



***Cal* OES**

**GOVERNOR'S OFFICE  
OF EMERGENCY SERVICES**

**Fiscal Year 2024  
State and Local Cybersecurity Grant Program**

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

*July 2024*

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|  |           |
|--|-----------|
| <b>SECTION 1—OVERVIEW</b> .....                        | <b>1</b>  |
| Federal Program Announcement                           |           |
| Competitive Funding Opportunity                        |           |
| Information Bulletins                                  |           |
| Grants Management Memoranda                            |           |
| Purpose of the California Supplement                   |           |
| Eligible Subrecipients                                 |           |
| Local Unit of Government                               |           |
| Tribal Government                                      |           |
| Supplanting  |           |
| Public/Private Organizations                           |           |
| Debarred/Suspended Parties                             |           |
| Civil Rights Policies                                  |           |
| <br>   |           |
| <b>SECTION 2—FEDERAL CHANGES AND INITIATIVES</b> ..... | <b>5</b>  |
| SLCGP Program Objectives                               |           |
| FY 2022 and 2023 National Priorities                   |           |
| National Campaigns and Programs                        |           |
| National Cybersecurity Review                          |           |
| Required CISA Cyber Hygiene Services                   |           |
| Match Requirement                                      |           |
| Management and Administration                          |           |
| Indirect Costs   |           |
| Equipment Costs  |           |
| Equipment Maintenance/Sustainment                      |           |
| Emergency Communications Projects                      |           |
| Telecommunications Equipment and Services Prohibitions |           |
| Construction and Renovation                            |           |
| Conflict of Interest                                   |           |
| <br>   |           |
| <b>SECTION 3—STATE CHANGES AND INITIATIVES</b> .....   | <b>14</b> |
| California Cybersecurity Priorities                    |           |
| “On Behalf Of”   |           |
| Public Alert and Warning                               |           |
| <br>   |           |
| <b>SECTION 4—POST AWARD REQUIREMENTS</b> .....         | <b>15</b> |
| Application Attachments                                |           |
| Standard Assurances                                    |           |
| Governing Body Resolution                              |           |
| State Agencies and Tribes Only                         |           |
| SLCGP Contact Information                              |           |
| Subaward Approval                                      |           |
| Payment Request Process                                |           |

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Advances and Interest Earned on Advances  
Semi-Annual Drawdown Requirements  
Modifications  
Training  
Exercises, Improvement Plans, and After-Action Reporting  
Procurement Standards and Written Procedures  
Procurement Thresholds  
Procurement Documentation  
Noncompetitive Procurement  
Environmental Planning and Historic Preservation  
Inventory Control and Property Management  
Equipment Disposition  
Performance Reporting  
Extension Requests  
Progress Reports on Grant Extensions  
Monitoring  
Failure to Submit Required Reports  
Suspension/Termination  
Closeout  
Records Retention

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| <b>Federal Program Announcement</b>         | <p>In September 2022, the U.S. Department of Homeland Security (DHS)/Federal Emergency Management Agency (FEMA) issued the Fiscal Year (FY) 2022 State and Local Cybersecurity Grant Program (SLCGP), <a href="#">Notice of Funding Opportunity (NOFO)</a>. The <a href="#">FY 2023 SLCGP NOFO</a> was subsequently released in August 2023. Subrecipients must follow the programmatic requirements in the NOFOs, and the applicable provisions of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards located in <a href="#">Title 2, Code of Federal Regulations (C.F.R.), Part 200</a>.</p> |
| <b>Competitive Funding Opportunity</b>      | <p>The Competitive Funding Opportunity (CFO) provides the information necessary to prepare a proposal for Cal OES's grant funds for the FY 2024 SLCGP. The SLCGP is a competitive grant; therefore, scoring criteria are established and grants are awarded for the top-scoring applications. Applications are recommended for funding based on the entities' proposed projects alignment with the <a href="#">California SLCGP Cybersecurity Plan</a> as identified in the CFO.</p>  |
| <b>Information Bulletins</b>                | <p>DHS issues <a href="#">Information Bulletins</a> (IBs) to provide updates, clarification, and new requirements throughout the life of the grant.</p>   |
| <b>Grant Management Memoranda</b>           | <p>Cal OES issues <a href="#">Grant Management Memoranda</a> (GMMs) which provide additional information and requirements regarding SLCGP funds.</p>  |
| <b>Purpose of the California Supplement</b> | <p>The FY 2024 SLCGP California Supplement to the NOFO (State Supplement) is intended to complement, rather than replace, the NOFOs. Applicants are highly encouraged to thoroughly read both the FY 2022 and FY 2023 NOFOs before referring to the State Supplement. The State Supplement will highlight additional California policies, priorities, and requirements applicable to FY 2024 SLCGP.</p>   |
| <b>Eligible Subrecipients</b>               | <p>Eligible Applicants, referred to as Subrecipients, must meet federal definition of Local Government in <a href="#">6 U.S.C. § 101(13)</a> or Tribal Government in <a href="#">6 U.S.C. § 665(g)(a)(7)</a> and be located in California, or be <a href="#">agencies of the State of California</a>. Private entities including non-profit organizations and for-profit organizations are not eligible to apply.</p>   |

**Local Unit of Government**

“Local government” for purposes of being an eligible Subrecipient for the SLCGP is defined in [6 U.S.C. § 101\(13\)](#) as:

- A. A county, municipality, city, town, township, local public authority, school district, special district, intrastate district, council of governments (regardless of whether the council of governments is incorporated as a nonprofit corporation under state law), regional or interstate government entity, or agency or instrumentality of a local government;
- B. An Indian tribe or authorized tribal organization, or in Alaska a Native Village or Alaska Regional Native Corporation; and
- C. A rural community, unincorporated town or village, or other public entity.

**Tribal Government**

“Tribal government” for purposes of being an eligible Subrecipient for the SLCGP is defined in [6 U.S.C. § 665g\(a\)\(7\)](#) as the “recognized governing body of any Indian or Alaska Native Tribe, band, nation, pueblo, village, community, component band, or component reservation, that is individually identified (including parenthetically)” in the most recent published list of [Federally Recognized Tribes](#).

**Supplanting Prohibited**

Grant funds must be used to supplement existing funds, not replace (supplant) funds that have been appropriated for the same purpose. Subrecipients may be required to provide supporting documentation that certifies a reduction in non-federal resources that occurred for reasons other than the receipt or expected receipt of federal funds. Supplanting will result in the disallowance of the activity associated with this improper use of federal grant funds.

**Public/Private Organizations**

Subrecipients may contract with other public or private organizations to perform eligible activities on approved SLCGP projects.

**Debarred/ Suspended Parties**

Subrecipients must not make or permit any award (subaward or contract) at any tier, to any party, that is debarred, suspended, or otherwise excluded from, or ineligible for, participation in federal assistance programs.

**Debarred/  
Suspended  
Parties  
Cont.**

Subrecipients must obtain documentation of eligibility before making any subaward or contract using SLCGP funds and must be prepared to present supporting documentation to monitors/auditors.

Before entering into a Grant Subaward, the Subrecipient must notify Cal OES if it knows if any of the principals under the subaward fall under one or more of the four criteria listed at [2 C.F.R. § 180.335](#). The rule also applies to Subrecipients who pass through funding to other local entities.

If at any time after accepting a subaward, Subrecipients learn that any of its principals fall under one or more of the criteria listed at [2 C.F.R. § 180.335](#), immediate written notice must be provided to Cal OES and all grant activities halted until further instructions are received from Cal OES. The rule also applies to subawards passed through by Subrecipients to local entities.

**Civil Rights  
Policies**

The Cal OES Grants Management and Office of Civil Rights and EEO Programs, in coordination with DHS, has developed the following policies tailored specifically to program beneficiaries, including Subrecipients of DHS funding:

- Non-discrimination in Programs & Services
- Reasonable Accommodation for Program Beneficiaries
- Language Access Policy

These policies can be found on the Cal OES website: [www.caloes.ca.gov/office-of-the-director/policy-administration/civil-rights-eeo/](http://www.caloes.ca.gov/office-of-the-director/policy-administration/civil-rights-eeo/)

For questions about these policies, please contact:

Cal OES's Civil Rights and Equal Employment Opportunity Office via email at: [eeo@caloes.ca.gov](mailto:eeo@caloes.ca.gov).

**Civil Rights  
Policies Cont.**

Or write to:

California Governor's Office of Emergency Services  
3650 Schriever Avenue  
Mather, CA 95655  
ATTN: EEO Office

To request a reasonable accommodation or alternate format or language services under these policies, please contact your Grants Analyst or the EEO Office.

**SLCGP Program Objectives**

Strengthening cybersecurity practices and resilience of state, local, and territorial (SLT) governments is an important national homeland security mission and the primary focus of the SLCGP. Through funding from the Infrastructure Investment and Jobs Act (IIJA), also known as the Bipartisan Infrastructure Law (BIL), the SLCGP enables DHS/FEMA to make targeted cybersecurity investments in SLT government agencies, thus improving the security of critical infrastructure and improving the resilience of the services SLT governments provide to their community.

The FY 2024 SLCGP aligns with the [2020-2024 DHS Strategic Plan](#) by helping DHS achieve Goal 3: Secure Cyberspace and Critical Infrastructure, Objective 3.3 Assess and Counter Evolving Cybersecurity Risks. The FY 2024 SLCGP also supports the [2022-2026 FEMA Strategic Plan](#) which outlines a bold vision and three ambitious goals, including Goal 3: Promote and Sustain a Ready FEMA and Prepared Nation, Objective 3.2: Posture FEMA to Meet Current and Emergent Threats.

The goal of SLCGP is to assist SLT governments with managing and reducing systemic cyber risk. With SLCGP funding, Subrecipients are required to address how at least one or more of the following program objectives will be met in their proposed project(s):

- Objective 1: Develop and establish appropriate governance structures, including developing, implementing, or revising cybersecurity plans, to improve capabilities to respond to cybersecurity incidents and ensure continuity of operations.
- Objective 2: Understand their current cybersecurity posture and areas of improvement based on continuous testing, evaluation, and structured assessments.
- Objective 3: Implement security protections commensurate with risk.
- Objective 4: Ensure organization personnel are appropriately trained in cybersecurity, commensurate with responsibility.

**SLCGP Program Objectives Cont.**

For more information on the program goals, objectives, sub-objectives, and desired outcomes, please refer to the FY 2022 and FY 2023 SLCGP NOFOs.

**FY 2022-23 National Priorities**

To support the goals and objectives of the SLCGP, Subrecipients are highly encouraged to prioritize the following key Cybersecurity Best Practices, as appropriate, in their individual projects using SLCGP funds:

- Implement multi-factor authentication
- Implement enhanced logging
- Data encryption for data at rest and in transit
- End use of unsupported/end of life software and hardware that are accessible from the internet
- Prohibit use of known/fixed/default passwords and credentials
- Ensure the ability to reconstitute systems (backups)
- Actively engage in bidirectional sharing between CISA and SLT entities in cyber relevant time frames to drive down cyber risk
- Migration to the .gov internet domain

Subrecipients should eventually adopt and use all eight Cybersecurity Best Practices as described in the FY 2022 and FY 2023 SLCGP NOFOs, Section A, 10, c. **Subrecipients are strongly recommended to prioritize the best practices in the implementation of their individual projects, as appropriate, to improve their cybersecurity posture and work on plans to move toward eventual adoption of all eight of the cybersecurity best practices.** Although immediate adoption of all practices by the Subrecipient is not required, progression should be documented in the required performance reports.

With regard to migrating to the .gov internet domain (one of the Cybersecurity Best Practices), educational institution Subrecipients (e.g., school districts) using the .edu Internet domain are exempted from transitioning to the .gov Internet domain. All other Subrecipients are advised that a .gov

**National Priorities  
Cont.**

internet domain not only provides many security benefits but also signals trust and credibility to public users. For more information on migrating to the .gov internet domain please visit the DotGov Program at [get.gov](https://get.gov).

As states, territories, and local entities increase their cybersecurity maturity level, DHS/CISA recommends they move toward implementing more advanced cybersecurity best practices, such as endpoint detection and response capabilities, as well as conducting regular penetration testing. Please visit the [SLCGP page on the CISA website](#) for additional information and resources on cybersecurity best practices.

**National  
Campaigns and  
Programs**

**Whole Community Preparedness** – Subrecipients should engage with the [whole community](#) to advance individual and community preparedness and to work as a nation to build and sustain resilience. In doing so, Subrecipients are encouraged to consider the needs of individuals with access and functional needs and limited English proficiency in the activities and projects funded by the grant.

Subrecipients should utilize established best practices for whole community inclusion and engage with stakeholders to advance individual and jurisdictional preparedness and resilience. Subrecipients are encouraged to consider the necessities of all Californians in the activities and projects funded by the grant, including children, seniors, individuals with disabilities or access and functional needs, individuals with diverse culture and language use, individuals with lower economic capacity, and other underserved populations.

**Continuity Capability** – Continuity should be integrated into each core capability and the coordinating structures that provide them. Protection of critical systems and networks that ensure continuity of operation, business, and government are fundamental to ensuring delivery of all core capabilities. Continuity capabilities increase resilience and the probability that organizations can perform essential functions in the delivery of core capabilities that support the mission areas. FEMA is responsible for developing, managing, and promulgating national continuity planning, guidance, training, and exercise programs for the whole community.

FEMA develops and promulgates directives, policy, and guidance for continuing SLT government jurisdictions,

**National Campaigns and Programs (cont.)**

nongovernmental organizations, and private sector organizations' essential functions across a broad spectrum of emergencies. This direction and guidance assists in developing capabilities for continuing the essential functions of SLT governmental entities, as well as public/private critical infrastructure owners, operators, and regulators enabling them.

This aligns with the requirements that SLCGP Cybersecurity Plans ensure continuity of operations of the state or territory as well as applicable local governments in the event of a cybersecurity incident, as well as continuity of communications and data networks within the state or territory and between the state or territory and applicable local governments. See also [6 U.S.C. § 665g\(e\)\(2\)\(B\)\(vii\), \(ix\)](#).

Continuity Guidance Circulars outline continuity requirements for agencies and organizations and provide guidance, methodology, and checklists. For additional information on continuity programs, guidance, and directives, visit the [Continuity Resource Toolkit](#) on the FEMA website.

**National Cybersecurity Review**

The [National Cybersecurity Review \(NCSR\)](#) is a required assessment for all Subrecipients of SLCGP funding to be completed on an annual basis.

The NCSR is a no-cost, anonymous, and annual self-assessment designed to measure gaps and capabilities of state, local, tribal, territorial, nonprofit, and private sector agencies' cybersecurity programs. The NCSR usually opens for completion in October and closes in February.

Additionally, FEMA recognizes that some subawards will not be issued until after the NCSR has closed. In these cases, Subrecipients will be required to complete the first available NCSR offered after the subaward has been issued by Cal OES.

The Chief Information Officer (CIO), Chief Information Security Officer (CISO), or equivalent should complete the NCSR. If there is no CIO or CISO, the most senior cybersecurity professional should complete the assessment. Additional information may be found in [IB 439](#) and [429a](#).

**Required CISA  
Cyber Hygiene  
Services**

As a condition of receiving SLCGP funding, Subrecipients are required to participate in the vulnerability scanning service provided through the CISA Cyber Hygiene Services. Participation in this service is not required for submission and approval of a proposal, however it is required for approved projects funded through the SLCGP.

**Match  
Requirement**

The SLCGP requires cash and/or third-party in-kind contributions as a share of cost to match the federal share awarded through the program. Match required for the SLCGP is calculated based on the total project cost. **The match requirement for Subrecipients has been waived in full.**

Match requirements for the upcoming federal fiscal years of the SLCGP are as follows:

- FY 2024: 30% of the total project cost
- FY 2025: 40% of the total project cost

Applicants are referred to [2 C.F.R. § 200.306](#) for details on match requirements for federal awards. Non-federal match contributions have the same eligibility requirements as the federal share.

**Management  
and  
Administration**

The Management and Administration (M&A) allowance for Subrecipients is set at a maximum of 5% for the FY 2024 SLCGP.

**Indirect Costs**

Indirect costs are allowable under the FY 2024 SLCGP Grant Subaward. Subrecipients who claim indirect costs may do so, provided they use one of the following methods:

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.

Subrecipients without a federal indirect cost rate agreement may claim indirect costs based on the *de minimis* rate of up to 15% over modified total direct costs (MTDC) as described in 2 C.F.R. 200.414.

**Indirect Costs**

Indirect costs must be based on the claimed direct project costs, excluding equipment expenditures and other distorting items. Up to \$50,000 of each Grant Subaward may be included as a direct project cost when calculating indirect costs based on MTDC.

Indirect costs must be claimed no more than once annually, and only at the end of the Subrecipient's fiscal year. An exception to this rule applies if there is a mid-year change to the approved indirect cost rate; in this case, costs incurred to date must be claimed. At that time, a Grant Subaward Modification reflecting the rate change must also be submitted to Cal OES, along with a copy of the new indirect cost rate agreement.

**Equipment Costs**

Per the NOFO, equipment costs are allowable under this Program. SLCGP equipment is intended to be used to address cybersecurity risks and cybersecurity threats to information systems owned or operated by, or on behalf of, state, local, and tribal governments.

Per FEMA policy, the purchase of weapons and weapon accessories are not allowed with SLCGP funds.

Unless otherwise stated, all equipment must meet all applicable statutory, regulatory, and DHS standards to be eligible for purchase using SLCGP funds. In addition, Subrecipients will be responsible for obtaining and maintaining all necessary certifications and licenses for the requested equipment.

**NOTE: Equipment requiring construction activities (including site preparation, utility installations, and any groundbreaking activities) or equipment installations are not allowable.**

**Equipment Maintenance/  
Sustainment**

Use of SLCGP funds for maintenance contracts, warranties, repair or replacement costs, upgrades, and user fees are allowable as described in FEMA [IBs 336](#) and [379](#), as well as Grant Programs Directorate (GPD) Policy [FP-205-402-125-1](#).

**Emergency Communications**

All Subrecipient emergency communications projects must comply with the [SAFECOM Guidance](#) on Emergency

**Projects –  
SAFECOM  
Guidance**

Communications Grants and describe how such activities align with the goals of the Statewide Communications Interoperability Plan.

**Telecom  
Equipment and  
Services  
Prohibitions**

Effective August 13, 2020, section 889(f)(2)-(3) of the [John S. McCain National Defense Authorization Act for FY 2019 \(NDAA\)](#) and [2 C.F.R. § 200.216](#) prohibit DHS/FEMA Recipients and Subrecipients (including their contractors and subcontractors) from using any FEMA funds under open or new awards for the following telecommunications equipment or services:

- 1) Telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation, (or any subsidiary or affiliate of such entities);
- 2) For the purpose of public safety, security of government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities);
- 3) Telecommunications or video surveillance services provided by such entities or using such equipment; or
- 4) Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the People's Republic of China.

Please see [FEMA Policy #405-143-1](#) for additional information.

**Construction and  
Renovation**

SLCGP funds may ***not*** be used for construction, renovation, remodel, or to perform any alterations of buildings or other physical facilities. Such alterations could be as minimal as drilling a new hole in a wall to hang a shelf or run cable.

The following list provides examples of ***unallowable costs*** (such as those that would require an [Environmental & Historic Preservation](#) review):

**Construction and  
Renovation  
Cont.**

Renovations

- Any modifications to existing buildings or structures.
- Installation or replacement of equipment (cameras, access controls to doors, card readers, monitors, etc.). Installation means attaching equipment to walls, ceilings, floors, and doors.
- Installation or replacement of racks that involve attaching racks to floors and/or walls.
- Installing new equipment cabling where new holes are made through walls, floors, or ceilings. Installation of new conduit onto existing walls, ceilings, or floors. Floor raising to install new cabling.
- Installation of electrical outlets.
- Installation of uninterruptible power supply units (UPS) that involve attaching to floors or walls. Any new cabling installed through walls, ceilings, or floors.
- Any activities (grant funded or not) that are connected to the grant-funded project that involve the building utility infrastructure such as installing new electrical, water, or gas lines.
- Installation of generators.
- Any installation of new equipment at communications towers or building roofs such as antennas or internet systems such as Starlink or satellite dishes.
- Any interior renovations to office spaces that change the layout such as removing walls or creating new walls. Replacing or hardening of doors and windows.
- Installation or replacement of fencing and bollards.
- Any activities that involve ground disturbances.

**Construction and  
Renovation  
Cont.**

Training

- Training not at a designated training facility to test the readiness of the nation to prevent or respond to a terrorist attack or natural or manmade disaster such as Active Shooter, Search and Rescue, SWAT, etc.
- Training activities in a water body.
- Drone training.

**Conflict of  
Interest**

To eliminate and reduce the impact of conflicts of interest in the subaward process, Subrecipients and pass-through entities must follow their own policies and procedures regarding the elimination or reduction of conflicts of interest when making subawards. Subrecipients and pass-through entities are also required to follow any applicable federal, state, local, and tribal statutes or regulations governing conflicts of interest in the making of subawards.

Subrecipients must disclose to their Grants Analyst, in writing, any real or potential conflict of interest as defined by the federal, state, local, or tribal statutes or regulations, which may arise during the administration of the SLCGP subaward within five days of learning of the conflict of interest.

**California  
Cybersecurity  
Priorities**

The State prioritized the following initiatives in the California SLCGP Cybersecurity Plan for the FY 2024 Grant Subawards:

1. Enhance the preparation, response, and resiliency of information systems, applications, and user accounts (SLCGP Cybersecurity Plan Element 3);
2. Implement a process of continuous cybersecurity risk factors and threat mitigation practices, prioritized by degree of risk (SLCGP Cybersecurity Plan Element 4);
3. Develop and coordinate strategies to address cybersecurity risks and threats (SLCGP Cybersecurity Plan Element 14);
4. Identify and mitigate any gaps in the cybersecurity workforces, enhance recruitment and retention efforts, and bolster the knowledge, skills, and abilities of personnel with reference to the National Initiative for Cybersecurity Education Workforce Framework for Cybersecurity (SLCGP Cybersecurity Plan Element 8);
5. Assess and mitigate Critical Infrastructure and Key Resources risks and threats impacting local jurisdictions (SLCGP Cybersecurity Plan Element 10);
6. Ensure continuity of operations, including by conducting exercises (SLCGP Cybersecurity Plan Element 7); and
7. Ensure rural communities have adequate access to, and participation in, California SLCGP Cybersecurity Plan activities (SLCGP Cybersecurity Plan Element 15).

These focus areas drive the prioritized cybersecurity projects described in the California SLCGP Cybersecurity Plan, Appendix B: Project Summary Worksheet. Cybersecurity projects funded through the FY 2024 SLCGP in California must align with one or more of the SLCGP Objectives and one or more of the 16 Cybersecurity Plan Elements.

**“On Behalf Of”**

Cal OES may, in conjunction with local approval authorities, designate funds “on behalf of” local entities who choose to decline or fail to utilize their subaward in a timely manner.

**Public Alert  
and Warning**

Cal OES encourages Subrecipients to consider their jurisdiction’s alignment with the [State of California Alert and Warning Guidelines](#), developed pursuant to Senate Bill 833 of the 2018 Legislative Session.

**Grant Subaward Application**

Subrecipients must complete and submit their Grant Subaward Application through the online [Cal OES Grants Central System \(GCS\)](#). All forms and required fields must be completed in order to submit the application in the GCS.

Cal OES may require revisions and/or additional documentation to finalize the submission of the Grant Subaward Application in the GCS. The Grants Analyst identified in the Subrecipient's Intent to Fund notification can provide technical assistance in completing these components.

For technical assistance with navigation in the Grants Central System, please email:

Grants Central System Technical Support

[grantscentralinfo@caloes.ca.gov](mailto:grantscentralinfo@caloes.ca.gov)

**Application Attachments**

**STD 204 Payee Data Record** – This form provides information for income tax reporting and to ensure tax compliance with federal and state laws. **This form is only required if the Applicant has not previously received a Grant Subaward from Cal OES.**

**Indirect Cost Rate Agreement** – If claiming indirect costs at a federally-approved rate, please provide a copy of the approved indirect cost rate agreement.

**Governing Body Resolution**

The Governing Body Resolution (GBR) appoints Authorized Agents (AA) – 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 an approved GBR in order to execute their Grant Subaward agreement. Resolutions may be valid for up to three grant years given the following:

- The resolution identifies the applicable grant program (e.g., SLCGP);
- The resolution identifies the applicable grant years, (e.g., FY 2024); and
- Adheres to any necessary elements required by local protocols, rules, etc., if applicable.

Resolutions that only identify a single grant program will only be valid for that single program. Resolutions that do not identify applicable grant years will only be valid for the grant year in which the resolution was submitted.

**Authorized Agent Information** – For each person or position appointed by the governing body, identify the individual in the Cal OES Grants Central System (GCS) by assigning them the Authorized Agent role.

All changes in AA and contact information must be submitted through the GCS. If the GBR identifies the AA by name, a new resolution is needed when changes are made. If the GBR identifies the AA by position and/or title, changes may be made by an existing AA, who can register the new AA in the GCS. Cal OES will not accept signatures of an AA's designee, unless authorized by the governing body's resolution. A change to an AA's designee must be submitted through the GCS.

**State Agencies and Tribes Only**

State agencies and federally recognized tribes may submit the Signature Authorization Form in lieu of a GBR, signed by the most senior ranking official, such as the Secretary, Director, President, Chancellor, or Chairperson.

**SLCGP Contact Information**

All Subrecipient application materials, questions, comments, and correspondence should be directed to:

California Governor's Office of Emergency Services  
ATTN: Grants Management (Building F)  
State & Local Projects Unit  
3650 Schriever Avenue  
Mather, CA 95655

Trevor Martin (916) 328-7693  
[Trevor.Martin@caloes.ca.gov](mailto:Trevor.Martin@caloes.ca.gov)

**Subaward Approval**

Subrecipients will receive a formal notification of award. The award letter must be signed, dated, and returned to Cal OES within 20 calendar days. Once the completed application, along with the signed award letter, is received and approved, reimbursement of eligible subaward expenditures may be requested.

**Payment Request Process**

To request a cash reimbursement of SLCGP funds, Subrecipients must first complete a payment request. Subrecipients who fail to follow instructions may experience delays in processing the payment request.

Payments can only be made if the Subrecipient has an approved application.

**Advances and Interest Earned on Advances**

An Advance payment is 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. The timing and amount of advance payments must be as close as administratively feasible to the actual disbursements by the Subrecipient for project costs.

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 expenses; any additional interest earned on federal advance payments must be returned annually to Cal OES.

**Semi-Annual Drawdown Requirements**

All Subrecipients must report expenditures and request funds at least semi-annually throughout the period of performance. Semi-annual drawdowns should occur by March and October of each calendar year following final approval of the subaward application, except for the final cash request, which must be submitted within 20 calendar days after the end of the period of performance.

**Modifications**

Post-award budget and scope modifications must be requested, signed by the Subrecipient's AA, and submitted to the Grants Analyst.

The Subrecipient may implement grant modification activities, and incur associated expenses, only after receiving written final approval of the modification from Cal OES.

Subrecipients must provide a written justification with all modification requests. The justification may be included in the body of the e-mail transmitting the request, or in a document attached to the transmittal e-mail. Please reference [GMM 2018-17](#) for additional information regarding modification

requests.

**Any changes to the scope of work of a proposal selected for funding are not permitted.**

## Training

All grant-funded training activities must receive Cal OES approval prior to starting the training event. Cal OES shall allow Subrecipients to develop a “placeholder” for future training conferences when an agenda has not been established at the time Subrecipient applications are due. Please work with a Grants Analyst and the Training Branch to identify a possible “placeholder” for these types of training activities.

When seeking approval of non-DHS/FEMA developed courses, course materials must be submitted with the approval requests. Conditional approvals are not offered.

Subrecipients must complete a [Training Request Form](#) and submit it electronically to the Cal OES Training Branch to be approved with a Training Feedback Number before beginning any training activities. This includes project components like travel to, materials for, or attendance in training courses. Training Feedback Numbers should be obtained no later than 30 days before the first day of the training or related activities. Requests that are submitted with less than 30 days prior to the start of the training or activity are not guaranteed to be approved in time and run the risk of training being unallowable. Training Feedback numbers must be included on the Training Ledger to be considered for reimbursement.

For more information on this or other training-related inquiries, contact the [Cal OES Training Branch](#) at (805) 594-2500.

## Exercises, Improvement Plans, and After-Action Reporting

Subrecipients should engage stakeholders to identify long-term training and exercise priorities. These priorities should address capability targets and gaps identified through the THIRA and SPR process, real-world events, previous exercises, and national areas for improvement identified in the NPR.

Subrecipients must report on all exercises conducted with SLCGP grant funds. An After-Action Report (AAR)/Improvement Plan (IP) or Summary Report (for Seminars and Workshops) must be completed and submitted to Cal OES within 90 days after

exercise/seminars/workshops are conducted. It is acceptable to submit an *Exercise Summary Report for Seminars and Workshops* in lieu of a full AAR/IP.

Please e-mail AAR/IPs and Summary Reports to:

- [hseep@fema.dhs.gov](mailto:hseep@fema.dhs.gov)
- [exercise@caloes.ca.gov](mailto:exercise@caloes.ca.gov)
- [christopher.camacho@caloes.ca.gov](mailto:christopher.camacho@caloes.ca.gov)

For exercise-related issues and/or questions, please email the Cal OES Exercise Team at [exercise@caloes.ca.gov](mailto:exercise@caloes.ca.gov).

Exercise costs will not be considered for reimbursement until an AAR/IP is received by Cal OES.

### **Procurement Standards and Written Procedures**

Subrecipients must conduct procurement utilizing documented local government procurement standards and procedures, or the federal procurement standards found in [2 C.F.R. Part 200](#), whichever is more strict. Procurement standards must also contain a written conflict of interest policy which reflect applicable federal, state, local, and tribal laws.

### **Procurement Thresholds**

Effective June 20, 2018, the micro-purchase threshold was increased from \$3,500 to \$10,000 and the simplified acquisition threshold was increased from \$150,000 to \$250,000. These increases apply to all Subrecipient procurements executed on or after June 20, 2018. Refer to [IB 434](#) for additional information.

### **Procurement Documentation**

Per [2 C.F.R. § 200.318\(j\)](#), non-federal entities other than states and territories are required to maintain and retain records sufficient to detail the history of procurement covering at least the rationale for the procurement method, contract type, contractor selection or rejection, and the basis for the contract price. For any cost to be allowable, it must be adequately documented per [2 C.F.R. § 200.403\(g\)](#). Examples of the types of documents that would cover this information include, but are not limited to:

- Solicitation documentation, such as requests for quotes, invitations for bids, or requests for proposal;
- Responses to solicitations, such as quotes, bids, or proposal;
- Pre-solicitation independent cost estimates and post-solicitation cost/price analyses on file for review by federal personnel, if applicable;

- Contract documents and amendments, including required contract provisions; and other documents required by federal regulations applicable at the time a grant is awarded to a Subrecipient.

### **Noncompetitive Procurement**

All noncompetitive procurements exceeding the simplified acquisition threshold requires Cal OES **prior** written approval to be eligible for reimbursement. This method of procurement must be approved by the local Purchasing Agent prior to submitting a request for Cal OES approval. A copy of the Purchasing Agent's approval must be included with the Cal OES [Request for Noncompetitive Procurement Authorization](#) form. Cal OES may request additional documentation that supports the procurement effort.

Cal OES will not reimburse for any noncompetitive procurement contracts for any SLCGP terrorism-related training, regardless of the cost of the training. Exceptions to this policy may be approved in limited circumstances, e.g., related to a procurement effort that has resulted in inadequate competition. Please refer to [GMM2017-01A](#) and [GMM2021-05](#) for additional guidance.

### **Inventory Control and Property Management**

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.

Subrecipients must have an effective inventory management system, to include:

- Property records that document description, serial/ID number, fund source, title information, acquisition date, cost, federal cost share, location, use, condition, and ultimate disposition;
- A physical inventory conducted at least every two years;
- A control system to prevent loss, damage, and theft of grant-purchased equipment and supplies; and
- Adequate maintenance procedures to keep the property in good condition.

|                                    |  |
|------------------------------------|--|
| <b>Equipment Disposition</b>       | When original or replacement equipment acquired under the SLCGP is no longer needed for program activities, the Subrecipient must contact the Grants Analyst to request disposition instructions. See <a href="#">2 C.F.R. § 200.313(e)</a> .  |
| <b>Performance Reporting</b>       | <p><b>Performance Progress Reports</b> – Subrecipients must prepare and submit Performance Reports to the State for the duration of the subaward period of performance, or until all grant activities are completed and the subaward is formally closed by Cal OES. The SLCGP Performance Reports must be submitted on an annual basis, consistent with section 2200A(q)(1) of the Homeland Security Act of 2002. The Performance Reports must include the progress made on identified activities, as well as other required information. Failure to submit a Performance Report could result in subaward reduction, suspension, or termination.</p> <p>To ensure that mandated performance metrics and other data required under the subaward is reported accurately, all SLCGP Performance Reports must be submitted electronically, via email, to their Cal OES Grants Analyst for review and vetting. Electronic documents submitted for Cal OES review and vetting should be submitted as soon as possible, but no later than, seven calendar days before the</p> |
| <b>Performance Reporting Cont.</b> | identified due date(s) associated with the Performance Report. Submission of the electronic copy is only to occur after their Cal OES Grants Analyst's review has concluded and the Subrecipient is directed by their Cal OES Grants Analyst to submit the signed electronic copy.   |
| <b>Extension Requests</b>          | <p>Extensions to the initial period of performance identified in the subaward will only be considered through formal, written requests to your Grants Analyst. Upon receipt of the extension request, Cal OES will:</p> <ol style="list-style-type: none"> <li>1. Verify compliance with performance reporting requirements by confirming the Subrecipient has submitted all necessary performance reports;</li> <li>2. Confirm the Subrecipient has provided sufficient justification for the request; and</li> <li>3. If applicable, confirm the Subrecipient has demonstrated sufficient progress in past situations where an extension was</li> </ol>  |

**Extension  
Requests Cont.**

authorized by Cal OES.

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

1. Contractual commitments with vendors that prevent completion of the project within the period of performance;
2. The project must undergo a complex environmental review which 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. 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 the activity/activities will be completed within the extended period of performance without any modification to the original Project Scope.

General questions regarding extension requirements and the extension request form, should be directed to your Grants Analyst. For additional information, please see IB 379. Extension requests for personnel and salaries do not meet the requirements of IB 379 and will not be granted. Subrecipients are expected to complete all grant-funded personnel activities by the end of the subaward period of performance.

**Progress Reports on Grant Extensions**

All Subrecipients that receive Cal OES approval to extend their FY 2024 Grant Subaward period of performance may be required to submit progress reports indicating completed and future project milestones on all extended projects. Progress reports must be submitted electronically to the Subrecipient's Grants Analyst. Deadlines for the submission of progress reports will be established at the time of extension approval.

**Monitoring**

Cal OES Grants Monitoring actively monitors Subrecipients, through day-to-day communications, programmatic site visits, desk, and on-site compliance assessments. The purpose of the compliance assessment is to ensure Subrecipients are in compliance with applicable state and federal regulations, grant guidelines, and programmatic requirements.

Monitoring activities may include, but are not limited to:

- Verifying entries recorded in categories are properly supported with source documentation;
- Eligibility of and support for expenditures, typically covering two to three years of data;
- Comparing actual Subrecipient activities to those approved in the grant application and subsequent modifications, including the review of timesheets and invoices as applicable;
- Procurements and contracts;
- Ensuring equipment lists are properly maintained and physical inventories are conducted;
- Ensuring advances have been disbursed in accordance with applicable guidelines; and
- Confirming compliance with Standard Assurances, and information provided on performance reports and payment requests.

**NOTE:** It is the responsibility of all Subrecipients that pass down grant funds to other entities, to maintain and utilize a formal process to monitor the grant activities of their subawards. This requirement includes, but is not limited to, on-site verification of grant activities, as required. It is common for Subrecipients to receive findings in a programmatic site visit or compliance assessment, which require a Corrective Action Plan (CAP) to be submitted by Subrecipients. Those Subrecipients who fail to submit a CAP, as required, shall have a "hold" placed on any future reimbursements until the "finding" is resolved.

**Failure to Submit  
Required  
Reports**

Periodic reporting is required by the grant. Subrecipients who miss a single reporting deadline may receive a letter addressed to their governing body informing them of the failure to report. Subrecipients who fail to report twice consecutively may have subsequent awards reduced by 10% until timely reporting is reestablished.

**Suspension/  
Termination**

Cal OES may suspend or terminate Grant Subaward 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 progress toward the goals or 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.

## Closeout

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

Subawards will be closed after:

- All funds have been requested and reimbursed, or disencumbered;
- Receiving all applicable Subrecipient reports indicating all approved work has been completed, and all funds have been distributed;
- Completing a review to confirm the accuracy of reported information;
- Reconciling actual costs to subawards, modifications, and payments.

## Records Retention

The records retention period is three years from the date of the Cal OES Grant Closeout letter, or until any pending litigation, claim, or audit started before the expiration of the three-year retention period has been resolved and final action is taken.

For indirect cost rate proposals, cost allocation plans, or other rate computation records, the start of the record retention period is dependent on whether the proposal, plan, or other computation is required to be submitted to the federal government (or to the pass-through entity) for negotiation purposes. See [2 C.F.R. § 200.334\(f\)](#).

In order for any cost to be allowable, it must be adequately documented per [2 C.F.R. § 200.403\(g\)](#).

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.

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.

If documents are retained longer than the required retention period, FEMA, the DHS Office of Inspector General, Government Accountability Office, and pass-through entity have the right to access these records as well. See [2 C.F.R. §§ 200.334, 200.336](#).