

# Program Appendix C: Nonprofit Security Grant Program (NSGP)

NSGP grant recipients and subrecipients may only use NSGP grant funds for the purpose set forth in the grant award and must use funding in a way that is consistent with the statutory authority for the award. Grant funds may not be used for matching funds for other federal grants or cooperative agreements, lobbying, or intervention in federal regulatory or adjudicatory proceedings. In addition, federal funds may not be used to sue the Federal Government or any other government entity.

Pre-award costs are allowable only with the prior written approval of DHS/FEMA and if they are included in the award agreement. To request pre-award costs a written request must be included with the application, signed by the Authorized Organizational Representative of the entity. The letter must outline what the pre-award costs are for, including a detailed budget break-out of pre-award costs from the post-award costs, and a justification for approval. The following information outlines general allowable and unallowable NSGP costs guidance.

## NSGP Funding Guidelines

Recipients and subrecipients must comply with all applicable requirements of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards located at 2 C.F.R. Part 200. In administering a NSGP grant award, recipients must comply with the following general requirements:

## NSGP Priorities

See the annual NSGP NOFO.

## Allowable Costs

### Management and Administration (M&A)

M&A activities are those costs defined as directly relating to the management and administration of NSGP funds, such as financial management and monitoring. The amount of M&A is specified in each fiscal year's NSGP NOFO. M&A costs include the following categories of activities:

- Hiring of full-time or part-time staff or contractors/consultants responsible for activities relating to the management and administration of NSGP funds
- Meeting-related expenses directly related to M&A of NSGP funds

### Indirect (Facilities and Administrative [F&A]) Costs

Indirect costs are allowable under this program as described in 2 C.F.R. Part 200, including 2 C.F.R. § 200.414. Applicants with a negotiated indirect cost rate agreement that desire to charge indirect costs to an award must provide a copy of their negotiated indirect cost rate agreement at the time of application. Applicants that are not required by 2 C.F.R. Part 200 to have a negotiated indirect cost rate agreement but are required by 2 C.F.R. Part 200 to develop an indirect cost rate proposal must provide a copy of their proposal at the time of application. Post-award requests to charge indirect costs will be considered on a case-by-case basis and based upon the submission of an agreement or proposal.

## Allowable Direct Costs

### Planning

Funding may be used for security or emergency planning expenses and the materials required to conduct planning activities. Planning must be related to the protection of the facility and the people within the facility and should include consideration of access and functional needs considerations as well as those with limited English proficiency. Examples of planning activities allowable under this program include:

- Development and enhancement of security plans and protocols
- Development or further strengthening of security assessments
- Emergency contingency plans
- Evacuation/Shelter-in-place plans
- Other project planning activities with prior approval from DHS/FEMA

### Equipment

Allowable costs are focused on target hardening and physical security enhancements. Funding can be used for the acquisition and installation of security equipment on real property (including buildings and improvements) owned or leased by the nonprofit organization, specifically in prevention of and/or protection against the risk of a terrorist attack. This equipment is **limited to select items in the following two sections** of items on the Authorized Equipment List (AEL):

- Physical Security Enhancement Equipment (Section 14)
- Inspection and Screening Systems (Section 15)

The two allowable prevention and protection categories and equipment standards for the NSGP are listed on DHS AEL located on the DHS/FEMA site at <http://www.fema.gov/authorized-equipment-list>. Unless otherwise stated, equipment must meet all mandatory statutory, regulatory, and DHS/FEMA-adopted standards to be eligible for purchase using these funds, including the Americans with Disabilities Act. In addition, recipients will be responsible for obtaining and maintaining all necessary certifications and licenses for the requested equipment.

Applicants should analyze the cost benefits of purchasing versus leasing equipment, especially high cost items and those subject to rapid technical advances. Large equipment purchases must be identified and explained. For more information regarding property management standards for equipment, please reference 2 C.F.R. Part 200, including but not limited to 2 C.F.R. §§ 200.310, 200.313, and 200.316.

### Exercises

Funding may be used to conduct security-related exercises. This includes costs related to planning, meeting space and other meeting costs, facilitation costs, materials and supplies, and documentation. Exercises afford organizations the opportunity to validate plans and procedures, evaluate capabilities, and assess progress toward meeting capability targets in a controlled, low-risk setting. All shortcomings or gaps—including those identified for children and individuals with access and functional needs—should be identified in an improvement plan. Improvement plans should be dynamic documents with corrective actions continually monitored and implemented as part of improving preparedness through the exercise cycle.

The Homeland Security Exercise and Evaluation Program (HSEEP) provides a set of guiding principles for exercise programs, as well as a common approach to exercise program management, design and development, conduct, evaluation, and improvement planning. For additional information on HSEEP,

refer to <https://www.fema.gov/exercise>. In accordance with HSEEP guidance, subrecipients are reminded of the importance of implementing corrective actions iteratively throughout the progressive exercise cycle. This link provides access to a sample AAR/IP template: <https://preptoolkit.fema.gov/web/hseep-resources/improvement-planning>. Recipients are encouraged to enter their exercise data and AAR/IP in the Preparedness Toolkit at <https://preptoolkit.fema.gov/web/hseep-resources>.

## **Maintenance and Sustainment**

The use of DHS/FEMA preparedness grant funds for maintenance contracts, warranties, repair or replacement costs, upgrades, and user fees are allowable, as described in DHS/FEMA Policy FP 205-402-125-1, *Maintenance Contracts and Warranty Coverage Funded by Preparedness Grants*, located at <http://www.fema.gov/media-library/assets/documents/32474>, under all active and future grant awards, unless otherwise noted.

Grant funds are intended to support the National Preparedness Goal and fund projects that build and sustain the core capabilities necessary to prevent, protect against, mitigate the effects of, respond to, and recover from those threats that pose the greatest risk to the security of the Nation. In order to provide recipients the ability to meet this objective, the policy set forth in [IB 379: Guidance to State Administrative Agencies to Expedite the Expenditure of Certain DHS/FEMA Grant Funding](#) allows for the expansion of eligible maintenance and sustainment costs that must be in (1) direct support of existing capabilities, (2) must be an otherwise allowable expenditure under the applicable grant program, and (3) be tied to one of the core capabilities in the five mission areas outlined in the Goal. Additionally, eligible costs may also support equipment, training, and critical resources that have previously been purchased with either federal grant or any other source of funding other than DHS/FEMA preparedness grant program dollars.

## **Construction and Renovation**

NSGP funding may not be used for construction and renovation projects without prior written approval from DHS/FEMA. All recipients of NSGP funds must request and receive prior approval from DHS/FEMA before any NSGP funds are used for any construction or renovation. Additionally, recipients are required to submit a SF-424C Budget and budget detail citing the project costs. The total cost of any construction or renovation paid for using NSGP funds may not exceed the greater amount of \$1,000,000.00 or 15% of the NSGP award. Recipients and subrecipients are also encouraged to have completed as many steps as possible for a successful EHP review in support of their proposal for funding (e.g., coordination with their State Historic Preservation Office to identify potential historic preservation issues and to discuss the potential for project effects, compliance with all State and EHP laws and requirements). Projects for which the recipient believes an Environmental Assessment (EA) may be needed, as defined in [DHS Instruction Manual 023-01-001-01, Revision 01](#), [FEMA Directive 108-1](#), and [FEMA Instruction 108-1-1](#), must also be identified to the FEMA HQ Program Analyst within six months of the award and completed EHP review materials must be submitted no later than 12 months before the end of the period of performance. EHP review packets should be sent to [gpdehpinfo@fema.gov](mailto:gpdehpinfo@fema.gov).

NSGP recipients using funds for construction projects must comply with the *Davis-Bacon Act* (codified as amended at 40 U.S.C. §§ 3141 *et seq.*). Grant recipients must ensure that their contractors or subcontractors for construction projects pay workers no less than the prevailing wages for laborers and mechanics employed on projects of a character similar to the contract work in the civil subdivision of the State in which the work is to be performed. Additional information regarding compliance with the *Davis-Bacon Act*, including Department of Labor (DOL) wage determinations, is available from the following website: <https://www.dol.gov/whd/govcontracts/dbra.htm>.

## Training

Nonprofit organizations may use NSGP funds for the following training-related costs:

- Employed or volunteer security staff to attend security-related training within the United States;
- Employed or volunteer staff to attend security-related training within the United States with the intent of training other employees or members/congregants upon completing the training (i.e., “train-the-trainer” type courses);
- Nonprofit organization’s employees, or members/congregants to receive on-site security training.

Allowable training-related costs under the NSGP are limited to attendance fees for training and related expenses, such as materials, supplies, and/or equipment. Overtime, backfill, and travel expenses are not allowable costs.

Allowable training topics are limited to the protection of critical infrastructure key resources, including physical and cybersecurity, target hardening, and terrorism awareness/employee preparedness such as Community Emergency Response Team (CERT) training, Active Shooter training, and emergency first aid training. Training conducted using NSGP funds must address a specific threat and/or vulnerability, as identified in the nonprofit organization’s IJ. Training should provide the opportunity to demonstrate and validate skills learned as well as to identify any gaps in these skills. ***Proposed attendance at training courses and all associated costs using the NSGP must be included in the nonprofit organization’s IJ.***

## Contracted Security Personnel

Contracted security personnel are allowed under this program only as described in the NOFO and Manual and comply with guidance set forth in [IB 421b](#) and [IB 441](#). NSGP funds may not be used to purchase equipment for contracted security. The recipient must be able to sustain this capability in future years without NSGP funding.

## Unallowable Costs

The following projects and costs are considered **ineligible** for award consideration:

- Organization costs, and operational overtime costs
- Hiring of public safety personnel
- General-use expenditures
- Overtime and backfill
- Initiatives that do not address the implementation of programs/initiatives to build prevention and protection-focused capabilities directed at identified facilities and/or the surrounding communities
- The development of risk/vulnerability assessment models
- Initiatives that fund risk or vulnerability security assessments or the development of the IJ
- Initiatives in which federal agencies are the beneficiary or that enhance federal property
- Initiatives which study technology development
- Proof-of-concept initiatives
- Initiatives that duplicate capabilities being provided by the Federal Government
- Organizational operating expenses
- Reimbursement of pre-award security expenses

## NSGP Investment Modifications – Changes in Scope or Objective

Changes in scope or objective of the award—whether as a result of intended actions by the recipient or subrecipients—require FEMA’s prior written approval, in accordance with 2 C.F.R. §§ 200.308(c)(1)(i), 200.407. NSGP is competitive, with applications recommended for funding based on threat, vulnerability, consequence, and their mitigation to a specific facility/location. However, consistent with 2 C.F.R. § 200.308(c)(1)(i), Change in Scope Notification, DHS/FEMA requires prior written approval of any change in scope/objective of the grant-funded activity after the award is issued. *See* 2 C.F.R. § 200.308(b), (c). Scope/objective changes will be considered on a case-by-case basis, provided the change does not negatively impact the competitive process used to recommend NSGP awards.

Requests to change the scope or objective of the grant-funded activity after the award is made must be submitted by the SAA via ND Grants as a Scope Change Amendment. The amendment request must include the following:

- A written request from the NSGP subrecipient on its letterhead, outlining the scope or objective change, including the approved projects from the subrecipient’s Investment Justification (IJ), the funds and relative scope or objective significance allocated to those projects, the proposed changes, and any resulting reallocations as a result of the change of scope or objective;
- An explanation why the change of scope or objective is necessary;
- Validation from the SAA that any deviations from the approved IJ are addressed in the vulnerability assessment submitted by the subrecipient at the time of application; and
- The subrecipient request must also address whether the proposed changes will impact its ability to complete the project within the award’s period of performance.

DHS/FEMA will generally not approve NSGP change-of-scope requests resulting from the following situations:

- Subrecipients that relocate their facilities after submitting their application who are requesting a change of scope to allow them to use NSGP funds towards projects at the new facility; or
- Subrecipients that renovate their facilities after submitting their application in cases where the subsequent renovations would affect the vulnerability/risk assessment upon which the IJ is based.

Furthermore, NSGP project funding is based on the ability of the proposed project to mitigate the risk factors identified in the IJ. For this reason, DHS/FEMA may reject requests to significantly change the physical security enhancements that are purchased with NSGP funding where DHS/FEMA believes approval of the request would change or exceed the scope of the originally approved project. DHS/FEMA will consider all requests to deviate from the security project as originally proposed on a case-by-case basis, *consistent with 2 C.F.R. § 200.308(c)(1)(i)*.

Subrecipients may not proceed with implementing any scope/objective changes until the SAA receives written approval from DHS/FEMA through ND Grants and until the SAA has made any required subaward modifications.

## Pass-Through Requirements

**Pass-through funding is required under this program.** Awards made to the SAA for the NSGP carry additional pass-through requirements. Pass-through is defined as an obligation on the part of the state to make subawards to selected nonprofit organizations. The SAA must provide 100% of funds awarded under NSGP to successful nonprofit applicants within 45 days of receipt of the funds. A letter of intent (or

equivalent) to distribute funds is not sufficient. Award subrecipients that are selected for funding under this program must be provided with funding within 45 days from the date the funds are first made available to the recipient so that they can initiate implementation of approved investments.

For the SAA to successfully meet the pass-through requirement and provide funding to the subrecipients, the SAA must meet the following four requirements:

- There must be some action by the SAA to establish a firm commitment to award the funds to the selected nonprofit organization;
- The action must be unconditional on the part of the SAA (i.e., no contingencies for availability of SAA funds);
- There must be documentary evidence of the commitment of the award of funding to the selected nonprofit organization; and
- The SAA must communicate the terms of the subaward to the selected nonprofit organization.

If a nonprofit organization is selected for an NSGP award and elects to decline the award, the SAA must notify their FEMA Program Analyst. The SAA may not re-obligate to another subrecipient without prior approval. “Receipt of the funds” occurs either when the SAA accepts the award or 15 calendar days after the SAA receives notice of the award, whichever is earlier. SAAs are sent notification of NSGP awards via the ND Grants system. If an SAA accepts its award within 15 calendar days of receiving notice of the award in the ND Grants system, the 45-calendar day pass-through period will start on the date the SAA accepted the award. Should an SAA not accept the NSGP award within 15 calendar days of receiving notice of the award in the ND Grants system, the 45-calendar days pass-through period will begin 15 calendar days after the award notification is sent to the SAA via the ND Grants system.

It is important to note that the POP start date does not directly affect the start of the 45-calendar day pass-through period. For example, an SAA may receive notice of the NSGP award on August 20, 2020, while the POP dates for that award are September 1, 2020, through August 31, 2022. In this example, the 45-day pass-through period will begin on the date the SAA accepts the NSGP award or September 4, 2020 (15 calendar days after the SAA was notified of the award), whichever date occurs first. The POP start date of September 1, 2020 would not affect the timing of meeting the 45-calendar day pass-through requirement.

## DUNS/SAM Requirements for Recipients and Subrecipients

As the direct applicant and recipient of NSGP funding, the SAA is required to have a DUNS number and be registered in SAM and must maintain the currency of the SAA's information in SAM until the SAA submits the final financial report required under the award or receives final payment, whichever is later. Nonprofit organizations that are first-tier subrecipients applying for NSGP funding through the SAA must have a DUNS number, but are not required to be registered in SAM.