANTEE NAME AND ADDRESS:

Grantee Name: Calisota Emergency Management Agency

Street Address: 2222 Cali Drive

City: Cepda State: Calisota Zip Code 88888

Web Page (If applicable): _____

CONTACT INFORMATION:

Authorized Representative:

Name (Last) Jonas First: Michael Initial: K

Title: Director

Phone: 111-333-7777 Fax: 111-333-6644 Email Address: Mjonas@cali.gov

Program Manager:

Name (Last) House First: Susan Initial: L

Title: Grants Coordinator

Phone: 111-333-9311 Fax: 111-333-6644 Email Address: Shouse@cali.gov

Finance Program Manager or Equivalent:

Name (Last) Benjamin First: James Initial: _____

Title: Senior Accountant Phone: 111-333-5555

Other Point of Contact for Grant:

Name (Last) Lewis First: Cody Initial: _____

Title: Training Coordinator

Phone: 111-333-9811 Fax: _____ Email Address: Clewis@cali.gov

Other Point of Contact for Grant:

Name (Last) _____ First: _____ Initial: _____

Title: _____

Phone: _____ Fax: _____ Email Address: _____

ORGANIZATION INFORMATION

Provide information about your organization. This should include: (1) your organization's mission; (2) a brief overview of the structure of your organization, programs, leadership, and special expertise; and (3) your organization's experience and capacity to manage Federal grant programs.

Mission

The mission of Calisota Emergency Management Agency is to facilitate the protection of life and property against man-made and natural disasters by directing the state's efforts in the areas of prevention, preparedness, mitigation, response, and recovery.

Organizational Structure

State level planning for hazardous materials emergency preparedness is a collaborative process. CEMA is the lead state agency for coordinating All-Hazards planning and response. CEMA is responsible for the Calisota Emergency Operations Plan. Calisota employs a functional annex for Hazardous Materials Response Emergency Support Function (ESF-10), Hazardous Materials. With the assistance of the HMEP Grant, CEMA established the Hazardous Materials Program Office within the Training Section at the Calisota Training Center (CTC). Training is offered at a central location at CTC and is field delivered at locations throughout the state to accommodate training needs in different jurisdictions. Field delivered courses are hosted by local jurisdictions upon request. State preparedness is advanced through a robust hazardous materials training program in partnership with the Calisota Fire Academy. CEMA utilizes the HMEP Grant to provide high quality, effective guidance on hazardous materials emergency preparedness to local partners, as well as to increase emergency responder's understanding of state and local chemical hazards. This is accomplished through the administration and coordination of Local Emergency Planning Committees (LEPC) throughout the state, managed by the HMEP/LEPC Coordinator.

PART B: TRANSPORTATION FEES

Are transportation fees assessed and collected by your state, political subdivision of your State, or Tribe? **No**

If yes, how much in transportation fees was collected in the last year? **N/A**

What percentage of the fees collected is used solely for the purpose related to the transportation of hazardous materials? **N/A**

PART C: STATEMENT OF WORK

Please note you will be required to provide information for each sub-grant, contract, or

agreement (e.g., agreement with another part of the state government) issued or awarded, entered into, or signed during the reporting period and the process of selecting sub-grantees to receive the HMEP grant funding.

NEEDS ASSESSMENT. Include a brief statement that indicates the HMEP planning and training needs of the jurisdiction.

Each of the Local Emergency Response Committees (LEPCs) conducts a training need’s assessment of their region approximately three to six (3-6) months prior to the new grant cycle. The data collected from their need’s assessment will determine which areas in their region are lacking specific skills sets, what courses and at what training levels are needed to increase training levels to better respond to hazardous materials transportation incidents. The data will be prioritized so that those lacking the ‘high’ priority skills sets will receive training during immediately. Once the capability gap has been identified, the LEPC submits a 3-yr ‘schedule’ of trainings to the State.

GOALS AND OBJECTIVES

Use the following table to list the programs goals and objectives for the HMEP grant funds requested. The programs goals must align with PHMSA’s mission and top priorities as outlined in the application guidance document provided in the application package. PHMSA will require a progress report during the performance period and at the end of the performance period detailing the programs accomplished goals and outcomes. (Insert more rows to the table if more space is needed)

Goal#	Planning and Training Grant Goals and Objectives
1	The goal of the Training Program is to maximize the number of individuals trained to a level consistent with the demands of their positions as potential first responders. Calisota Training Task Force (TTF) Sub-Committee of the SERC has developed training protocols to ensure courses provided are developed or certified by the National Fire Protection Association (NFPA) and OSHA. Course materials from the International Association of Fire Fighters (IAFF) have also been used for HMEP-sponsored training.
2	The purpose of the State’s HMEP Planning Program is to protect the population, infrastructure and environment by improving emergency planning and response for transportation related incidents involving hazardous materials. The HMEP Planning Grant funds enhance the LEPC planning process and emergency plan documents that each LEPC prepares.

ACTIVITIES SUPPORTING PROGRAM GOALS

List activities to be performed under each goal listed in Part C above. Activities must be allowable, allocable and reasonable.

For planning activities, please include activities planned under section 303 of the Emergency Planning and Community Right-To-Know Act (EPCRA) (i.e. commodity flow studies, hazard risk analyses, emergency plans to be written, emergency plans to be updated, and emergency plans to be exercised).

For training activities, please list all training activities including trainings that fall under the NFPA 472 core competencies or OSHA 29 CFR § 1910.120(q) you plan to carry out with HMEP funds. Provide training type, training activity description, number of courses to be held, and the projected number of individuals to be trained. PHMSA will require a progress report during the performance period and at the end of the performance period detailing other accomplished training activities (Insert more rows to the table, as needed, to document all other projected training activities).

GRANTEE ACTIVITY INFORMATION					
Planning or Training?	Activity Description	Projected # of Courses to held (if applicable)	Projected number to be trained	Estimated Activity Cost	Projected Start/End Date
Planning	Develop Emergency Response Plan for tribal entity and conduct an exercise (like a tanker rollover) based upon those plans.	1	25	\$20,000	Six months after start of Period of Performance
Training	Hazmat Awareness Courses This course will provide first responders with the knowledge and skills to: Understand what hazardous substances are and the risk associated with them in an incident; Recognize the presence of hazardous substances in an emergency; Understand the role of the emergency responder at the Awareness level, including site security and control; Have understanding of the U.S. Department of Transportation Emergency	8	200	\$5,000 per course. \$40,000 total cost	Q1-Q4

GRANTEE ACTIVITY INFORMATION					
	Response Guidebook; Realize the need for additional resources, call for appropriate assistance, and to make appropriate notifications to the community. This course also includes counter-terrorism curriculum.				
Training	Hazmat Technician Courses – The course provides the essential knowledge, skills, and abilities to operate offensively or defensively at an incident involving the release of hazardous materials. The objectives of the course are to teach participants: to classify, identify, and verify known and unknown material by using field survey instruments and equipment; to select and use the proper chemical protective equipment provided to the hazardous materials Technician; to understand hazard and risk assessment techniques for HAZMAT and CBRNE environments; to be able to perform advanced control, containment, and/or confinement operations within the capabilities of the resources and personal protective equipment available; and to develop action plans within the parameters of the State plan for statewide response to WMD events.	3	60	\$8,000 per course \$ 24,000 total	Q2-Q4

GRANTEE ACTIVITY INFORMATION					
Training	IAFC Hazmat Conference – The IAFC's Hazmat Conference provides the latest classroom, hands-on and field trip-based training on what's new in hazmat, covering all aspects of hazmat, including transportation, safety, WMD, gear, terrorism, mass decontamination, bioterrorism and more. The hazmat exhibit floor includes outdoor demonstrations of hazardous materials gear and equipment.				
Training	Hazmat IQ for Propane Course 16-hour Propane IQ course is a hands-on exploration of handling propane emergencies. Disasters involving propane are one of the most common and most deadly types of emergencies that first responders will encounter. Therefore, this course centers around tactical considerations, flaring operations, leak control options, and container assessment.	3	60	\$6,500 per course \$19,500 total	

LEPCs SUB-AWARDS INFORMATION

Total Number of Active LEPCs	56
Total Number of Inactive LEPCs ¹	2

Total Number of LEPCs ² projected to receive HMEP Grant Funds as sub-awards	5
--	---

Briefly explain your LEPCs/sub-grantees selection process or the methodology you plan to use to select LEPCs to sub-award the HMEP planning funds.

LEPCs are awarded funding according to the level of risk they present. Each LEPC is taken through a risk assessment by the CEMA Grant Manager. Each LEPC is rated according to past performance, population, commodity flow and the number of past incidents involving HAZMAT in transport. The data is entered into an algorithm which calculates the amount of funding each LEPC receives.

List the names of subgrantees you plan to sub-award HMEP funds to and the corresponding sub-award amount, (PHMSA will require a progress report during the performance period and at the end of grant period detailing LEPCs awarded HMEP funds, sub-award amounts, and LEPCs accomplished activities. (Insert more rows to the table if more space is needed)

SUB-GRANTEE ACTIVITY INFORMATION						
Sub-grantee Name (Region or District)	Planning or Training?	Activity Description	Projected # of Courses to be held (if applicable)	Projected number to be trained	Estimated Activity Costs	Projected Activity Start and End Date
Milton County	Planning	Update and exercise emergency response plans	1	N/A	\$15,000	Q2-Q3
Brice County	Training	Crude oil rail incident training	1	15	\$10,000	Q3-Q4
Fillmore County	Planning	Conduct hazard analysis	1	N/A	\$10,000	Q2-Q3
Gitmore County	Training	Ethanol Training	1	10	\$7,000	Q3
Arms County	Planning	Write emergency response plans and conduct response drill	1	25	\$20,000	Q2-Q4

¹ An inactive LEPC is one that has not met in a year.

² Number of LEPCs planned to receive HMEP grant funds through sub-awards. These are LEPCs whose proposals for HMEP grant funds have been received or proposals are under solicitation.

HMEP Monitoring. Briefly provide a description of the monitoring and evaluation of the activities that will be conducted to ensure that the grant activities are successfully carried out according to the activity timeline. Include an explanation of quality control measures.

All activities will be monitored via requiring quarterly progress reports, and pre-and post-testing for all training classes. All HMEP activities progress, and expenditures will be tracked to ensure Calisota is on track with the schedule.

PART D: BUDGET NARRATIVE

In addition to completing the Planning and Training activities in the section above, complete a budget narrative to explain each line item of your project costs.

The budget narrative is extremely important as it provides transparency for proposed costs and justification for costs that may appear questionable to the granting agency, and it provides details of how and where the applicant will satisfy cost-sharing requirements (matching).

Consider the following when completing the Budget Narrative section:

PERSONNEL

Personnel costs are the employee salaries working directly on the grant project. Include the number, type of personnel, the percentage of time dedicated to the project, hourly wage (or salary) and total cost to the grant.

- This category is limited to only persons employed by your organization. Those not employed by your agency shall be classified as subgrantees or contractors and should be listed under the “Contractual” object class.
- Only include compensation paid for employees engaged in grant activities.
- Costs should be consistent with that paid for similar types of work within the organization.

Position	Description of HMEP Duties	Salary	Percentage of Time on HMEP	Total Amount Charging to HMEP
Grants Program Manager	Coordinates activities and oversees all HMEP activities	\$65,000	30%	\$19,500

Position	Description of HMEP Duties	Salary	Percentage of Time on HMEP	Total Amount Charging to HMEP
Accounts Manager	Submits invoices and FFRs. Also, reconcile HMEP expenses monthly	\$ 65,000	15%	\$9,750
Administrative Assistant	Receives and logs all reports and invoices submitted by subrecipients	\$35,000	5%	\$1,750
Training Coordinator	Coordinates all training courses for CEMA	\$50,000	30%	\$15,000
Total Cost to HMEP				\$46,000

FRINGE BENEFITS

Fringe Benefit costs are the allowances and services provided by employers to their employees as compensation in addition to regular salaries and wages. Fringe costs are benefits paid to employees, including the cost of employer’s share of FICA, health insurance, workers’ compensation, and vacation. Include how the fringe benefit amount is calculated (i.e., actual fringe benefits estimate, approved rate, etc. Include a description of specific benefits charged to a project and the benefit percentage.

Additional considerations:

- The personnel/salaries should have corresponding fringe; and vice-versa. PHMSA cannot pay fringe benefits for a position that is not listed in the Personnel section.
- Explain what is included in the benefit package and at what percentage.
- Fringe benefits are only allowable for the percentage of time devoted to the grant project.
- The applicant should not combine the fringe benefit costs with direct salaries and wages in the personnel category.

No fringe benefits charged directly to HMEP but will be used as an in-kind match from the Grants Program Manager, Accounts Manager, and the Administrative Assistant in proportion to their time on HMEP. For calculations refer to the provided Indirect Cost Rate Agreement (IDC).

TRAVEL

Travel costs are those costs requested for field work or for travel to professional meetings associated with grant activities. Provide the purpose, method of travel, number of persons traveling, number of days, and estimated cost for each trip. If details of each trip are not known at the time of application submission, provide the basis for determining the amount requested.

Number of people	3
Travel Description	IAFC Conference
Airfare	\$680 per roundtrip
Lodging	\$154 x 3 days
Mileage	N/A
Per diem	\$71 per day x 3 days
Parking	\$25 per day x 3 days
Total Cost	\$ 2,130 per person
Total Cost for 3 people	\$6,390

EQUIPMENT

Equipment costs includes those items that are tangible, nonexpendable, personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit - unless the applicant has a clear and consistent written policy that determines a different threshold. Include a description, quantity and unit price for all equipment.

Purchases of less than \$5,000 should be listed under “Supplies” or “Other.”

Each item of equipment must be identified with the corresponding cost. General-purpose equipment must be justified as to how it will be used on the project.

Analyze the cost benefits of purchasing versus leasing equipment, particularly high-cost items and those subject to rapid technical advances. List rented or leased equipment costs in the “Contractual” or “Other” category, depending upon the procurement method.

Trailer to conduct HAZMAT in Commercial Transportation Training. Trailer will be used half of the time for HMEP Training activities and Half of the time for EPA related training activities. Trailer description: designed around a custom enclosed 8.5' X 36' gooseneck trailer with 8' interior height. The trailer has a built-in equipment area to operate the Hazmat Props in the front of the trailer as well as access to the electrical panel. Trailer to be used strictly for HMEP related activities.

Total Trailer Cost: 50,000

Total Charged to HMEP: 50,000

SUPPLIES

Supplies are tangible personal property other than equipment. Include the types of property in general terms. It is not necessary to document office supplies in great detail (for example: reams of paper, boxes of paperclips, etc.). However, applicants should include a quantity and unit cost for larger cost supply items such as computers and printers.

\$3,000 will be allocated for supplies such as copy paper, pens, ink cartridges, and folders will be purchased as needed to administer the HMEP grant.

\$3,000 will be allocated to purchase two laptops that will be load with CAMEO software to assist counties with updating their response plans.

Total supply cost: \$6000.00

CONTRACTUAL

Contractual costs are those services carried out by an individual or organization, other than the applicant, in the form of a procurement relationship. There are two ways to capture costs in this category: subgrants and contracts.

A Subgrant – is an award provided by a pass-through entity (State or Territory) to a subrecipient.

That subrecipient carries out part of a program for which the State or Territory received Federal support. A subgrantee has its performance measured in relation to whether objectives of a Federal program were met; has responsibility for programmatic decision making; is responsible for adherence to applicable Federal program requirements specified in the Federal award; and (in accordance with its agreement), uses the Federal funds to carry out a program for a public purpose specified in authorizing statute, as opposed to providing goods or services for the benefit of the pass-through entity.

A Contract - is a legal instrument by which a Grantee Recipient purchases property or services needed to carry out the project or program under an award. A contract/contractor provides the goods and services within normal business operations; provides similar goods or services to many different purchasers; normally operates in a competitive environment; and provides goods or services that are ancillary to the operation of the Federal program.

For all contractual line-item costs, include the rationale for the amount of the costs and include the specific contract goods and/or services provided and the related expenses for those goods and services. Simply entering the statement “contractual services” will not be considered sufficient for the requirement of completing this section.

Subgrants must be listed under Contractual in the SF-424A. They must be clearly identified as subgrants in the budget narrative.

Activity	Description	Total Cost
Hazmat Awareness Course	CEMA will contract with a vendor to conduct 8 Hazmat Awareness Courses. The cost per class is projected to be \$5,000 based on past contracts for this course	\$40,000
Hazmat Technician Courses	CEMA will contract with a vendor to conduct 3 Hazmat Technician courses. The cost per class is approximately \$8,000 based on past contracts for this course.	\$24,000
Hazmat IQ for Propane Courses	Ceme will contract with a vendor to conduct 3 Hazmat IQ for Propane courses. The cost per class is approximately \$6,500 based on past contracts for this type of course.	\$19,500
Milton County (subgrant)	Milton county will update their emergency response plans and conduct an exercise for update plans	\$15,000
Brice County (subgrant)	Brice county will host a crude oil rail incident training	\$10,000
Fillmore County (subgrant)	Fillmore county will conduct a hazards risk analysis.	\$10,000
Gitmore County (subgrant)	Gitmore County will conduct ethanol training.	\$7,000
Arms County	Write emergency response plans and conduct drill exercise for plans	\$20,000
Total Contractual Cost		\$145,500

OTHER

Other costs do not fit any of the categories, such as rent for buildings used to conduct project activities, utilities, leased equipment, employee training tuition, etc. "Other" direct costs must be itemized.

Telephone service for 12 months	\$2,400
Copier lease for 12 months	\$1,800
Building rent for 12 months	\$12,000

Total Cost	\$16,200
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INDIRECT

Costs (if applicable): Indirect costs are allowable in the HMEP grant. If the rate will not be approved by the application due date, attach the letter of renewal or letter of request that you sent to your cognizant agency to your application. The applicant must include a signed copy of the approved negotiated rate agreement that is valid as of the date of the application. If the applicant does not have an approved indirect cost rate agreement, the applicant may be eligible for the 10% de minimis rate provided by 2 CFR § 200.414.

No indirect costs requested. For more information on indirect costs, please refer to Appendix J Indirect Costs in this document

MATCH

Match: The total matching requirement should be listed in Section A and Section C of the SF- 424A line-item budget. Please only include the Federal-share of costs in Section B of the SF- 424A. The budget narrative is where the matching requirements should be captured. Within the applicable object class category in the budget narrative, (Personnel, Supplies, etc), detail the matching requirements.

Please ensure that the match is clearly identified in the budget narrative. Provide an explanation as to the amount to be matched and how it was determined. Matching funds should be described in the same manner as if they were the Federal share of costs. List all staff positions by title. Give annual salary exclusive of fringe benefits, job title, role in the HMEP grant (this may differ from the organizational job title), and percentage of time assigned to the HMEP grant, and total cost for the budget period. Base the allocation of salaries for individuals that have responsibilities in both the planning and training areas on realistic estimates of where the time is actually spent. Include only those positions directly funded by the HMEP grant (in whole or in part) or that are part of required matching. For the salaries used as third-party in-kind contributions (“soft match”), explain the methodology and assumptions used.

Calisota will meet the match requirement through the following:

- 1. Fringe benefits of the personnel identified in the personnel object will be used as part of the match.*
- 2. The remaining match requirement will be met by participants’ time spent in training or conducting an HMEP project.*

Position	Percentage of Time on HMEP	Total Amount Charging to HMEP
Grants Program Manager	30%	\$8,654
Accounts Manager	15%	\$1,245

Administrative Assistant	5%	\$568
Training Coordinator	30%	\$6,367
Total Fringe Benefits Used as match		\$16,834

APPENDIX J – Indirect Costs

Indirect costs are allowable in the HMEP grant. If the rate will not be approved by the application due date, attach the letter of renewal or letter of request that you sent to your cognizant agency to your application. The applicant must include a signed copy of the approved negotiated rate agreement that is valid as of the date of the application. If the applicant does not have an approved indirect cost rate agreement, the applicant may be eligible for the 10% de minimis rate provided by 2 CFR § 200.414.

Calculation:

Direct costs/(1 –allowed indirect rate) = Total Costs

Total costs - Direct costs = Indirect costs

De Minimus Example:

Grant Amount: \$350,000 De Minimis ICR: 10%	
Direct Costs	\$329,945
Salaries (Personnel)	\$112,000
Fringe Benefits	\$16,800
Contractual	\$ 41,750
Equipment	\$ 9,000
Supplies	\$ 5,000
Other	\$ 145,395
Indirect Costs	\$20,055
Total Grant Budget	\$350,000

De minimis ICR calculation is 10% of \$158,000.
(\$112,000 + \$16,800 + \$41,750 + \$5,000 + \$25,000).
Note: Only \$25,000 of the \$150,00 other amount was
considered
PHMSA Accepts any valid IDCR.