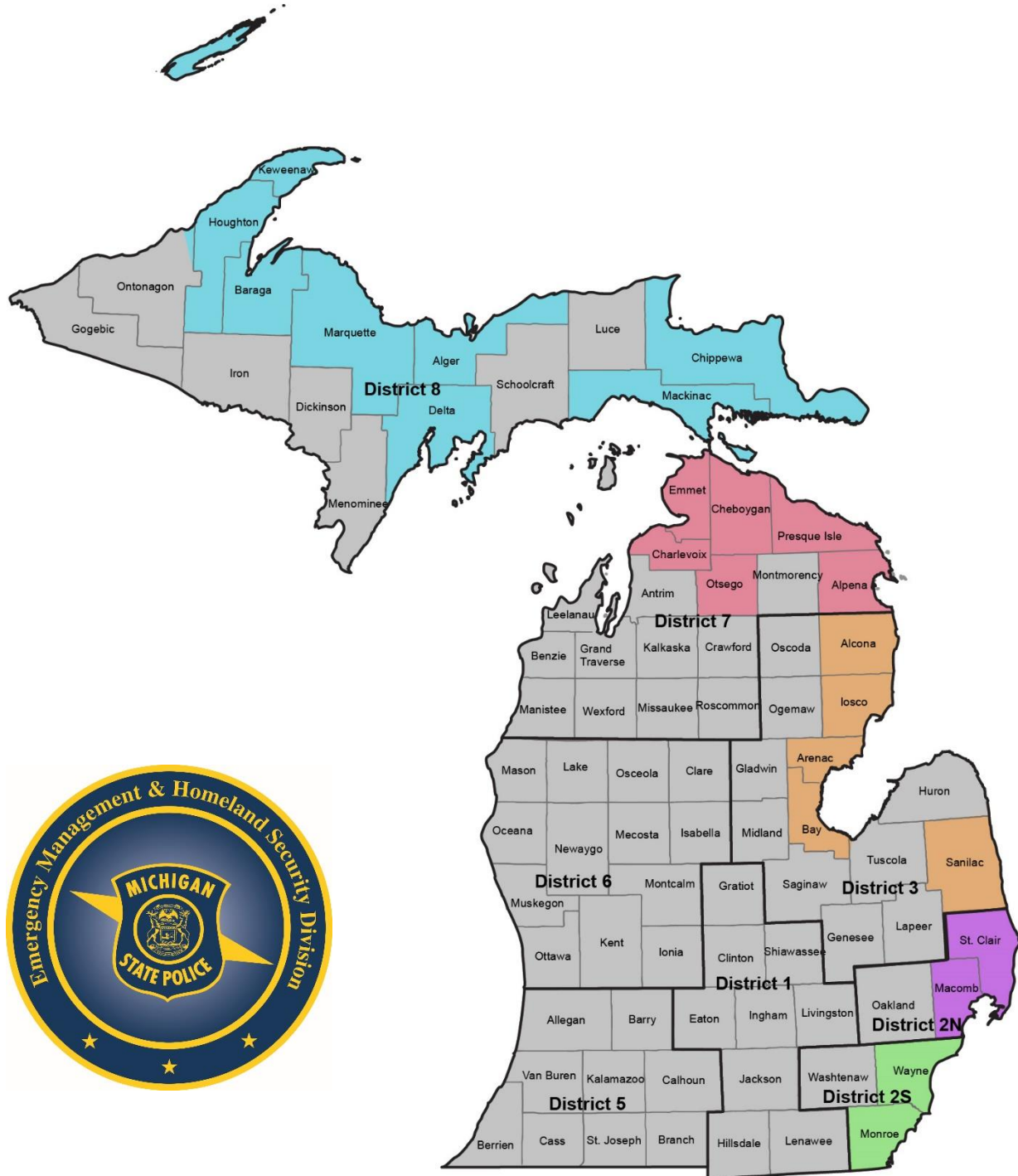


# FY 2019 Operation Stonegarden

## Michigan Supplemental Guidance



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## Preface

Operation Stonegarden (OPSG) supports enhanced cooperation and coordination among Department of Homeland Security Customs and Border Protection (DHS/CBP), United States Border Patrol (USBP), and federal, state, local, tribal, and territorial law enforcement agencies. OPSG provides funding to support joint efforts to secure the United States' borders along routes of ingress from international borders to include travel corridors in states bordering Mexico and Canada as well as states and territories with international water borders.

The FY 2019 OPSG Risk Assessment is designed to identify the risk to border security and to assist with the distribution of funds for the grant program. Funding under OPSG is distributed based on the risk to the security of the border.

For the purposes of OPSG, the risk is defined as the potential for an adverse outcome assessed as a function of threats, vulnerabilities, and consequences associated with an incident, event, or occurrence. Based upon ongoing intelligence analysis and extensive security reviews, DHS/CBP continues to focus the bulk of OPSG funds based upon risk analyses. The risk model used to allocate OPSG funds considers the potential risk that certain threats pose to border security and estimate the relative risk faced by a given area. In evaluating risk, DHS/CBP considers intelligence, situational awareness, criminal trends, and statistical data specific to each of the border sectors, and the potential impacts that these threats pose to the security of the border area. For vulnerability and consequence, DHS/CBP considers the expected impact and consequences of successful border events occurring in specific areas.

Threat and vulnerability are evaluated based on specific operational data from DHS/CBP. Threat components present in each of the sectors are used to determine the overall threat score. These components are terrorism, criminal aliens, drug trafficking organizations, and alien smuggling organizations.

**Please note:** This guidance is intended to provide supplemental information about the OPSG program along with its procedures and applicable regulations and is not a complete resource for all potential OPSG funding scenarios or reporting requirements.

## Program Purpose

OPSG provides funding to designated localities to enhance cooperation and coordination between federal, state, local, tribal, and territorial (SLTT) law enforcement agencies in a joint mission to secure the United States borders along routes of ingress from international borders to include travel corridors in states bordering Mexico and Canada as well as states and territories with international water borders.

OPSG is intended to support Border States and territories of the United States in accomplishing the following objectives:

- Increase intelligence and operational capabilities to prevent, protect against, and respond to border security issues.
- Increase coordination and collaboration among federal, SLTT law enforcement agencies to continue the distinct capability enhancements required for border security and border protection.
- Provide intelligence-based operations through USBP Sector Level experts to ensure safety and operational oversight of federal, SLTT law enforcement agencies participating in OPSG operational activities.
- Support a request to any Governor to activate, deploy, or redeploy specialized National Guard Units/Packages and/or elements of state law enforcement to increase or augment specialized/technical law enforcement elements operational activities.
- Continue to increase operational, material, and technological readiness of SLTT law enforcement agencies.
- Enhance the sharing of threat information and intelligence between Federal, state, local, tribal, and territorial law enforcement agencies. OPSG funds must be used to provide an enhanced law enforcement presence and to increase operational and intelligence capabilities of federal, SLTT law enforcement, promoting a layered, coordinated approach to law enforcement within Border States and territories of the United States.
- Federal, SLTT OPSG Integrated Planning Team (IPT). Federal, SLTT partners must establish and maintain a formalized OPSG IPT with representation from all participating law enforcement agencies, co-chaired by representatives from USBP, the SAA, and participating law enforcement agencies' OPSG program representatives.
- No fewer than two IPT meetings must take place during every funding year:
  - Prior to submitting the Concept of Operations (application)
  - Prior to submitting the Campaign Plan
- OPSG funds may be used for travel and per diem in support of the IPTs and OPSG strategic planning events as long as the costs are otherwise compliant with other program and regulatory requirements.

All operational plans should be crafted in cooperation and coordination among federal, SLTT partners. All applicants must coordinate with the USBP Sector Headquarters with geographic responsibility for the applicant's location in developing and submitting an Operations Order with an embedded budget to the SAA. After awards are announced, prospective recipients will re-scope the draft Operations Order and resubmit it as a Campaign Plan with an embedded budget based on actual dollar amounts awarded.

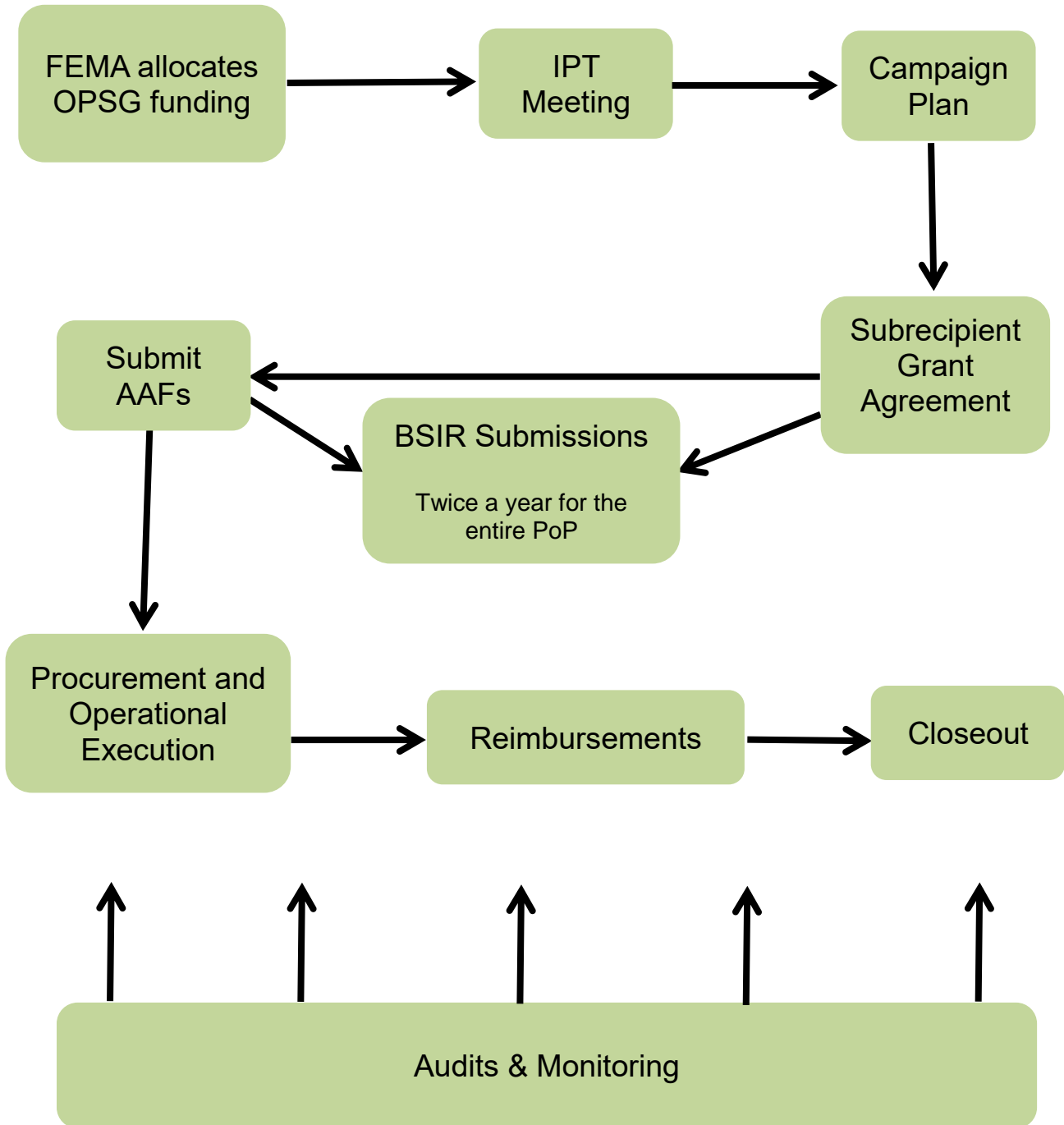
## Basic Program Requirements

Basic requirements:

1. IPT meeting: After the award allocation is announced an IPT meeting is required to complete the campaign plan.
2. Campaign Plan: The campaign plan, or original operation orders (OPORD), developed from the IPT meeting needs to be uploaded to HSIN to be approved by the Federal Emergency Management Agency (FEMA) and USBP.
3. Fragmentary Order: Also known as a FRAGO, is completed to make changes to an already approved OPOORD.
4. Daily Activity Report: A Daily Activity Reports, or DAR, is a HSIN form required to be completed for each shift accounting for the activities during an overtime shift.
5. Grant Agreement: Once the campaign plan is approved a grant agreement will be mailed to the subrecipient. It must be signed and returned with all required documentation in the grant agreement packet.
6. Cost eligibility review: submit an Alignment and Allowability Form (AAF) to the Michigan State Police Emergency Management and Homeland Security Division (MSP/EMHSD) for a review of intended costs to ensure eligibility under the grant program. The costs must exactly match the approved operation orders. No changes may be made without an IPT meeting and approved FRAGO.
7. Procurement: There are very specific procurement requirements that must be met to ensure purchases qualify for reimbursements. More information can be found in the procurement section.
8. Advances: Subrecipients can request an advance of funds to pay for approved projects up to 90 days prior to expenditure. Additional information can be found Advance Procedures in the Grant Requirements Detail section.
9. Reimbursements: Reimbursement packets must include all relevant documentation and be submitted in a timely manner. Further information can be found in appendix H.
10. Equipment List: Equipment with a per-unit cost of \$5,000 or greater must be placed on an equipment inventory list. The equipment must be physically verified and reconciled to this list every two years.
11. Grant Close Out: Once all paperwork has been completed, equipment installed, and reimbursements received the subrecipient can close out their grant by completing a close out BSIR and any subsequent instructions provided by MSP/EMHSD.
12. Equipment Disposition: When looking to dispose of equipment acquired under the award, subrecipients must contact MSP/EMHSD to request instructions for proper disposition of federally funded equipment.

# OPSG Flow Chart

This chart is provided as a quick overview of the administrative processes and requirements of subrecipient OPSG grant awards. This is not an exhaustive inventory of all potential OPSG administrative requirements, and some projects may include additional evaluation or reporting requirements.



# Grant Requirements Detail

## IPT Meetings

It is required that Federal, state, local, tribal, and territorial partners establish and maintain a formalized OPSG IPT with representation from all participating law enforcement agencies, co-chaired by representatives from United States Border Patrol (USBP), the State Administrative Agency, and participating law enforcement agencies' OPSG program representatives. IPT meetings are required prior to submitting the Campaign Plan Operation Orders and if a fragmentary order (FRAGO) is necessary, there must also be an IPT meeting. All operational plans must be crafted in cooperation and coordination with the IPT.

## Campaign Plan/Operation Orders (OPORD)

Operation orders or campaign plans are done once the sub-recipient has received the award amount. The OPORD should articulate the agency's long-term border security goals and objectives for mitigating border security risks and be developed in conjunction with the regional USBP.

OPORDS go through the following levels of review for approval:

- Development and Approval with USBP Sector
- Review and approval by SAA
- USBP Headquarters
- FEMA-DHS

## Vehicle Requests

Subrecipients requesting vehicles or specialized equipment will be required to submit a Vehicle Justification with the Operations Order.

## PRICE ACT Waiver

Subrecipients requesting to utilize over 50% of the obligated funds for allowable personnel costs must include a waiver request for the personnel cap with the OPORD.

## Environmental and Historic Preservation Compliance (EHP)

All projects which may have a potential impact to the environment require a FEMA EHP review. Ground-disturbing activities, new construction, including communication towers, or modification/renovation of existing buildings or structures must undergo a FEMA EHP review (this includes Radar). Projects that require an EHP review, must have an approval from FEMA prior to any work being started or funds being expended.

## Fragmentary Order (FRAGO)

A budgetary or operational adjustment to the approved OPORD. FRAGOS are typically used to move funds between cost categories but may also be done to adjust quantities of equipment or changes to the operational plan. FRAGOS are required to be completed in HSIN with border patrol.



## Daily Activity Report (DAR)

DARS are to be submitted for each OPSG patrol by the subrecipient within 48 hours of a patrol and approved by Border Patrol within 72 hours after submission. DARS must include the correct date, officer, and hours worked in order to be eligible for reimbursement. DARS must also include, if applicable, mileage, citations, stops, seizures, and a narrative report of daily activities.

## Grant Agreement Packet

Grant agreements are a legal contract that explain the responsibilities of both the subrecipient and recipient. Your grant agreement packets will include a cover letter, two grant agreements, a subrecipient risk assessment certification, standard assurances, certification regarding lobbying, audit certification, W-9, agreement articles applicable to subrecipients, and a subrecipient checklist. An explanation of each document can be found in appendix B.

Please return the required grant documentation listed on the Subrecipient Checklist to our office at the following address:

Attention: Ms. Alyssa Duhr-Vannelli  
Emergency Management and Homeland Security Division  
Michigan State Police  
P.O. Box 30634  
Lansing, Michigan 48909

## Alignment and Allowability Form

The AAF is designed to capture all necessary data to demonstrate grant program cost eligibility. Cost eligibility determination is based on information provided in the AAF, including the intended use/outcome of the project, and assessed against grant program guidance.

Documentation submitted without all required information will be returned to the subrecipient for completion and resubmission.

## EHP

Federal regulations require that all federally funded activities and programs, including grant-funded projects, comply with Federal EHP regulations, laws and Executive Orders, as applicable, as they relate to the potential effects on the environment and/or historic properties. FEMA meets this regulation through the EHP review process. If your project requires an EHP you will be notified after submitting the AAF. Any activities that have been initiated without the necessary EHP review and approval will result in a non-compliance finding and will not be eligible for federal funding.

## Procurement Procedures

### Code of Federal Regulations (CFR) Procurement and Property Procedures Summary

Procurement Procedure requirements are found at 2 CFR 200.318-326, and Appendix II, and Property Procedures are found at 2 CFR 200.313. You can access the 2 CFR 200 at [www.ecfr.gov](http://www.ecfr.gov). Subrecipients are responsible for ensuring all procurement rules and regulations are followed appropriately. Procurement documentation will be evaluated during on-site reviews

and audits. The following is a list of some of the important concepts to include in your procurement process.

### **Follow your procurement policy**

Your organization's procurement policy must be followed unless more restrictive requirements are outlined in 2 CFR 200.318-326 and Appendix II.

### **Dates**

Make sure the project's Alignment and Allowability Form (AAF) and Environmental and Historical Preservation review (EHP) have been approved before beginning the procurement process. All purchases and installation must be completed by the end of the performance period.

### **Non-competitive procurement (sole sourcing)**

Non-competitive procurement, or sole sourcing is not allowed. An adequate number of quotes or bids must be solicited from vendors or contractors (three as a minimum). If the procurement is technical in nature or requires integration with an existing system, clearly state that in the solicitation and let the potential vendor or contractor determine whether they can provide the product or service.

### **Socio-economic procurement**

At least one socio-economic vendor or contractor must be solicited for all procurements except when using the micro-procurement method.

### **Contract provisions**

All solicitations and contracts must include the Contract Provisions outlined in 2 CFR 200.326 and Appendix II.

### **Excluded or suspended vendor check**

Subrecipients are prohibited from using contractors or vendors that are excluded or suspended from doing business with the federal government. Perform this verification at [www.SAM.gov](http://www.SAM.gov). Print the page with your search criteria and the page with the results and keep in your procurement files.

A complete list of the procurement and equipment requirements outlined in the federal regulations can be found by searching 2 CFR 200.313 (for equipment), and 2 CFR 200.318-326 and Appendix II (for procurement) at [www.ecfr.gov](http://www.ecfr.gov).

## **BSIR**

The MSP/EMHSD is required to provide biannual progress reports to FEMA through the federal Grants Reporting Tool (GRT). The EMHSD Biannual Strategy Implementation Report (EMHSD BSIR) template is how MSP/EMHSD collects subrecipient information to meet these reporting requirements.

The EMHSD BSIR template must be completed and submitted to MSP/EMHSD at the end of each reporting period. The EMHSD BSIR is due every January 10<sup>th</sup> and July 10<sup>th</sup> throughout the grant performance period. The EMHSD BSIR template is provided to subrecipients via email and can be found on the MSP/EMHSD website at: [www.michigan.gov/emhdsd](http://www.michigan.gov/emhdsd). The BSIR

submission must account for all completed activities and progress of your grant whether or not expenditures are incurred.

## **Advance Procedures**

If necessary, your organization may request an advance of grant funds by following the requirements below.

### **Advance Request Conditions**

- Requests for advances must be for \$10,000 or more.
- The advance must be requested in a formal letter and include all documentation listed below together in an advance request packet.
- Advance funds must be placed in an interest-bearing account.
- Any interest earned over \$500 must be returned to MSP/EMHSD.
- All invoices and proof of payment must be dated and submitted to MSP/EMHSD within 90 days of receipt of the advance.
- All goods and services must be received within 60 days of receipt of the advance to ensure the 90-day advance liquidation deadline is met.

### **Advance Request Packet Required Documentation**

- All advances must be requested in a formal letter. The letter must include the following:
  - Grant program title and grant year.
  - Dollar amount of advance request.
  - A line item budget including each item to be purchased with the advanced funds.
  - Certification that goods and services will be received within 60 days of receiving the advanced funds and proof of payment will be dated and submitted to MSP/EMHSD within 90 days of receipt of advance funds.
    - Advance request letters omitting any of the above criteria will not be considered.
- Approved purchase order(s).
- Vendor's quote/invoice.
- Signed and approved Alignment and Allowability Form (AAF).

### **Storage of Advance Funds**

- Subrecipient must place advanced funds in an interest-bearing account.
- Subrecipient may keep interest earned up to \$500 per year to cover administrative expenses for all federal grant funds combined.
- Subrecipient must notify the MSP/EMHSD quarterly, in writing, of any interest earned over \$500.
- Subrecipients must send the MSP/EMHSD a check payable to the State of Michigan for any interest earned over \$500.
- Interest received by the MSP/EMHSD is returned to the federal government.

## **Advance Timeframe**

Advances cannot be outstanding for longer than 90 days. All invoices and proof of payment must be dated within 90 days of the advanced payment issue date.

When advance purchases are completed, subrecipient must submit:

- Reimbursement cover sheet (EMD-054) and indicate it is advance documentation.
- Copy of supporting paid invoices.
- Copy of cancelled checks.
- Copy of approved alignment and allowability form (AAF).
- A check for unused portion of advance made payable to the State of Michigan.
- Details forms (if necessary).

## **Reimbursement Procedures**

Reimbursement forms are available at <http://www.michigan.gov/emhsd>. Please submit reimbursement requests in a timely manner, do not wait until the end of the grant performance period to submit all reimbursements. At a minimum, reimbursements should be submitted bi-annually. Please keep copies of your reimbursements and supporting documentation.

### **EMD-054**

A separate EMD-054 must be completed for each reimbursement request, grant solution area and individual exercise. Submit only one Solution Area per reimbursement request. Solution areas are: Planning, Organization, Equipment, Training, Exercise, and Management & Administration.

### **EMD-056**

An EMD-056 must be completed whenever requesting reimbursement for equipment, supplies and other items.

Attach documentation to support equipment, supplies, and other items on the reimbursement request:

- Copy of paid invoice, including the following:
  - Date and signature, or initials, of individual approving invoice to be paid
- Proof of payment:
  - Bank copy of canceled check (front and back)
  - Credit card receipt or statement
  - Detailed receipt indicating item, service, date and method of payment.
  - Financial institution system-generated report showing outlay of funds
- Copy of approved AAF (and EHP if applicable)
- Approved Operation Orders (OPORD) budget table
- Federal Emergency Management Agency (FEMA) approval letter

## **EMD-055**

An EMD-055 must be completed when requesting payroll reimbursement. Each change in an employee's wage rate requires completion of an additional line, even if it is the same employee.

The Fringe Benefit Rate Calculation Worksheet must be filled out when submitting payroll reimbursement requests if fringe benefits are included. The Fringe Benefit Rate Calculation Worksheet is on the "Instructions" tab of the Payroll Reimbursement Detail.

Attach documentation to support payroll reimbursement request.

- Proof of payment:
  - Copy of Payroll Ledger, which includes employee name, pay date, amount paid and check or electronic funds transfer (EFT) number.
  - Copy of actual pay stubs for employees proving that payment was made and when.
  - Timecards for employees are NOT enough proof of payment and will ONLY be accepted as supporting documentation that accompanies proof that payment was made.
- Daily activity report (DAR) for each shift and employee completed in the Homeland Security Information Network (HSIN). These reports are printed by MSP/EMHSD during the review of the reimbursement.
- Price Act Waiver also known as the Personnel Cap (P-CAP) Waiver
- Approved Operation Orders (OPORD) budget table
- Federal Emergency Management Agency (FEMA) approval letter
- An overtime log that includes at a minimum the officer, the date, the shift start and end time and the total hours worked.
  - An example of the overtime log can be found in appendix E.
- Copy of approved AAF.

## **Reimbursement Submission**

Submit the reimbursement packet by mail to:

Michigan State Police  
Emergency Management & Homeland Security Division  
ATTN. Financial Administration Unit  
P.O. Box 30634  
Lansing, Michigan 48909

## **Grant Close-out**

### **Final BSIR**

Complete close out BSIR.

## **Final Reimbursements**

All reimbursements must be submitted within 30 days of the end of the performance period. The final day to submit reimbursements for FY 19 OPSG is 8/30/22.

## **Equipment Inventory List**

If the equipment per-item purchase cost is \$5,000 or greater, the item must be placed on an equipment inventory list and include a description of the property, a serial number or other identification number, the source of funding for the property (including the Federal Award Identification Number), who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property and submitted to MSP/EMHSD annually. The equipment must be physically verified and reconciled to this list at least once every two years.

## **Equipment Disposition**

When original or replacement equipment acquired under the award is no longer needed for the original project or program or for other activities currently or previously supported by FEMA, subrecipients must contact MSP/EMHSD to request instructions for proper disposition of the equipment, pursuant to 2 C.F.R. Section 200.313.

A review prior to disposition is required for any equipment on the equipment inventory list.

Send an email to [EMD\\_HSGP@michigan.gov](mailto:EMD_HSGP@michigan.gov) explaining what your jurisdiction is planning to do with the equipment. The requester will receive specific questions based on the category of disposition that applies and will need to submit the answers back to [EMD\\_HSGP@michigan.gov](mailto:EMD_HSGP@michigan.gov). Disposition requests will be evaluated for compliance and the requester will be notified of the results and any further instructions.

Equipment Inventory lists must be kept updated. Keep property and equipment records for three years after disposition. Any proceeds from equipment disposition must be used on current allowable costs identified under the Homeland Security Grant Program. For zero value dispositions such as lost, stolen or damaged, an incident report will need to be provided and kept on file.

# Appendix A: Summary of the National Preparedness Goal

## The National Preparedness Goal

The National Preparedness Goal defines what it means for the whole community to be prepared for all types of disasters and emergencies.

“A secure and resilient nation with the capabilities required across the whole community to prevent, protect against, mitigate, respond to, and recover from the threats and hazards that pose the greatest risk.”

The NPG sets the vision for nationwide preparedness and identifies the core capabilities and targets necessary to achieve preparedness across five mission areas laid out under Presidential Policy Directive (PPD) 8: prevention, protection, mitigation, response, and recovery. Our security and resilience posture is described through the core capabilities necessary to address the risks we face. We use an integrated, layered, and all-of-Nation approach as the foundation for building and sustaining core capabilities and preparing to deliver them effectively.

**Table 1: Core Capabilities by Mission Area**

Prevention	Protection	Mitigation	Response	Recovery	
Planning					
Public Information and Warning					
Operational Coordination					
Intelligence and Information Sharing		Community Resilience	Infrastructure Systems		
Interdiction and Disruption			Long-term Vulnerability Reduction	Critical Transportation	Economic Recovery
Screening, Search and Detection				Risk and Disaster Resilience Assessment	Environmental Response/Health and Safety
Forensics and Attribution	Access Control and Identity Verification	Threats and Hazards Identification	Fatality Management Services	Housing	
	Cybersecurity		Fire Management and Suppression*	Natural and Cultural Resources	
	Physical Protective Measures		Logistics and Supply Chain Management		
	Risk Management for Protection Programs and Activities		Mass Care Services		
	Supply Chain, Integrity and Security		Mass Search and Rescue Operations		
			On-scene Security, Protection, and Law Enforcement		
			Operational Communications		
			Public Health, Healthcare, and Emergency Medical Services		
			Situational Assessment		

## Mission Area Summaries

### **Prevention**

Prevention includes those capabilities necessary to avoid, prevent, or stop a threatened or actual act of terrorism. It is focused on ensuring we are optimally prepared to prevent an imminent terrorist attack within the United States. Prevention also includes the intelligence, law enforcement, and homeland defense activities conducted in the event of an act of terrorism in the homeland to determine if follow-on attacks are planned and thwart and/or apprehend the adversary.

### **Protection**

Protection includes capabilities to safeguard the homeland against acts of terrorism and man-made or natural disasters. It is focused on actions to protect the citizens, residents, visitors, and critical assets, systems, and networks against the greatest risks to our Nation in a manner that allows our interests, aspirations, and way of life to thrive. We will create conditions for a safer, more secure, and more resilient Nation by enhancing Protection through cooperation and collaboration with all sectors of society.

### **Mitigation**

Mitigation includes those capabilities necessary to reduce loss of life and property by lessening the impact of disasters. It is focused on the premise that individuals, the private sector, communities, critical infrastructure, and the Nation as a whole are made more resilient when the consequences and impacts, the duration, and the financial and human costs to respond to and recover from adverse incidents are all reduced.

### **Response**

Response includes those capabilities necessary to save lives, protect property and the environment, and meet basic human needs after an incident has occurred. It is focused on ensuring that the Nation is able to effectively respond to any threat or hazard, including those with cascading effects, with an emphasis on saving and sustaining lives and stabilizing the incident, as well as rapidly meeting basic human needs, restoring basic services and community functionality, establishing a safe and secure environment, and supporting the transition to recovery.

### **Recovery**

Recovery includes those capabilities necessary to assist communities affected by an incident in recovering effectively. It is focused on a timely restoration, strengthening, and revitalization of the infrastructure; housing; a sustainable economy; and the health, social, cultural, historic, and environmental fabric of communities affected by a catastrophic incident. The ability of a community to accelerate the recovery process begins with its efforts in pre-disaster preparedness, including mitigation, planning, and building capacity for disaster recovery. These efforts result in a resilient community with an improved ability to withstand, respond to, and recover from disasters, which can significantly reduce recovery time and costs.



## Appendix B: Allowable Costs

Allowable Program Activities Current as of FY 2019
<b>Allowable Planning Costs</b>
Travel/per diem related to planning activities
Overtime and backfill costs (in accordance with operational Cost Guidance)
<b>Allowable Organizational Activities</b>
Overtime for information, investigative, and intelligence sharing activities (up to 50 percent of the allocation)
Reimbursement for select operational expenses associated with increased security measures at critical infrastructure sites incurred (up to 50 percent of the allocation)
<b>Allowable Equipment Categories</b>
Personal Protective Equipment
Information Technology
Interoperable Communications Equipment
Detection
Medical Countermeasures
Power (e.g., generators, batteries, power cells)
Terrorism Incident Prevention Equipment
Physical Security Enhancement Equipment
Inspection and Screening Systems
Intervention Equipment (e.g., tactical entry, crime scene processing)
Vehicle Rentals
Other Authorized Equipment
<b>Allowable Training Costs</b>
Overtime and backfill for emergency preparedness and response personnel attending DHS/FEMA-sponsored and approved training classes
Overtime and backfill expenses for part-time and volunteer emergency response personnel participating in DHS/FEMA training
Training workshops and conferences
Full- or part-time staff or contractors/consultants
Travel
Immigration enforcement training

<b>Allowable Management &amp; Administrative Costs</b>
Hiring of full- or part-time staff or contractors/consultants to assist with the management of the respective grant program, application requirements, and compliance with reporting and data collection requirements
Development of operating plans for information collection and processing necessary to respond to DHS/FEMA data calls
Overtime and backfill costs
Travel
Meeting related expenses

## **Appendix C: Unallowable Costs and Activities**

OPSG unallowable costs include costs associated with staffing and general IT computing equipment and hardware, such as personal computers, faxes, copy machines, modems, etc. OPSG is not intended as a hiring program. Therefore, applying funds toward hiring full-time or permanent sworn public safety officers is unallowable.

OPSG funding shall not be used to supplant inherent routine patrols and law enforcement operations or activities not directly related to providing enhanced coordination between local and federal law enforcement agencies. Construction/renovation costs and exercise costs are prohibited under OPSG. As well as the purchase of weapons and weapons accessories, including ammunition. Grant funds must comply with Information Bulletin (IB) 426 and may not be used for the purchase of the following equipment: firearms; ammunition; grenade launchers; bayonets; or weaponized aircraft, vessels, or vehicles of any kind with weapons installed.

## **Appendix D: Select Code of Federal Regulations (CFR) Situations Explained**

As the SAA for the U.S. Department of Homeland Security grant programs, the Michigan State Police, Emergency Management and Homeland Security Division is responsible for ensuring that all subrecipients adhere to requirements established by the Federal government. In doing so, the MSP/EMHSD monitors grant compliance and provides guidance on how to best meet Federal requirements. Subrecipients are encouraged to contact their agency's legal staff for assistance in determining compliance with the Federal grant and CFR requirements.

Provided below are some examples of common audit findings, the specific requirements, and solutions to assist subrecipients with compliance requirements. The term "subrecipient" includes employees of the subrecipient, members of their governing board, or fiduciary agents.

### **Socio-Economic Procurement**

**Situation:** When procuring goods and services, subrecipients do not seek out and include firms from the socio-economic groups to include when obtaining quotes or in their solicitation for bids (whether formal or informal); and/or their search criteria is geographically limiting (for example, searching within a 100-mile radius of the subrecipient municipality). A socio-economic business is one that is a small or minority-owned business, women-owned business enterprise, or disadvantaged (labor surplus area) business.

**Requirement:**

#### **2 CFR 200.321**

- a) The non-Federal entity must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.
- b) Affirmative steps must include:
  - 1) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
  - 2) Assuring that small and minority businesses and women's business enterprises are solicited whenever they are potential sources;
  - 3) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses and women's business enterprises;
  - 4) Establishing delivery schedules, where the requirement permits, which encourages participation by small and minority businesses and women's business enterprises;
  - 5) Using the services and assistance, as appropriate, of such organizations as the Small Business Administration (SBA) and the Minority Business Development Agency of the Department of Commerce; and
  - 6) Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (1) through (5) of this section.

#### **2 CFR 200.319 (b)**

The non-Federal entity must conduct procurements in a manner that prohibits the use of statutorily or administratively imposed State, Local, or Tribal geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. Nothing in this section preempts state licensing laws. When contracting for architectural and engineering (A/E)

services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

Suggestion: The SBA has developed a tool to assist in locating socio-economic businesses to include in your procurements, SBA Dynamic Small Business Search. The tool is found at: [http://dsbs.sba.gov/dsbs/search/dsp\\_dsbs.cfm](http://dsbs.sba.gov/dsbs/search/dsp_dsbs.cfm).

It is important that your search criteria are broad enough that at least one socio-economic firm is identified. If you have concerns based on the distance of the firm's location to you, perhaps that their response time would be an issue, include those requirements in your solicitation. It is up to the firm to decide if they can meet the criteria. In order to comply with both 2 CFR 200.321 and 2 CFR 200.319 (b), you must ensure your search is broad enough to include at least one socio-economic firm without regard to the distance from your location.

### **Sole Source Procurement**

Situation: Subrecipients do not publicly solicit for quotes or bids when procuring goods and services and do not actively seek out socio-economic businesses. Non-competitive proposals (sole source selection) for goods and services are generally not allowed.

Subrecipients cannot select a vendor from a "preferred" vendor list to bypass the competitive quote/bid process. Preferred vendor lists are allowed as a pool of vendors to solicit, but subrecipients must also solicit from the general public. Soliciting from socio-economic firms is required. Procurement policies that limit competition like "Buying Local" are not allowed. Subrecipients must follow applicable Federal, State, and Local procurement procedures.

Requirements:

#### **2 CFR 200.320 (f) (1-4)**

Procurement by non-competitive proposals is procurement through the solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:

- The item is available only from a single source;
  - The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
  - The Federal awarding agency or pass-through entity expressly authorizes a non-competitive proposal in response to a written request from a recipient or subrecipient; or
  - After solicitation of a number of sources, competition is determined inadequate.
- 2 CFR 200.321 (a)
- The non-Federal entity must take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible. (2 CFR 200.321 (b) lists the affirmative steps required)

Suggestion: The procurement of goods or services by non-competitive proposals (sole source), may be done only when the circumstances of 2 CFR 200.320 (f) (listed above) are present. Identifying and including socio-economic firms in the solicitation process is required. If the subrecipient believes they meet the criteria for non-competitive procurement, they must document that justification thoroughly.

Preferred vendor policies or procedures are not recognized in the CFR; therefore, subrecipients may not choose vendors solely through the use of those policies to the exclusion of public solicitation. Additionally, there can be no competitive restrictions in the process such as choosing from a geographic area. The subrecipient must follow Federal, State, and Local procurement procedures, and their contractors, subcontractors or subrecipients must also follow them.

### **Professional Services**

Situation: An officer or employee of a non-Federal entity provides professional services to the same non-Federal entity and is paid with Federal awards for the services performed.

Requirement:

2 CFR 200.459 (a)

Costs of professional and consultant services rendered by persons who are members of a particular profession or possess a special skill, and who are not officers or employees of the non-Federal entity, are allowable.

Suggestion: The subrecipient must ensure through policies, procedures, and contract monitoring that their officers and employees are not allowed to perform professional services for the non-Federal entity that is also their employer.

### **Dual Compensation**

Situation: Employees of a subrecipient that are paid from a Federal award perform professional services for compensation outside of their regular employment or board duties during normal work hours or while on paid leave (annual leave, sick leave, or other paid leave).

Requirement:

2 CFR 200.430 (i) (1) (iii)

In no case is dual compensation allowable. That is, an employee of a subrecipient may not receive compensation from both their organization and an award for a single period of time (i.e. 1:00 PM to 5:00 PM), even though such work may benefit both activities.

Suggestion: The situation described above constitutes dual compensation. Employees whose wages and salaries are derived from taxpayer funds (local, state, or Federal) cannot be paid for work performed while they are receiving other taxpayer-funded pay. (This does not apply to subrecipient employees whose salaries and wages are derived from private sector funds.)

The subrecipient should have a Disclosure of Conflict of Interest policy. They must also ensure, through policies and procedures, that employees performing work outside of their organizational employment (whether employee or board member) are not working during any period (including leave time) that is compensated by a Federal award.

All of the subrecipient's employees must have detailed documentation that includes dates and times of work performed as an employee and work performed for grant objectives. (See "Standards for Documentation of Personnel Expenses" below) Employees or members of the

governing board cannot be paid using grant funds when they are also receiving payment for vacation, sick leave, or any other form of paid time off.

### **Conflict of Interest**

Situation: An employee, member, or agent of a subrecipient (including their board members), participate in making decisions, approvals, disapprovals, recommendations, or rendering of advice on the use of Federal grant money where they personally benefit from that participation, or there is the perception that they would personally benefit.

Requirement:

#### **2 CFR 200.318**

Subrecipients must maintain written standards of conduct covering conflicts of interest and governing the performance of its employees engaged in the selection, award, and administration of contracts. An employee, officer, or agent must not participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest. Such a conflict would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs, or is about to employ, any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract. The officers, employees, and agents must neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to a subcontract.

Suggestions: The above-stated situation represents a conflict of interest. The individuals or entities that would benefit or appear to benefit from participation in any step of the process, including supervision, must be excluded from all participation.

Subrecipients should have a policy or procedure regarding conflict of interest. Subrecipients must ensure that personnel receive training that illustrates what a conflict of interest looks like and explains the organization's conflict of interest procedures. Subrecipients must ensure that personnel and procurement policies are followed, and personnel that have supplemental employment or financial interest in decisions made do not participate in the process.

Subrecipients should actively perform contract monitoring to ensure that procurement decisions are not conducted with a conflict of interest.

### **Contract Monitoring**

Situation: A subrecipient has contracted with a vendor who is not performing as outlined in the contract. The work performed is not at the quality expected, items contracted for are not being delivered, and there are excessive cost over-runs.

Requirements:

#### **2 CFR 200.318 (b)**

Subrecipients must maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

Lack of policies and procedures, internal controls, and an effective contract monitoring process may result in questioned costs and the repayment of grant funds. Examples of areas of concern and considerations include:

- Lack of current contract;
- Unclear or vague scope of work;
- Lack of work product;
- Extension of grant does not mean the contract is extended;
- Non-compliance with Federal, State, Local, and Organizational procurement and purchasing procedures;
- Lack of documented evidence that work was performed, reviewed, meets scope of contract, and is approved prior to payment.

Suggestion: Actively involve purchasing/procurement personnel in the development of contracts to ensure compliance with Federal, State, Local, and Organizational purchasing/procurement rules and regulations. Considerations should include:

- Develop policies and procedures specifically for contract monitoring;
- Review contracts on a frequent basis;
- Develop a clear scope of work and clear, understandable deliverables;
- Identify personnel responsible for reviewing work products and invoices, comparing work products to contracts/purchase orders, and authorizing the payment of invoices;
- Review and discuss work performance at regular board meetings;
- Follow Federal, state, and local purchasing/procurement rules and regulations regarding new or renewal contracts and sole source requirements as applicable;
- Maintain appropriate documentation.

## **Suspension and Debarment**

Situation: The subrecipient has not verified suspension and debarment and/or has not maintained documentation of the verification for a proposed contractor or vendor for a contract greater than \$10,000. And/or the subrecipient has not verified suspension and debarment for a sub-award.

Requirements:

### **2 CFR 200.205 (d)**

...the Federal awarding agency must comply with the guidelines on government-wide suspension and debarment in 2 CFR 180, and must require recipients and subrecipients to comply with these provisions. These provisions restrict Federal awards, subawards, and contracts with certain parties that are debarred, suspended or otherwise excluded from or ineligible for participation in Federal programs or activities.

### **2 CFR 200, Appendix II (H)**

A contract award (see 2 CFR 180.220) must not be made to parties listed on the government-wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR citation) and 12689 (3 CFR citation), "Debarment and Suspension." SAM exclusions contain the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.



Suggestions: The System for Award Management (found at <http://www.SAM.gov>), includes a searchable database maintained by the General Services Administration (GSA) on parties that are excluded from receiving Federal contracts, certain subcontracts, and certain Federal financial and nonfinancial assistance and benefits. The subrecipient must maintain evidence that their contractors or vendors have not been flagged in this system. To perform the search, follow these steps:

- Go to website [www.SAM.gov](http://www.SAM.gov)
- Click “Search Records”
- Click “ADVANCED SEARCH – EXCLUSION” at the lower right part of the screen
- Click “Single Search”
- Enter the name of the vendor in the “Name” box, and double check the following selections
  - Classification – all
  - Exclusion – active
  - Exclusion Type – all
  - Exclusion – all
  - Perform a screen print to capture your selection criteria
- Click the blue “SEARCH” button
- Perform a screen print of results, attach to previous screen print, and maintain in your procurement file

## **Equipment Inventory**

Situation: The subrecipient is not maintaining adequate property records and/or has not conducted and documented a physical inventory of equipment within the past two years.

Requirements:

### **2 CFR 200.313 (d) (1)**

Property records must be maintained that include a description of the property, a serial number or other identification number, the source of funding for the property (including the FAIN), who holds title, the acquisition date, cost of the property, percentage of Federal participation in the project costs for the Federal award under which the property was acquired, the location, use, the condition of the property, and any ultimate disposition data including the date of disposition and sale price of the property.

### **2 CFR 200.313 (d) (2)**

A physical inventory of the property must be taken, and the results reconciled with the property records at least once every two years.

Suggestion: The subrecipient prepare an equipment inventory list that includes all information required by 2 CFR 200.313 (d) (1). There is no required format as long as the required information is listed. The MSP/EMHSD has developed a template that can be used to facilitate the process, but it is not required. Additionally, the subrecipient must perform a physical inventory at least every two years, maintain the verification documentation, and submit a copy to the MSP/EMHSD Audit Unit within 30 days of their year-end.

## **Subrecipient Monitoring and the Single Audit Requirement**

Situation: Subrecipients who receive \$750,000 or more in total Federal awards per fiscal year have not had the required single or program specific audit performed. Additionally, subrecipients who are also pass-through entities have not verified that their subrecipients who have \$750,000 or more in total Federal awards per fiscal year have had the required program specific or single audit performed.

Requirement:

### **2 CFR 200.501 (a)**

Audit Requirement. A non-Federal entity that expends \$750,000 or more during the non-Federal entity's fiscal year in Federal awards must have a single or program-specific audit conducted for that year in accordance with the provisions of this part.

### **2 CFR 200.331 (f)**

All pass-through entities must verify that every subrecipient is audited as required by Subpart F—Audit Requirements of this part when it is expected that the subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in 200.501 Audit requirements.

Suggestion: Subrecipients who expect to have more than \$750,000 in total Federal awards for a fiscal year must have a single audit performed. Additionally, subrecipients who are also pass-through entities must have a system in place to determine whether their subrecipients comply with 2 CFR 200.501 (a).

## **Standards for Documentation of Personnel Expenses**

Situation: The subrecipient does not maintain sufficient supporting documentation for salaries and wages charged to the grant. There is little or no account of the daily work performed, and hours charged to the grant are not recorded.

Requirements:

### **2 CFR 200.430 (i) (1) (i)-(vii)**

Charges to Federal awards for salaries and wages must be based on records that accurately reflect the work performed. These records must:

- (i) Be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated;
- (ii) Be incorporated into the official records of the non-Federal entity;
- (iii) Reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensation activities...;
- (iv) Encompass both Federally assisted and all other activities compensated by the non-Federal entity on an integrated basis, but may include the use of subsidiary records as defined in the non-Federal entity's written policy;
- (v) Comply with the established accounting policies and practices of the non-Federal entity...;
- (vi) Support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost

activity. (additional citations concerning standards for documentation are found at 2 CFR 200.430 (i) (1) (viii)-(x))

Suggestion: Supporting documentation for salaries and wages should include the name of grant-funded employee being compensated, reporting period dates, total hours worked per day with a breakdown of funding sources if there is more than one (including general funds and non-Federal grant activities), amount of time spent on an activity that totals the hours worked that day, and be signed by the grant-funded employee.

**Subrecipient Policies and Procedures:**

In addition to Federal requirements, all policies and procedures issued by the subrecipient's organization must be followed. The Federal requirements are not intended to conflict with an organization's policies and procedures. If a conflict occurs, then the more restrictive policy should be followed.

## Appendix E: Overtime Log

All personnel reimbursement requests require an overtime log. The log pictured below is an example of a template provided by MSP/EMHSD. Any existing or created form with the included information is acceptable. Overtime logs may be completed either electronically or in paper form. For a shift to be eligible for reimbursement the payroll documentation, the overtime log, and the DAR must all match.

OPSG Overtime Log				
Employee Name	Date worked	Shift Start	Shift Completion	Total Hours
Sgt. J Smith	10/1/2019	0600	1400	8

## Appendix F: Acronym List

AAF	Alignment and Allowability Form
AEL	Authorized Equipment List
BSIR	Biannual Strategy Implementation Report
CBRNE	Chemical, Biological, Radiological, Nuclear or Explosive
CFR	Code of Federal Regulations
CIKR	Critical Infrastructure and Key Resources
DAR	Daily Activity Report
DUNS	Data Universal Numbering System
EHP	Environmental and Historic Preservation
EIN	Employer Identification Number
EOP	Emergency Operations Plan
FRAGO	Fragmentary Order
GIS	Geographic/Geospatial Information Systems
GPD	Grant Program Directorate
HSIN	Homeland Security Information Network
IB	Information Bulletin
JTTF	Joint Terrorism Task Force
NIMS	National Incident Management System
NOFO	Notice of Funding Opportunity
OPORD	Operation Orders
PAW	Price Act Waiver
P-CAP	Personnel Cap
PoP	Period of Performance
PPD	Presidential Policy Directive
SAA	State Administrative Agency

## Appendix G: MSP/EMHSD Points-of-Contact (POC)

Subject Matter	POC	Phone	Email
Audit / Site Visit	Ms. Sherrie Loader	517-284-3656	LoaderS@michigan.gov
District Coordinator, Region 2N	Lt. Timothy Ketvirtis	586-726-6709	KetvirtisT@michigan.gov
District Coordinator, Region 2S	Lt. Nathaniel McQueen	734-287-5044	McQueenN@michigan.gov
District Coordinator, Region 3, Midland Co. & North	Lt. Michael DeCastro	989-705-3805	DecastroM@michigan.gov
District Coordinator, Region 3, Bay Co. & South	Lt. Timothy Ketvirtis	586-726-6709	KetvirtisT@michigan.gov
District Coordinator, Region 7	Lt. Michael DeCastro	989-705-3805	DecastroM@michigan.gov
District Coordinator, Region 8	Lt. Steven Derusha	906-227-7504	DerushaS1@michigan.gov
OPSG Program Analyst	Ms. Alyssa Duhr-Vannelli	517-284-3943	DuhrVannelliA@michigan.gov
OPSG Financial Analyst	Ms. Mikaela Loades	517-284-3981	LodesM1@michigan.gov
Financial Administration Unit Manager	Mr. Richard Sheaffer	517-284-3983	SheafferR@michigan.gov
Grants & Financial Management Section Manager	Ms. Penny Burger	517-284-3991	BurgerP@michigan.gov
Grants Unit Manager	Ms. Kim Richmond	517-284-3952	RichmondK@michigan.gov
Project Submittals	EMD_HSGP@michigan.gov	N/A	EMD_HSGP@michigan.gov