

# Hazardous Materials Emergency Preparedness Grant Program States & Territories



**Grant Application Development Webinar**  
**Performance Period: 2019 - 2022**



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# Agenda

- Grants Chief Welcome
- HMEP Application Form
- Common Application Errors
- HMEP Grant Milestones
- Questions/Comments



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# Hazmat Grants Team

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# HMEP Formula Allocation Updates

- New allocations will be based on updated risk-based data from PHMSA's Incident database (2014-2017). Grantees should expect to receive allocations for Year 1 as well as estimates for Year 2 and 3 during the week of February 18.
- Allocation factors include (1) Incident frequency; (2) Average cost of incidents by transport mode (rail, water, air, highway); and (3) 2010 US Census state-level population density data.
- To learn more about PHMSA's Incident Data collection, please visit: <https://www.phmsa.dot.gov/hazmat-program-management-data-and-statistics/data-operations/incident-statistics>



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# Components of the HMEP Grant Application



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# Components of the HMP Grant Application

## Initial (Year One) Application

Your grant proposal must include the following:

- Initial-Application
  - Standard Forms
    - SF 424
    - SF 424A
    - Title VI
    - ED-80-0013 Certifications Regarding Lobbying; Debarment, Suspension etc.
  - HMEP Application Form
    - Part A: Grantee Information
    - Part B: Transportation Fees
    - Part C: Statement of Work
    - Part D: Budget Narrative
    - Part E: Certifications



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# Components of the HMEP Grant Application

## Continuing Applications (Y2 & Y3)

### Note:

A continuing application is an application that provides updated information that was not provided in the initial application

No certification forms, Governor's letters, statements, etc. are required unless the designated agency has changed. Application should be much shorter!



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# Planning & Preparation Needs Assessment



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# Planning & Preparation

## Needs Assessment

### **Why do we need a Needs Assessment?**

Needs Assessments play an active role in the accomplishment of organizational goals. They are used to identify strategic priorities, define results to be accomplished, guide decisions related to appropriate actions to be taken, establish evaluation criteria for making judgments of success, and inform the continual improvement of activities within organizations.



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# Planning & Preparation

## Hazmat Transport Needs Assessment

### Things to consider

- Allow sufficient time to perform the needs assessment
- Involve all parties needed
- Determine if needs are feasible
- Determine if needs coincide with the goals for your agency
- Prioritize needs according to level of importance



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# Planning & Preparation

## Hazmat Transport Needs Assessment

### Needs Assessment

**State:** Calisota

**Counties Assessed:** Tula, Smithville, Jones, Summerton

**Objective:** Determine emergency preparedness needs for the listed counties in an effort to obtain funding from the Pipeline and Hazardous Materials Safety Administration's Hazardous Materials Emergency Preparedness (HMEP) grant.



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# Planning & Preparation

## Hazmat Transport Needs Assessment

### Tula County

**I. Preparedness Assessment** - Tula County is California's largest county. The county has five chemical facilities that produce nearly two-thirds of the United States' ethanol. Three of five chemical facilities are located in the heart of the city with the two remaining located in rural areas. ChemX Industries own all five chemical facilities. Tula County's Local Emergency Response Commission (LEPC) has worked closely with ChemX Industries to develop emergency response plans in case of an onsite or in-transit chemical emergency. However, these plans only cover the three facilities located in the city. The two remaining facilities need to have emergency response plans developed in order to ensure the entire county is prepared in the event of a chemical accident or incident.



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# Planning & Preparation

## Hazmat Transport Needs Assessment

### Gap Analysis

(Desired Program – Actual Program = Program Need)

#### Actual Standing

5 Chemical facilities

3 emergency preparedness plans covering 3 facilities

#### Desired Standing

5 Chemical facilities

5 emergency preparedness plans covering 5 facilities

#### Need

2 emergency preparedness plans to be developed to cover the remaining chemical facilities



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# Components of the HMEP Grant Application Project Plan



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# Components of the Grant Application Overview

There are 3 components to the HMEP Application:

- **Standard Forms**
  - Application forms (SF-424, SF-424A and Assurances)
- **Project Narrative (Project Plan)**
  - Organization information (key contacts), needs assessment, goals and objectives, proposed activities to include the projected output and outcome of each, performance period timeline and a monitoring plan.
- **Budget Narrative**
  - Describes and explains the costs listed in the SF-424A, and demonstrates how match will be met.



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# Components of the Grant Application

## Projecting Goals, Outputs & Outcomes

- An objective goal is an overarching principle that guides decision making for the organization.

- Specific
- Measurable
- Achievable
- Realistic
- Timely



- An output is the specific, measurable activity that will take place in the grant project. For example – completed 2 commodity flow studies.
- An outcome is a measurement and evaluation of an activity's result against its intended or projected result. An example would be: the completion of 2 commodity flow studies identified several vulnerabilities in transport routes near a local college.



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# Components of the Grant Application

## Listing Activities

When listing activities in your project narrative, it is very important to remember the:

**Who** –Who will be performing the task or activity?

**What** –What task or activity is being performed?

**Why** –Why is the task or activity being performed?

**Where** –Where will the task or activity take place?

**When** –When is the task or activity projected to be performed?

**How Many** – What is the projected number participants involved in the task or activity?

**How Much** – What is the projected cost of the task or activity?



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# Components of the Grant Application

## Project Plan Activities

The activities listed in the project plan speaks to the goals for the performance period and how you plan to implement and achieve them.

### Example:

- **Tula County**, a Sub-applicant of the State of Calisota is proposing to conduct a *Hazmat Refresher* course as **a number of responders are now due for training**.
- Training will be conducted at **Tula Hazardous Materials College in Tula County**.
- Tula County is projecting to conduct a Hazmat Refresher course during the **third quarter of the first year** for maximum participation.
- **57** participants are projected to attend this training course. The projected cost for this training course, to include travel, supplies, facility rental, and registration costs is **\$27,571.00**.



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# Components of the Grant Application

## Project Narrative – Timeline

- A timeline is a metric which uses milestones upon which the grantee can monitor themselves for progress, as well as monitoring from PHMSA.
- Project narratives must have timelines that indicate when activities will take place.



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# Components of the Grant Application

## Project Narrative: Guidance and Reminders

- Review the HMEP funding announcement.
- Do not copy and paste your project narrative from previous grant applications.
- The project narrative must fully describe the proposed activities. “Subgrant process, TBD” is no longer valid. Applications that cannot describe how funds will be spent will be subject to **Special Terms and Conditions**.
- Initial application should contain projections covering the 3-year performance period.
- Any revisions to the initial application can be made via a post award modification (activity request) or during the continuing application period.



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# **Components of the HMEP Grant Application**

## **Budget & Budget Narrative**



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# Components of the Grant Application

## Application Budget (SF-424A)

- A grant application must include a budget that details the costs required during the performance of the project.
- The purpose of the line-item budget and budget narrative is to provide a forecast of expenditures and enable the actual financial operation of the organization to be measured against the forecast.



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# Components of the Grant Application

## Testing Your Budget

An applicant's budget request is reviewed for compliance with the governing cost principles, other requirements and policies applicable to the type of recipient and the type of award.

The cost principles address **four tests** that PHMSA follows in determining cost eligibility. Costs charged to awards must be:

- Allowable (*2 CFR part 200, FOA, federal statute*)
- Allocable (*2 CFR § 200.405*)
- Necessary (*2 CFR § 200.403*)
- Reasonable and consistently applied (*2 CFR § 200.403*)



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# Components of the Grant Application

## Budget Narrative, In-depth...

The **budget** provides an overview of costs. The **budget narrative** is written to give a fuller explanation of the cost, and how it was calculated.

The budget narrative of a grant proposal is important, as it provides:

- Transparency for proposed costs listed in the SF-424A Budget.
- Justification for proposed costs that may appear questionable to the granting agency.
- Details how and where the applicant will satisfy cost-sharing requirements (matching).



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# Components of the Grant Application

## Budget and Budget Narrative Guidance and Reminders

There is no 75% “pass-through” requirement, however, there remains a 75% programmatic requirement. At least 75% of the funds must be for programmatic activities, this includes:

- Developing, improving, and implementing emergency plans
- Conducting commodity flow studies
- Conducting exercises
- Training public sector employees



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# Proposal Budget and Budget Narrative

- Up to 25% may be used for management and administration (“M&A”) of the HMEP grant such as monitoring and evaluating the program.
- Other examples include: personnel and fringe costs for state employees involved with oversight of the grant, travel and supplies costs associated with monitoring the grant, and indirect costs.



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# Components of the Budget Narrative

## Budget & Budget Narrative SF-424A Section A

### BUDGET INFORMATION - Non-Construction Programs

OMB Number: 4040-0006  
Expiration Date: 01/31/2019

#### 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)
1. <div style="background-color: yellow; width: 100px; height: 100px;"></div>	<div style="background-color: yellow; width: 100px; height: 20px;"></div>	\$ <div style="background-color: yellow; width: 100px; height: 20px;"></div>	\$ <div style="background-color: yellow; width: 100px; height: 20px;"></div>	\$ <div style="background-color: yellow; width: 100px; height: 20px;"></div>	\$ <div style="background-color: yellow; width: 100px; height: 20px;"></div>	\$ <div style="background-color: #e0e0ff; width: 100px; height: 20px;"></div>

Enter the **Federal and Non-Federal** match amounts in their respective columns under New or Revised Budget. Column G should auto-populate.



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# Components of the Budget Narrative

## Budget & Budget Narrative SF-424A Section B

SECTION B - BUDGET CATEGORIES					
6. Object Class Categories	GRANT PROGRAM, FUNCTION OR ACTIVITY				Total (5)
	(1)	(2)	(3)	(4)	
a. Personnel	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
b. Fringe Benefits	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
c. Travel	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
d. Equipment	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
e. Supplies	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
f. Contractual	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
g. Construction	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
h. Other	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
i. Total Direct Charges (sum of 6a-6h)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	\$ <input type="text"/>
j. Indirect Charges	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	\$ <input type="text"/>
k. TOTALS (sum of 6i and 6j)	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>

Enter the **federal costs only**. Planning and training should not be separated. Include matching amounts in this section (unless exempt). The budget narrative should be used to explain how matching will be met (if applicable).



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# Components of the Budget Narrative

## Budget & Budget Narrative SF-424A Section C

SECTION C - NON-FEDERAL RESOURCES				
(a) Grant Program	(b) Applicant	(c) State	(d) Other Sources	(e)TOTALS
8. <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
9. <input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
10. <input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
11. <input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
12. TOTAL (sum of lines 8-11)	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>

Enter the **matching costs only**.



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# Components of the Budget Narrative

## Budget & Budget Narrative SF-424A Section D & E

We encourage you to complete section D and E.

SECTION D - FORECASTED CASH NEEDS					
	Total for 1st Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
13. Federal	\$ 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.	\$	\$	\$	\$
17.				
18.				
19.				
20. TOTAL (sum of lines 16-19)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00



## Slide 30

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**SC(11**

Made edits to this slide.

Sheppard, Carla (PHMSA), 2/13/2019

# Components of the Budget Narrative

## Budget & Budget Narrative SF-424A Section F

SECTION F - OTHER BUDGET INFORMATION	
21. Direct Charges: <input type="text"/>	22. Indirect Charges: <input type="text"/>
23. Remarks: <input type="text"/>	

Section F is required if requesting indirect costs.



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# Components of the Grant Application

## Budget Line Items Explained

### Personnel (2 CFR § 200.430)

Employee salaries working directly on the grant project. Include the number, type of personnel, the percentage of time dedicated to the project, hourly wage, and total cost.

- This category is limited to **ONLY** persons employed by your organization. Contractual and consultant costs should not be listed in the Personnel line item.



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# Components of the Grant Application

## Budget Line Items Explained

### Fringe Benefits (2 CFR § 200.431)

The allowances and services provided to employees as compensation in addition to regular salaries and wages. Include how the fringe benefit amount is calculated, a description of specific benefits charged to a project, and the benefit percentage.

- Personnel and Fringe costs must be separated into their respective line-item categories. **Do not combine these costs together!**



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# Components of the Grant Application

## Budget Line Items Explained

**Travel** (2 CFR § 200.474)

Those costs requested for field work or for travel to professional meetings. 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.
- Be sure not to exceed the Federal standard for rates of travel. Exceptions will be considered by PHMSA grant staff on the basis reasonableness and necessity. Federal rates of travel can be found on <https://www.gsa.gov/travel/plan-book/per-diem-rates>



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# Components of the Grant Application

## Budget Line Items Explained

### Equipment (2 CFR § 200.439)

Includes those items which 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 state threshold is lower).

- Include a description, quantity and unit price for all equipment.
- If the expense is under the usual threshold of \$5,000 per item, it belongs under “Supplies.” However, if your equipment threshold is below \$5,000, provide an explanation and state policy citation.
- PHMSA recommends applicants have a plan in place to track and dispose equipment items acquired using HMEP grant funding in accordance with § 200.313 (d)(e).



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# Components of the Grant Application

## Budget Line Items Explained

### Supplies (2 CFR § 200.453)

Tangible property other than equipment. Include the type of supply item in general terms.

- It is not necessary to document office supplies in great detail (for example: reams of paper, boxes of paperclips, etc.). A good way to document office supplies is to indicate the approximate expenditure of the unit as a whole.
- However, applicants *should* include a quantity and unit cost for larger cost supply items such as computers and printers



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# Components of the Grant Application

## Budget Line Items Explained

**Contractual** (2 CFR § 200.22)

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**.

***What is a subgrant?*** (2 CFR § 200.92; 2 CFR § 200.330)

An award provided by a pass-through entity to a subrecipient to carry out part of a Federal award received by the pass-through entity.

- 1. Has its performance measured in relation to whether objectives of a Federal program were met.
- 2. Responsibility for programmatic decision-making.



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# Components of the Grant Application

## Budget Line Items Explained

### *What is a contract? (2 CFR § 200.22)*

A contract is a legal instrument by which a Prime Grantee Recipient purchases property or services needed to carry out the project or program under an award.

- Sub-awards and Contracts **must** be listed in the Contractual line-item category. In the budget narrative, they must be correctly identified as a sub-award or a contract.



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# Components of the Grant Application

## Budget Line Items Explained

### Other

“Other” direct costs do not fit any of the aforementioned categories, such as rent for buildings used to conduct project activities, printing, utilities and/or leased equipment, employee training, tuition, etc.

- “Other” direct costs should be itemized and the methodology explained in the budget narrative.



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# Components of the Grant Application

## Budget Line Items Explained

### Indirect Costs (2 CFR § 200.416)

Are incurred for common or joint objectives that benefit more than one project. The applicant must include a current and fully executed agreement in the application if claiming indirect costs.

- Make sure the rate is applied to the appropriate base in the approved agreement.
- 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.
- Applicant may use the 10% DeMinis



# Non-Federal Share

## Cost Sharing/Matching

***Cost sharing or matching*** is the portion of project costs not paid by Federal funds. For planning and training grants, this amount is 20%, if applicable.

- On the 424A budget, enter match in Section A, B, and C. In Section B, place the match in column 2.
- Match must be fully described in the budget narrative in a clearly marked section for match. Explain the amount and how it will be met in the same manner you would for a federal share cost item.



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# Overall Budget Narrative: Reminders

- Submitting a well-written budget narrative results in a faster review by PHMSA and a lower administrative burden to applicants.
- Please check for computational errors!
- Every number listed in the SF-424A line-item budget should have a corresponding explanation as to how it was calculated in the budget narrative.



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# Things to Consider

## Recommendations

- Applicants should endeavor to have the entire 3-year activities detailed in the first year application. Continuation applications may simply be an update, or a statement that nothing has changed.
- **Start early!** Identify sub-awards prior to application submission. Year's 2 & 3 estimated funding is already known.
- Steady progress throughout the grant period. Waiting until year 3 to complete activities is unacceptable and may result in a loss of funding.



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# Notice of Funding Opportunity (NOFO)

The NOFO will provide the requirements for the continuing application submission (where to submit, format, etc.).



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# Common Application Errors

Did I Do That?



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# Most Common Application Errors

## Standard Forms

### 1. SF-424 – Application for Federal Assistance

- Authorized Representative's Signature
- Listing Performance Period (3 Years for States/Territories)

### 2. SF-424A – Budget Information

- Failure to list only year 1 allocation amount
- Mathematical errors
- Failure to calculate budget items under the correct Object Class

### **NOT** TO DO LiST

- 1.
- 2.
- 3.



### 3. Missing, Incomplete, or Unsigned These Required Forms

- ED-80-0013 – Certifications Regarding Lobbying; Debarment, Suspension, Drug-Free Workplace etc.
- Standard Title VI/Non-Discrimination Assurances – Civil Rights Assurances



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# Most Common Application Errors

## Project Narrative

1. Failure to identify Goals, Objectives, Outputs and Outcomes
2. Planning and Training Needs Assessment
  - Lack of identifying numerical data and substantiation for needed resource
3. Lack of clear outputs and outcomes
4. Exceeding 25% M&A threshold



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# Most Common Application Errors

## Project Narrative Cont.

### 1. Planning and Training Activities

- Failure to align activities with budget narrative
- Failure to provide a brief activity description with proposed output numbers and start/end dates
- Failure to include estimated activity costs
- Failure to correlate activities to goals, objectives and needs listed in the application



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# Most Common Application Errors

## Budget Narrative

1. SF-424A budget failure to align with the budget narrative
2. Lack of detailed explanation of how the agency will make its 20% match contribution (if applicable)
3. Incorrect object class categorization enables mishandling of expenses or may cause post-award audit triggers
4. Personnel/Fringe Benefit costs incorrectly charged
5. Incorrect allocation of Indirect costs
6. Identifying pass through indirect cost to the program
7. Lack of indirect cost agreement/lack of clarity on inclusions causing duplicate expenses (direct vs. indirect)



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# HMEP Grant Milestones

## Mark Your Calendar!



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# HMEP Grant Milestones

## Application

- FY16-19 Performance period ends: 09/30/2019
- Application Period begins: March 2019
- Application Due Date: **April 30 (tentative)**
- Application Award Date: 09/30/2019
- Period of Performance: 09/30/2019 – 09/30/2022



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# Invitation to Apply

PHMSA encourages all States and Territories to apply for the HMEP grant via [www.grants.gov](http://www.grants.gov).



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# Invitation to Apply

## Additional Requirements

**Additionally, applicants must register with FedConnect for an account before submitting an application.**

Your organization's Marketing Partner ID number (MPIN), which can be retrieved from the System for Award Management (SAM), is required to create an account.

For instructions on how to register in FedConnect and how to use the portal, view the *FedConnect: Ready, Set, Go! Tutorial* under the *Need Help?* section on the FedConnect home page.

[https://www.fedconnect.net/FedConnect/Marketing/Documents/FedConnect\\_Ready\\_Set\\_Go.pdf](https://www.fedconnect.net/FedConnect/Marketing/Documents/FedConnect_Ready_Set_Go.pdf) FedConnect Instructions

<https://www.fedconnect.net> Fedconnect

<https://www.sam.gov/SAM/> SAM

**NEW!**



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# Hazmat Grant Program

## Contact Information

General Grant Inquiries

[HMEP.Grants@dot.gov](mailto:HMEP.Grants@dot.gov)

Website:

[www.phmsa.dot.gov/hazmat/grants](http://www.phmsa.dot.gov/hazmat/grants)

Phone:

(202)366-1109



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# Questions?



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# Q & A

1. Does PHMSA know the allocation amounts for all three years of the performance period?
  - Yes, PHMSA will provide all three years in the allocation email to the designated agency. Please be aware that the years two and three may vary slightly based on the sequestration. Also the allocation amount for year three may change if you receive an offset due lack of obligating all of your funds for year one.
2. Is there a way to receive additional funding?
  - Yes, through the offset process PHMSA used in FY16-19, a grantee could potentially be eligible to apply for supplemental funding for year three of the performance period.



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# Q & A

3. How do you know that you can claim indirect costs?

- An applicant can claim indirect cost as long as the applicant has a valid Indirect Cost Rate Agreement (ICRA) from a Federal Agency.

4. Are subrecipients allowed to claim indirect costs?

- Yes, as long as the subrecipient has a valid ICRA from a Federal Agency.

5. When will the information of supplemental funding available be provided?

- PHMSA will provide information on supplemental funding during year three continuing application period so that those grantee that are eligible may apply for the additional funding.



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# Q & A

6. How does someone get on PHMSA Hazmat Grants mailing list?
- To be added to our mailing list, please send an email requesting to be added to our distribution list. In your request make sure you provide the following information: name, job title, agency and state name, email, and phone number.
7. Are there any significant changes to the 2019 Expenditures Guide versus the 2017 version?
- Yes, the food is no longer a conditionally allowable; it is unallowable. Also we have changed the Tier II Chemical Inventory Reports and Tier II Databases from unallowable to conditionally allowable. The Fire Rescue International (FRI) conference has changed from conditionally allowable to unallowable.



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