



***Cal* OES**

**GOVERNOR'S OFFICE  
OF EMERGENCY SERVICES**

**Fiscal Year 2017  
Nonprofit Security Grant Program**

***California Supplement to the  
Federal Notice of Funding Opportunity***

*April 2018*

**Section 1 – Overview .....1**  
 State Administrative Agency (SAA)  
 Cal OES Contact Information  
 Urban Areas Contact Information  
 Federal Notice of Funding Opportunity Announcement  
 Purpose of the California Supplement  
 Information Bulletins  
 Grant Management Memorandum  
 Funding Available  
 FY 2017 NSGP Timeline

**Section 2 – Program Objectives and Priorities.....4**  
 Maximum Award  
 Management and Administration (M&A)  
 Indirect Costs  
 Subaward Period of Performance  
 Eligible Activities

**Section 3 – State Application Components.....6**  
 Required Documents  
 FY 2017 Financial Management Forms Workbook (FMFW)  
 Subrecipient Grants Management Assessment  
 FFATA Financial Disclosure  
 Public Records Act  
 501(c)(3) Letter  
 Governing Body Resolution (GBR)  
 Grant Assurances  
 STD 204/Payee Data Record  
 Notification of Subrecipient Application Approval

**Section 4 – Post Award Requirements.....9**  
 Eligible Equipment Costs  
 Authorized Equipment List (AEL)  
 Warranty  
 Inventory Control and Property Management  
 Equipment Disposition  
 Allowable Training Costs & Topics  
 Post Award Modifications  
 Competition  
 Environmental Planning and Historic Preservation (EHP)  
 Vendor Licensing  
 Performance Reporting  
 Semi-Annual Drawdown Requirements  
 Monitoring Subrecipient Performance  
 Grant Extensions  
 Suspension or Termination

Cash Requests  
Cash Advance  
Subrecipient Changes  
Closeout  
Records Retention

**State Administrative Agency (SAA)** California Governor’s Office of Emergency Services (Cal OES)  
Attention: Grants Management  
3650 Schriever Avenue  
Mather, CA 95655-4203

(916) 845-8410  
(916) 636-3880 Fax

**Cal OES Contact Information** Renee A. Mota-Jackson, Chief  
(916) 845-8404  
[Renee.Jackson@CalOES.ca.gov](mailto:Renee.Jackson@CalOES.ca.gov)

Debbie Phillips, Program Representative  
(916) 845-8746  
[Debbie.Phillips@CalOES.ca.gov](mailto:Debbie.Phillips@CalOES.ca.gov)

Nick Murray, Program Representative  
(916) 845-8405  
[Nick.Murray@CalOES.ca.gov](mailto:Nick.Murray@CalOES.ca.gov)

Scott Sano, Program Representative  
(916) 845-8408  
[Scott.Sano@CalOES.ca.gov](mailto:Scott.Sano@CalOES.ca.gov)

Tim Reed, Program Representative  
(916) 845-8662  
[Tim.Reed@CalOES.ca.gov](mailto:Tim.Reed@CalOES.ca.gov)

**Urban Areas Contact Information** **Anaheim-Santa Ana**  
Kerrstyn Vega  
(714) 765-3932  
[kvega@anaheim.net](mailto:kvega@anaheim.net)

**Sacramento**  
Lieutenant Glenn Faulkner  
(916) 808-0714  
[dfaulkner@pd.cityofsacramento.org](mailto:dfaulkner@pd.cityofsacramento.org)

**Los Angeles-Long Beach**  
Caitlin Ishigooka  
(213) 978-0675  
[caitlin.ishigooka@lacity.org](mailto:caitlin.ishigooka@lacity.org)

**San Diego**  
Katherine Jackson  
(619) 533-6760  
[kjackson@sandiego.gov](mailto:kjackson@sandiego.gov)

**Riverside**  
Gail Shulte  
(951) 320-8106  
[gschulte@riversideca.gov](mailto:gschulte@riversideca.gov)

**San Francisco Bay Area**  
Mary Landers  
(415) 353-5225  
[mary.landiers@sfgov.org](mailto:mary.landiers@sfgov.org)

**Federal Notice of Funding Opportunity Announcement** In June 2017, the U.S. Department of Homeland Security (DHS)/Federal Emergency Management Agency (FEMA) issued the *Notice of Funding Opportunity (NOFO), Fiscal Year (FY) 2017 Nonprofit Security Grant Program (NSGP)*, available for download at <https://www.fema.gov/media-library/assets/documents/131998>. Subrecipients must follow the programmatic requirements set forth in the NOFO, and the applicable provisions of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards located at 2 Code of Federal Regulations (CFR), Part 200.

**Purpose of the California Supplement** The *Fiscal Year 2017 Nonprofit Security Grant Program California Supplement to the Federal Notice of Funding Opportunity* (Supplement) is intended to complement, rather than replace, the NOFO published by DHS. It is recommended that Applicants thoroughly read the NOFO before referring to the State Supplement. Funding availability, eligible Applicants, allowable costs, and other key information are described in the federal announcement.

**Information Bulletins** DHS issues Information Bulletins (IB) to provide updates, clarification, and new requirements throughout the life of the grant. IBs may be obtained at: <http://www.fema.gov/grants/grant-programs-directorate-information-bulletins>.

**Grant Management Memorandum** Cal OES issues Grant Management Memorandum (GMMs) that provide additional information regarding NSGP funds. GMMs can be located at: <http://www.caloes.ca.gov/cal-oes-divisions/grants-management/homeland-security-prop-1b-grant-programs/memos>.

**Funding Available** The FY 2017 NSGP makes available \$25,000,000 nationwide. Funds are available to nonprofit organizations in one of the specific FY 2017 Urban Areas nationwide.

California was awarded \$4,178,039 for 58 Subrecipients.

<b>FY 2017 NSGP Timeline</b>	DHS Announcement of FY 2017 NSGP	June 2, 2017
	Applicants’ Investment Justification (IJ) Submission Deadline	June 19, 2017
	Application Due from Cal OES to DHS	June 22, 2017
	FEMA/DHS made Award Announcements	September 5, 2017
	Required Documents Due to Cal OES 45 days after Notification of Subrecipient Award Approval is received	<b>45 days</b>
	NSGP California Supplement Release	April 2018
	Final Cash Advance documents must be approved by Cal OES and a hard copy postmarked	December 31, 2019
	Subrecipient Period of Performance Ends (This is three months less than the 36 months allocated, due to the SAA grant closeout requirements)	May 31, 2020
	DHS Award Performance Period Ends	August 31, 2020

<b>Maximum Award</b>	Award amounts to each nonprofit organization shall not exceed \$75,000.
<b>Management and Administration (M&amp;A)</b>	Nonprofit organizations that receive a subaward under this program may use and expend up to five percent (5%) of their FY 2017 NSGP funds for M&A purposes associated with the subaward. M&A activities are those defined as directly relating to the management and administration of NSGP funds, such as financial management and monitoring. M&A expenses must be based on actual expenses incurred.
<b>Indirect Costs</b>	<p>Indirect costs are allowable under the FY 2017 NSGP grant award. Subrecipients who claim indirect costs may do so provided they use one of the following two methods:</p> <ol style="list-style-type: none"><li>1. Subrecipients with an indirect cost rate approved by their cognizant federal agency may claim indirect costs based on the established rate.  Indirect costs claimed must be calculated using the base approved in the indirect cost Negotiation Agreement. A copy of the approved Negotiation Agreement is required at the time of application.</li><li>2. Subrecipients who have never received a negotiated indirect cost rate and receive <i>less than</i> \$35 million in <i>direct</i> federal funding per year may claim the 10% de minimis indirect cost rate based on Modified Total Direct Costs (MTDC) as described in 2 CFR Part 200, §200.68 and Subpart E.</li></ol> <p>Indirect costs are in addition to the M&amp;A allowance, and must be included in the grant award application as a “Project” and reflected in the Financial Management Forms Workbook (FMFW) on the Indirect Cost category ledger if being claimed under the award.</p> <p>Indirect costs may be claimed no more than once annually, and only at the end of the fiscal year. Costs must be broken out by fiscal year if there is a rate change.</p> <p>Indirect costs must be based on claimed direct costs, excluding equipment expenditures.</p>
<b>Subaward Period of Performance</b>	The Subaward Period of Performance is from September 1, 2017, to May 31, 2020.
<b>Eligible Activities</b>	<p>Eligible Activities include:</p> <ol style="list-style-type: none"><li>1. Allowable costs focused on target hardening activities, which can be</li></ol>

accomplished through the acquisition or installation of security equipment on real property; and

2. The participation of the nonprofit organization's security staff in pre-approved security-related training courses and programs.



**Required Documents**

If an Applicant is selected for an award by DHS, they will first receive a Notification of Subrecipient Subaward Approval Letter that must be signed and returned to Cal OES within 20 Days. Each Subrecipient must submit ALL of the following within 45 Days of receiving their Subaward Letter.

Failure to provide the required documents within the 45 days of receiving their Subaward Letter will jeopardize the Subrecipient's funding by failing to demonstrate satisfactory progress toward the goals or objectives set forth in the Subrecipient application, and could result in cancellation of the entire subaward.

**FY 2017 Financial Management Forms Workbook (FMFW)**

**Subaward Face Sheet** – Use the Subaward Face Sheet to apply for grant programs. Print in portrait orientation only.

**Authorized Body of 5** – Use the Authorized Body of 5 tab to list the Authorized Agents and Points of Contact.

**Federal Funding Accountability and Transparency Act (FFATA) Financial Disclosure** – Use the FFATA Financial Disclosure tab to list the name and compensation of the top five paid individuals, where applicable.

**Project Ledger** – The Project Ledger is used in the application process to submit funding information and is used in the post-award phase for submitting Cash Reimbursements, Grant Subaward Modifications, Cash Advances, and to assist with completion of the Biannual Strategy Implementation Report (BSIR).

**Equipment** – It is an NSGP requirement that detailed information be provided under the equipment description on all grant-funded equipment. Authorized Equipment List (AEL) numbers must be included for all items of equipment. Always refer to the AEL for a list of allowable equipment and conditions, if any.

**Training** (if applicable) – Provide detailed information on grant-funded training.

**M&A** (if applicable) – Provide detailed information on grant-funded M&A.

**Indirect Costs** (if applicable) – If claiming indirect costs under the subaward, provide detailed information on the total estimated indirect costs and the indirect cost rate at which you will be claiming. If you have a federally-approved rate, provide information on the direct cost base on which the rate is calculated, e.g., Salary and Wages, Salary, Wages, and Benefits, Total Direct Costs, MTDC, the de minimus rate of 10% of MTDC, or another base (Other).

**Consultant-Contractor** (if applicable) – Provide detailed information on grant-funded consultants.

**Personnel** (if applicable) – Provide detailed information on grant-funded personnel activities.

**Authorized Agent** – The Authorized Agent tab (AA) must be submitted with the application, and with all Cash Reimbursements, Grant Modifications, and Cash Advances. The AA must include the appropriate signature, expenditure period, and date. Only complete and accurate information recorded on the AA will be accepted.

**Subrecipient  
Grants  
Management  
Assessment**

Per Title 2 CFR Part 200, §200.331, Cal OES is required to evaluate the risk of noncompliance with federal statutes, regulations and grant terms and conditions posed by each Subrecipient of pass-through funding. The Subrecipient Grants Management Assessment form contains questions related to Subrecipient experience in the management of federal grant awards. It is used to determine and provide an appropriate level of technical assistance, training, and grant oversight to Subrecipients during the subaward period of performance. The questionnaire must be completed and returned with each grant application. A PDF fillable version of the form may be found at: <http://www.caloes.ca.gov/cal-oes-divisions/grants-management/homeland-security-prop-1b-grant-programs/homeland-security-grants-program>.

**FFATA  
Financial  
Disclosure**

On November 23, 2010, the DHS and FEMA issued IB 350 to clarify requirements under the FFATA.

As the SAA, Cal OES is required to report subaward information for federal subawards of \$25,000 or more made on or after October 1, 2010, as well as compensation for highly paid individuals. Specifically, the name and total compensation of the five most highly compensated individuals. Please see GMM 2012-01 for more information.

**Public Records  
Act**

Grant applications are subject to the California Public Records Act, Government Code Section 6250 et seq. Do not put any personally identifiable information or private information on this application. If you believe any of the information you are putting on this application is exempt from the Public Records Act, please attach a separate statement that indicates what portions of the application are exempt and the basis for the exemption. Your statement that the information is not subject to the Public Records Act will not guarantee that the information will not be disclosed.

**501(c)(3)  
Letter**

The 501(c)(3) Letter designates an organization as being not-for-profit or self-declares from the organization stating that they qualify for 501(c)(3) status.

<b>Governing Body Resolution (GBR)</b>	The GBR appoints Authorized Agents (identified by the individual’s name or by a position title) to act on behalf of the governing body and the Applicant by executing any actions necessary for each application and subaward. All Applicants are required to submit a copy of their FY 2017 GBR with their application.
<b>Grant Assurances</b>	The Grant Assurances list the requirements to which the Subrecipients will be held accountable. All Applicants will be required to submit a signed, original of the FY 2017 Grant Assurances as part of their FY 2017 NSGP application. The required Grant Assurances can be found only in PDF format on the Cal OES website.
<b>STD 204/Payee Data Record</b>	A form used to assign an organization a Federal Information Processing Standard (FIPS) number.
<b>Notification of Subrecipient Application Approval</b>	This letter will be sent to the Subrecipient upon receipt of their required documents being received and processed by Cal OES.

<b>Eligible Equipment Costs</b>	Equipment costs are limited to only two categories from the FY 2017 AEL. Those categories are Physical Security Enhancement Equipment (Category 14), and Inspection and Screening Systems (Category 15).
<b>Authorized Equipment List (AEL)</b>	Allowable NSGP equipment is located on the AEL website and is found here at: <a href="https://www.fema.gov/authorized-equipment-list">https://www.fema.gov/authorized-equipment-list</a>
<b>Warranty</b>	<p>In accordance with FEMA Information Bulletin #336 and Maintenance Contracts and Warranty Coverage Funded by Preparedness Grants:</p> <ul style="list-style-type: none"><li>• If purchasing maintenance agreement/service contract/extended warranty, it must not extend beyond the period of performance of the grant, to which the contract is being charged, unless,</li><li>• The maintenance agreement/service contract/extended warranty is purchased incidental (i.e. at the same time under the same grant subaward) to the original purchase of the system or equipment, grantees may procure maintenance or warranty coverage which exceeds the period of performance.</li></ul>
<b>Inventory Control and Property Management</b>	<p>FY 2017 NSGP Subrecipients must use standardized resource management concepts for resource typing and credentialing, in addition to maintaining an inventory by which to facilitate the effective identification, dispatch, deployment, tracking and recovery of resources.</p> <p>Subrecipients must have an effective inventory management system, to include:</p> <ul style="list-style-type: none"><li>• Property records that document description, serial number or other ID, source of funding, title information, acquisition date, cost, location, use and condition, and ultimate disposition;</li><li>• Conducting a physical inventory at least every two years;</li><li>• A control system to prevent loss, damage, and theft of grant purchased equipment and supplies; and</li><li>• Adequate maintenance procedures must be developed to keep the property in good condition.</li></ul>
<b>Equipment Disposition</b>	When original or replacement equipment acquired under the NSGP is no longer needed for program activities, the Subrecipient must contact the Cal OES Program Representative to request disposition instructions.
<b>Allowable Training Costs &amp; Topics</b>	Allowable training-related costs under FY 2017 NSGP are limited to attendance fees for the training, and related expenses, such as materials, supplies, and/or equipment. No personnel costs, such as overtime and backfill costs, associated with attending the training courses are allowable. Travel

costs are also not eligible. Training projects must be proposed in the IJ and **must** be presented by a **pre-approved** training provider. **If the Applicant is selected for an award**, they must obtain proof of that approval via a feedback number obtained by submitting the “Training Request Form” found here: <https://w3.calema.ca.gov/WebPage/trainreq.nsf/TrainRequest?OpenForm>.

Training topics must relate to the protection of Critical Infrastructure and Key Resources including physical and cyber security, target hardening, and must address a specific threat and/or vulnerability as identified in the IJ.

**Post Award Modifications**

Post award budget, scope and time modifications must be requested using the Cal OES FMFW V 1.17, signed by the Subrecipient’s Authorized Agent, and submitted to the Cal OES Program Representative.

The Subrecipient may modify grant activities, and incur associated expenses, only after receiving written final approval of the modification from Cal OES. Failure to submit a modification request, and receive written approval prior to expenditure; could result in a reduction or disallowance of that portion of the grant.

Modifications are used for budget or scope-of-work changes. Adding or eliminating equipment found in the IJ must be requested in writing. The request should be on the Subrecipient’s letterhead and bear an original, wet ink, authorized agent signature. Cal OES will preview the request and forward it to FEMA for approval. Your modification may require submission of a revised EHP Screening Form. You must receive written approval before implementing the budget or scope-of-work changes.

Modifications to the original IJ equipment costs that exceed 10% of the total grant amount must be pre-approved by DHS/FEMA before implementation.

**Competition**

In accordance with 2 CFR Part 200, § 200.319, all procurement transactions must be conducted in a manner providing full and open competition consistent with the standards of this section. Some of the situations considered to be restrictive of competition include, but are not limited to:

- Placing unreasonable requirements on firms in order for them to qualify to do business;
- Requiring unnecessary experience and excessive bonding;
- Noncompetitive pricing practices between firms or between affiliated companies;
- Noncompetitive contracts to consultants that are on retainer contracts;
- Organizational conflicts of interest;
- Specifying only a “brand name” product instead of allowing “an equal” product to be offered and describing the performance or other relevant requirements of the procurement;

- Any arbitrary action in the procurement process.

In accordance with 2 CFR Part 200, § 200.67, a Micro Purchase may be used without soliciting competitive quotes, and must be distributed equitably among qualified suppliers.

In accordance with 2 CFR Part 200, § 200.320, a Small Purchase requires obtaining price or rate quotations from an adequate number of qualified sources.

Follow the State or your own written procurement policies, whichever is more restrictive. If you follow your policies, they must meet the following minimum requirements:

- Obtain a minimum of two written (signed and dated) bids from vendors.
- Keep a written record of the following: WHO you contacted, WHEN you contacted them, WHAT prices were quoted, and WHY you selected the vendor. The records must include all bids.

**Environmental  
Planning and  
Historic  
Preservation  
(EHP)**

DHS/FEMA is required to ensure that all activities and programs that are funded by the agency comply with EHP regulations. Subrecipients proposing projects or activities (including, but not limited to, training, the installation of equipment, and construction or renovation projects) that have the potential to impact the environment must participate in the EHP review process.

Subrecipients are required to submit EHP Screening Memos to their Program Representative prior to initiating a project that has any potential to impact the environment. EHP Screening Memos must include detailed project information and explain the goals and objectives of the proposed project, and include supporting documentation.

FEMA may require a Subrecipient to provide a confidential California Historical Resources Information System (CHRIS) report in addition to the EHP Screening Memo. Determination on the necessity of a CHRIS report is based upon information disclosed on the Screening Memo. Your Cal OES Program Representative will provide you with additional instructions should this report be required.

EHP requests should be submitted to Cal OES as early as possible, but no later than twelve months prior to the end of the period of performance.

**Vendor  
Licensing**

The State of California, Contractor's State License Board (CSLB) requires that anyone charging \$500 or more to perform construction work must be licensed.

Please make sure your contractor possesses the correct license certification and is qualified to install your equipment. Check a contractor’s license number online at [www.cslb.ca.gov](http://www.cslb.ca.gov) or by calling (800) 321-2752 (CSLB).

Contractors are required to place their license number on their business cards, bids, and contracts.

Bids/Invoices must include the following:

- Contractor/service provider’s License Number;
- Invoice/estimate number;
- Make - (manufacturer/brand name);
- Model - (manufacturer’s model name and number);
- Quantity - (amount purchased);
- Unit cost – (dollar amount per item);
- Any miscellaneous/installation equipment should be listed separately and include the details of what is included;
- Labor/installation cost should be listed separately;
- State/local taxes should be listed separately.

Bids/Invoices must be issued by the vendor who installed the equipment or performed the service. Bids/Invoices may not be created by the Subrecipient or representatives of the Subrecipient.

**Performance Reporting**

Subrecipients must complete a BSIR each Winter and Summer using the DHS/FEMA Grants Reporting Tool (GRT).

To obtain access to the online GRT, please log on to their website at <https://www.reporting.odp.dhs.gov>. To create a new account, follow the instructions that read, “If you need to register for an account, please click here.” The Subrecipient will be required to ensure up-to-date project information is entered. For additional assistance with the GRT, please contact your Program Representative at (916) 845-8410.

**Semi-Annual Drawdown Requirements**

All Subrecipients must report expenditures and request funds at least semi-annually throughout the period of performance. Exceptions will be considered on a case-by-case basis and must be specifically authorized in writing in advance by Cal OES.

Semi-annual drawdowns must occur no later than March 31 and October 31 of each calendar year following final approval of the grant application, with the exception of the final cash request, which must be submitted within 20 days of the end of the period of performance.

**Monitoring Subrecipient Performance**

The Cal OES Grants Monitoring actively monitors Subrecipients, both through desk and on-site field reviews. Monitoring is based on the cost principals and administrative requirements addressed in local, state, and

federal controlling authority, in addition to applicable financial guidelines. Reviews may include, but are not limited to:

- Entries recorded on the FMFW categories;
- Eligibility of and support for expenditures, typically covering 2-3 years of data;
- Comparing actual Subrecipient activities to those approved in the grant application and subsequent modifications, including the review of timesheets as appropriate;
- Ensuring that advances have been disbursed in accordance with applicable guidelines;
- Confirming compliance with:
  - Grant Assurances; and
  - Information provided on performance reports and payment requests.

Many Subrecipients receive “findings” that necessitate a Corrective Action Plan (CAP) on their part. Those Subrecipients who fail to submit a CAP as required shall have a “hold” placed on any future reimbursements until the “finding” is resolved.

**Grant  
Extensions**

Grant projects must be able to be fully completed within the period of performance. Any extension to the initial period of performance identified in the subaward will only be considered through formal, written requests to your Cal OES Program Representative. Upon receipt of the extension request, Cal OES will:

1. Verify compliance with performance reporting requirements by confirming the Subrecipient has submitted all necessary performance reports;
2. Confirm that the Subrecipient has provided sufficient justification for the request; and
3. If applicable, confirm that the Subrecipient has demonstrated sufficient progress in past situations where an extension was authorized by Cal OES.

Extension requests will be granted only due to compelling legal, policy, or operational challenges, and will only be considered for the following reasons:

1. Contractual commitments with vendor that prevent completion of the project within the period of performance;
2. The project must undergo a complex environmental review that cannot be completed within this timeframe;
3. Projects are long-term by design and therefore acceleration would compromise core programmatic goals; and
4. Where other special circumstances exist.



To be considered, extension requests must be received no later than 60 days prior to the end of the Subrecipient's period of performance, and must contain specific and compelling justifications as to why an extension is required. Any submissions received after the deadline will be considered at the discretion of the Cal OES Director. All extension requests must address the following:

1. Grant program, fiscal year, and award number;
2. Reason for delay;
3. Current status of the activity/activities;
4. Approved period of performance termination date and new project completion date;
5. Amount of funds drawn down to date;
6. Remaining available funds, both federal and non-federal;
7. Budget outlining how remaining federal and non federal funds will be expended;
8. Plan for completion including milestones and timeframes for each milestone and the position/person responsible for implementing the plan for completion; and
9. Certification that the activity/activities will be completed within the extended period of performance without any modification to the original Statement of Work.

General questions regarding extension requirements should be directed to your Cal OES Program Representative. For additional information, please see IB #379 at:

<https://www.fema.gov/pdf/government/grant/bulletins/info379.pdf>

### **Suspension or Termination**

Cal OES may suspend or terminate Subrecipient funding, in whole or in part, or other measures may be imposed for any of the following reasons:

- Failure to submit required reports;
- Failure to expend funds in a timely manner consistent with the grant milestones, guidance, and assurances;
- Failure to comply with the requirements or statutory objectives of federal or state law;
- Failure to make satisfactory progress toward the goals or objectives set forth in the Subrecipient application;
- Failure to follow Grant Subaward requirements or Special Conditions;
- Proposing or implementing substantial plan changes to the extent that, if originally submitted, the application would not have been selected for funding;
- False certification in the application or document;
- Failure to adequately manage, monitor or direct the grant funding activities of their Subrecipients;
- Before taking action, Cal OES will provide the Subrecipient reasonable notice of intent to impose corrective measures and will

make every effort to informally resolve the problem.

**Cash Requests** This is the method of reimbursement of authorized expenditures for Subrecipients. Subrecipients must have and retain copies of their detailed bids and invoices, contracts for the work purchased and performed, and proof of payment. Vendor payments can only be supported with canceled checks drawn from a business account.

**Cash Advance** Advance payment means a payment that is requested before Subrecipients have disbursed the funds for program purposes. Subrecipients may be paid an advance, provided they maintain a willingness and ability to maintain procedures to minimize the time elapsing between the receipt of funds and their disbursement.

Federal rules require advances to be deposited in interest-bearing accounts. Interest earned amounts up to \$500 per year may be retained by Subrecipients for administrative expense; any additional interest earned on federal advance payments must be returned annually to Cal OES.

A Cash Advance can be no greater than 50% of your total grant funding. Equipment obtained with advance funds must be installed and the vendor paid within 90 days of receiving the advance check from Cal OES. Unspent advance funds must be refunded to Cal OES.

**The Final Cash Advance documents must be approved by the Program Representative and a hard copy postmarked by December 31, 2019.**

**Subrecipient Changes** In accordance with 2 CFR Part 200, § 200.308 - Revision of Budget and Program Plans; any changes in key grant administration personnel needs to be communicated to Cal OES as change in the scope or the objective of the project or program (even if there is no associated budget revision requiring prior written approval).

**Closeout** Cal OES will close out Subrecipient awards when it determines that all applicable administrative actions and all required work of the federal award have been completed.

Subrecipient subawards will be closed after:

- Receiving a Subrecipient Performance Report indicating that all approved work has been completed, and all funds have been distributed;
- Receiving the Subrecipient's Final Reimbursement Request;
- Completing a review to confirm the accuracy of reported information;
- Reconciling actual costs to subawards, modifications and payments;
- Verifying the Subrecipient has submitted a final BSIR showing all grant funds have been expended.

If the closeout review and reconciliation indicates that the Subrecipient:

- Is owed additional funds, then Cal OES will send the final payment automatically to the Subrecipient;
- Did not use all funds received through a Cash Advance, then Cal OES will issue an invoice for the unused funds;
- Did not use all funds obligated, then Cal OES will send a deobligation letter in the amount of the unused funds.

**Records  
Retention**

The records retention period is three years from the date of the Subrecipient's final BSIR submittal showing all grant funds have been expended. The Cal OES Grant Closeout Letter will notify the Subrecipient of the start of the records retention period for all programmatic and financial grant-related records. If the SAA award remains open after the Subrecipient's submission of the final BSIR, Cal OES will complete any additional BSIR reporting required under the award on behalf of the Subrecipient.

Closed grants may still be monitored and audited. Failure to maintain all grant records for the required retention period could result in a reduction of grant funds, and an invoice to return costs associated with the unsupported activities.