



maryland emergency management agency
HOW TO
MANAGE YOUR SUBGRANT



2009 edition

HOW TO MANAGE YOUR SUBGRANT

Management of an HMA grants

Responsibility for managing a sub-grant is shared between MEMA and the applying agency. The State responsibility is to monitor the performance and compliance of the applying agency and report to FEMA. The applying agency's role is to direct project work and submit required financial and performance reports to the State.

Program criteria such as terms and conditions for specific grant projects are outlined in the State/applying agency agreement, which must be reviewed, signed and returned within 30 days of award. The agreement is a binding document between the State and the applying agency.

Accounting System Requirements

All accounting system requirements should follow Federal, State and Local laws. The applying agency's accounting system should be able to track costs by grant program and by each project. Your accounting system must record all expenses claimed during a project's life. General accounting records should include:

- Transaction dates
- Cost descriptions
- Source documents (purchase order, invoice, voucher, and check numbers, etc.)
- Payroll documents
- List of materials and/or equipment purchased
- Matching funds.

While you are required by law to maintain all documentation on file for at least 3 years after project close-out, MEMA recommends keeping HMGP records for at least 3 years after the disaster is closed out by FEMA, which usually occurs 8 years after its declaration.

Requests for Payment

Attachment 1 - Request for Reimbursement

In order to receive reimbursement of incurred costs the applying agency must submit a Request for Reimbursement. It must have enclosed appropriate documentation (all invoices and proof of payment). An authorized signature is required as it assures compliance with regulations. The authorized signature is usually the same as on the application. If the applying agency wishes to designate another authorized official, a letter from the applying agency may be required. Improperly completed pay requests result in delayed or denied payments.

Although not guaranteed, the average payment timeline is 15-20 workdays after the pay request has been received and approved.

Quarterly Reports

Attachment 2 - Quarterly Progress Reports

Applying agency quarterly reports provide MEMA with the progress on your sub-grant, such as percentage of project completed. MEMA uses your report in the State's report to FEMA. Quarterly progress reports should include cumulative expenditures, possible over-runs or time extensions, percentage of project completed, and a narrative description of progress to include any problems encountered.

- Make every effort to thoroughly complete each item requested on your quarterly report. MEMA relies on your reports to monitor the status of your project.
- Quarterly reports are due every January 15, April 15, July 15, and October 15.

Cost Over-runs and Under-runs

Excess funds for cost over-runs are made available only under HMGP. While executing the award, any cost over-runs must be approved prior to their incurrence, except when the costs will be met without additional Federal funds. Cost under-runs demonstrate reasonable funds expenditure and are desired whenever possible. Under-runs cannot be applied to another/new item without prior approval. In the event of an over-run or under-run changes to the approved scope of work must gain prior approval. A change in budget request should include a comparison between the approved and new budget and include a reasonable explanation for the change in costs.

Documenting Your Grant

Proper documentation should exhibit that the approved budget was followed and purchases were made within the approved Period of Performance (POP). An applying agency's records should document that all expenses are consistent with policies, regulations and procedures that apply uniformly to both Federal awards and the policies of the applying agency. Proper documentation ensures the full, allowable reimbursement and a compliance audit at close-out. The applying agency should make sure to keep all invoices, payroll expenses, etc. on file, along with supporting documentation such as contracts and time cards. Documentation may be requested after close-out if deemed necessary by FEMA.

Program Income

Program income is encouraged to defray approved program costs. This type of income occurs when the applying agency receives income during the execution of the grant, such as the sale of salvage material, rebates, credits, discounts and refunds.

Program income shall be used to defray the overall FEMA approved project cost. The total project cost will be reduced by the amount of program income. Any income earned after the end of the period of performance or after the grant has been closed-out may reside with the applying agency and does not have to be reported toward the grant.

The Difference Between Administrative And Management Costs

Attachment 3 - Administrative Expense Worksheet

(Please keep in mind that this worksheet does not replace timesheets and payroll records)

Under the HMGP an applying agency is awarded an administrative allowance. This allowance may *not* be used on any costs of the project. This allowance serves as an offset to the expenses of administrating of a grant.

Administering a grant may include, but is not limited to:

- Preparing your application
- Documenting and submitting program income
- Financial documentation
- Ensuring that the non-Federal match requirement is sufficed
- Submitting requests for payments
- Completing quarterly reports
- Requesting changes in SOW.

The applying agency administrative costs are calculated by FEMA and are a percentage based on a sliding scale. For any projects approved under a disaster occurring prior to November 17, 2007 these costs need not be documented. The percentage rate is identified in each disaster's State Administrative Plan.

Non-Federal Match Requirement

The required cost-share may vary by program. The local match cannot be made with Federal funds that do not lose their federal identity, pursuant to 44 CFR 13.24(b). MEMA must be notified in writing if any additional awards are being used with an HMA grant. Local match must be documented by submitting copies of all invoices and the method of payment for 100% of the project costs.

Attachment 4 – In Kind Worksheets

Under HMGP, PDM FMA and SRL 25% of total project cost must be met by the applying agency. RFC does not require a local match. The local share can be met with in-kind labor, equipment or materials, as long as they are allowable and pre-approved costs. Any in-kind labor and equipment rates must be actual and reasonable. If using volunteer or in-kind services, an applying agency may claim fringe benefits (this excludes any work performed by employees of another organizations). If the applying agency has not established a pre-determined, reasonable rate, you should use FEMA PA equipment rates found at the following website (please make sure to use the rates applicable to your disaster):

http://www.fema.gov/government/grant/pa/eqrates_2005.shtm

Period of Performance (POP)

Attachment 5 - POP Extension Request Form.

The Period of Performance (POP) is based on the timeline that the applying agency submits the application and contains measurable milestones for project completion. The applying agency must gain prior approval to extend eligible project activities and provide a new timeframe for all expenditures. A time extension must be requested at least 90 days prior to the set expiration and may only be approved if the applying agency can provide sufficient documentation of the work completed to date, a revised timeline, and a commitment to achieving the award's goal. Time extensions may not be honored if quarterly reports are not up-to-date and any work completed outside of the period of performance is an ineligible cost.

Site Visits

A site visit will be conducted by MEMA at project close-out. However, the applying agency may request a site visit whenever deemed necessary. The purpose of conducting a site visit is to discuss and measure the progress of your project, determine if an extension or an over-run will be required and provide an opportunity to receive technical assistance. We aim to assist our applying agencies in the most efficient and timely manner. Therefore, if you feel that you may need a site visit, or kick-off meeting (pre-project briefing), please feel free to request a visit.

State Project Closeout Process

Attachment 6 - Closeout Request Form

FEMA Sub-grants are closed when all applicable administrative and required work has been completed or when the period of performance has ended. State project close-out process will begin when the applying agency submits a close-out request. It is the applying agency's responsibility to notify the State in writing with the Request for Close-out form.

MEMA will review submitted project documentation for accuracy, reasonable expenses, and compliance with the approved SOW. MEMA may require additional documentation and will contact the applying

agency if needed. MEMA will submit a close-out packet to FEMA and issue any final payments or de-obligate excess funds.

QUESTIONS?

Carver Struve, State Hazard Mitigation Officer cstruve@mema.state.md.us 410 517 3630

Mark James, Hazard Mitigation Planer mjames@mema.state.md.us 410 517 3649

Maryland Emergency Management Agency
Camp Fretterd Military Reservation, State Emergency Operations Center
5401 Rue Saint Lo Drive, Reisterstown, MD 21136
<http://www.mema.state.md.us/MEMA>

ATTACHMENTS

**ATTACHMENT – 1
REQUEST FOR
PAYMENT/REIMBURSEMENT**



STATE OF MARYLAND EMA GENERAL REQUEST FOR PAYMENT/REIMBURSEMENT

Applying Agency: _____

Project Number: _____

Project Type: _____

Payment Request No: _____

Type of Request _____ Advance _____ Reimbursement

Date: _____

COMPUTATION OF PAYMENT AMOUNT REQUESTED

Project Funding

- a. Approved Federal Share (from approval letter) \$ _____
- b. Approved Applying agency admin (from approval letter) \$ _____
- c. Project Amount Requested this Disbursement \$ _____
- d. Admin Amount Requested this Disbursement \$ _____
- e. Balance Remaining of Federal Share \$ _____
- f. Balance Remaining of Admin Funds \$ _____

CERTIFICATION

I certify to the best of my knowledge and belief the above is correct and that all disbursements were made in accordance with the grant conditions or other agreements and that payment is due and has not been previously requested. This is also to certify that appropriate documentation is on hand in support of the payment requested.

(Signature of Authorized Certifying Official)

(Date)

(Typed name)

(Title)

(Address)

(Agency)

Administrative Point of Contact (Name and Telephone No)

****All mitigation grants will be paid on a reimbursement basis. The one exception to this policy is acquisition projects. Please submit the following information along with your final request for payment at the time of project completion:**

1. Final Billing Memorandum and request for close-out (for final payment request only)
2. Copies of invoices/receipts and checks written to contractors.
3. For any in-kind services provided by County/City, provide a completed In-Kind Worksheet.
4. List of addresses for ALL site locations.
5. List the latitude and longitude and provide two (2) photos of each site.

NOTE: Applying agencies must keep all original documents at local level for at least 3 years. Programmatic audit may be completed by MEMA and/or FEMA.

ATTACHMENT – 2
QUARTERLY PERFORMANCE REPORT



**MARYLAND EMERGENCY MANAGEMENT AGENCY
HAZARD MITIGATION QUARTERLY PROGRESS REPORT**

Reporting Quarter:

Grant Type: HMGP PDM-C FMAP Other _____

Project Title and Location:

FEMA Project ID Number:

Sub-Grantee Name:

Project Point of Contact:

Point of Contact Telephone #:

Point of Contact Fax #:

Project Approval Date:

Project Start Date:

End of Performance Period:

Anticipated Completion Date:

Anticipated Percent Complete:

Financial Data: Please complete with the most current financial information available.

	Funds Approved	Funds Expended	Funds Paid	Funds Remaining
Federal Share				
Local Share				
Total Project				
Grantee Admin.				
Sub-Grantee Admin.				
Total	\$0.00	\$0.00	\$0.00	\$0.00

Summary of work completed last quarter*

Summary of anticipated work to be completed in coming quarter

Existing or potential changes or problems

Summary of Project Status

- On Schedule
 Expedited
 Delayed
 Suspended
 Cancelled
 Change of Scope Pending
 Complete

ATTACHMENT – 3
ADMINISTRATIVE EXPENSES
WORKSHEET

ATTACHMENT – 4
PROJECT IN-KIND COST WORKSHEETS

ATTACHMENT – 5

REQUEST FOR TIME EXTENSION OF PERIOD OF PERFORMANCE



REQUEST FOR TIME EXTENSION OF PERIOD OF PERFORMANCE

Applying Agency: _____

Project Number: _____

Current Period of Performance: _____

Project Type: _____

Date: _____

***Please note that this request must be submitted 90 days prior to end of POP.**

Requested End Date of Period of Performance: _____

Please list specific reasons for the request and delay in project completion:

Please list amended milestones to reflect the requested end date (use additional page(s) if necessary):

Signature of Applying agency: _____ **Date:** _____

If you need assistance in completing this form, please contact the State Hazard Mitigation Officer. Return this form by mail to Maryland Emergency Management Agency, Camp Fretterd Military Reservation, State Emergency Operations Center, 5401 Rue Saint Lo Drive, Reisterstown, MD 21136 or fax to (410) 517-3610.

ATTACHMENT – 6
CLOSEOUT REQUEST FORM

