

April 10, 2026

U.S. Department of Transportation
 Pipeline and Hazardous Materials Safety Administration
 1200 New Jersey Avenue, SE
 Washington, DC 20590

Compliance Review

Watkins Government Services LLC performed a compliance review of the Supplemental Public Sector Training Grant (SPST) awarded by The United States Department of Transportation, Pipeline and Hazardous Materials Safety Administration (PHMSA) to the International Association of Firefighters (IAFF), for fiscal year 2023, refer to **Table 1 – List of Federal Awards**. The purpose of the compliance review was to evaluate IAFF’s compliance with federal statutes, regulations, and the terms and conditions of the award. We reviewed IAFF’s compliance with the Supplemental Public Sector Training (SPST) Grant program, which was authorized by Congress in the Hazardous Materials Transportation Authorization Act of 1994 (P.L. 103-311), which amended 49 U.S.C. § 5116 and added a new subsection (i) concerning supplemental training grants. In addition, 49 CFR Part 20, New Restrictions on Lobbying prohibits grant funds from being used for lobbying. Our review also included reviewing IAFF’s compliance with 2 CFR Part 200 (*Uniform Administrative Requirements, Cost Principles, and audit Requirements for Federal Awards*) and the specific grant conditions and special terms, evaluating relevant financial management systems, internal controls, and procurement practices. In addition, our review included assessing documentation supporting expenditures charged to the award, testing a sample of transactions to ensure allowability, allocability, and reasonableness, and confirming that required reports were submitted timely and accurately.

Table 1 - List of Federal Awards

Grant Award #	Assistance Listing #	Period of Performance	Award Amount	Expenditures as of 09/29/2024
693JK32340001HMPS	20.703	09/30/2023 – 09/29/2024	\$1,300,000.00	\$1,300,000.00

Procedures, Observations, and Recommendations

Internal Controls

2 CFR § 200.303 – Internal Controls requires federal grant recipients to establish, document, and maintain effective internal control over the federal award that provides reasonable assurance that the recipient is managing the federal award in compliance with federal statutes, regulations, and the terms and conditions of the federal award, which should align with the guidance in “Standards for Internal Control in the Federal Government” issued by the Comptroller General of the United States. In addition, 2 CFR § 200.303 requires that recipients take reasonable cybersecurity and other

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measures to safeguard information, including protected personally identifiable information (PII) and other types of sensitive information. 49 CFR Part 20 prohibits grant funds from being used for lobbying, including lobbying in direct support of litigation, or in direct advocacy for, or against, a pipeline construction or expansion project.

As part of our review, we obtained and reviewed IAFF's Financial Policies and Procedures Manual and the Procurement Policy to determine if the procedures complied with federal regulations. We did not note any areas of noncompliance; however, IAFF should consider strengthening the grant closeout policies and procedures to include timeframes for closeout activities, specific closeout reporting requirements such as final program and progress reports.

Allowable Costs and Cost Principles

To determine if IAFF complied with federal regulations and the terms and conditions of the award, Watkins selected a sample of expenditures charged to the award and obtained copies of the relevant supporting documentation. We examined the supporting documentation to determine if the expenditures were allowable under the terms and conditions of the award, allocated in a clear and reasonable manner, that the expenditures were properly supported, and reviewed and approved by management, and incurred during the award period of performance. We did not note any instances of noncompliance.

Payroll Costs

2 CFR §200.430 - Compensation-personal services of the Uniform Guidance requires that charges for salaries and wages be (1) based on records that accurately reflect the work performed; (2) account for an employee's total paid time, including work on both federal and non-federal activities; (3) reasonably reflect the total activity for which the employee is compensated; and (4) reflect "after the fact" statements of the employee's time spent on specific tasks, if necessary. IAFF processes payroll on a bi-weekly basis with a two-week salary deferral. IAFF allocates time based on timesheets and does not use estimates. We did not note any instances of noncompliance.

Cash Disbursements

IAFF's established policies and procedures over Cash Disbursements require that invoices are entered into the accounts payable module and routed for review and approval. The review process includes validating the account code, project code, and allocability and allowability. The Director of Accounting reviews and approves accounts payable batches prior to posting in the financial management system. IAFF electronically stores paid invoices and supporting documentation. While our cash disbursements sample included two transactions, totaling \$20, that were unsupported, we did not note any material instances of noncompliance.

Procurement

2 CFR §200.318 – General Procurement Standards require the recipient of federal awards to maintain and use documented procedures for procurement transactions under a federal award, including for the acquisition of property or services. The documented procurement procedures must be consistent with State, local, and tribal laws and regulations and the standards identified in

Procurement Standards 2 CFR §200.317 through §200.327. We found that IAFF's written procurement policies are in compliance with federal standards.

Reporting

We reviewed IAFF's compliance with the award reporting requirements. 2 CFR §200.329 – Monitoring and Reporting Program Performance requires IAFF to submit Mid-Term Progress Reports and Mid-Term Federal Financial Reports (FFRs). The mid-term reports are due within 30 days after the end of the sixth month of the grant period. In addition, IAFF is required to submit Final Program Progress Reports and Federal Financial Reports, which are due within 90 days after the end of the grant period. We examined the mid-term and final reports for the award to determine if they were accurately prepared, timely submitted, and adequately supported. We did not note any instances of noncompliance.

Specific Grant Conditions and Special Terms

Our review also included reviewing IAFF's website and other documentation, to assess whether IAFF complied with the specific grant conditions, and special terms, including restrictions included in 49 U.S.C. §60130(b) related to lobbying and/or direct advocacy for or against a pipeline construction or expansion project, or direct support of litigation. We found no evidence of lobbying and/or direct advocacy for or against a pipeline or expansion project.

Conclusion

We have reviewed IAFF's compliance with 2 CFR Part 200 (*Uniform Administrative Requirements, Cost Principles, and audit Requirements for Federal Awards*) and the specific grant conditions and special terms, and evaluated the relevant financial management systems, internal controls, and procurement practices of IAFF. As a result of our review, we concluded that IAFF accounted for PHMSA Supplemental Public Sector Training Grant funds in compliance with the requirements of 2 CFR Part 200 and the terms and conditions of the awards.

Summary of Recommendations

As part of our review, we obtained and reviewed IAFF's Financial Policies and Procedures Manual and the Procurement Policy and noted that the procedures related to Grant Close-Out did not include specific details related to the close-out process. IAFF should consider strengthening the grant close-out policies and procedures to include the timeframes for closeout activities, specific closeout reporting requirements, such as final program and progress reports, financial reports, as well as the staff responsible for performing these functions.