




FEMA

**Grant Programs Directorate Information
Bulletin No. 421a
June 6, 2019**

MEMORANDUM FOR: All State Administrative Agency Heads
All State Administrative Agency Points of Contact
All State Homeland Security Directors
All State Emergency Management Agency Directors
All Urban Area Security Initiative Points of Contact
All Tribal Nation Points of Contact

FROM: Bridget Bean 
Acting Assistant Administrator
Grant Programs Directorate

SUBJECT: **Clarification on the Personnel Reimbursement for Intelligence Cooperation and Enhancement of Homeland Security Act of 2008 (Public Law 110-412 – the PRICE Act)**

I. Purpose

This Information Bulletin (IB) serves to explain how direct and contract personnel costs are classified under Section 2008 of the *Homeland Security Act of 2002* (Pub. L. No. 107-296) as amended by the *Personnel Reimbursement for Intelligence Cooperation and Enhancement of Homeland Security Act of 2008* (PRICE Act) (Pub. L. No. 110-412). It reissues and supersedes previous Grant Programs Directorate (GPD) IB 421 of the same subject and title. The only substantive change to the previous policy relates to clarifying that the scope of this policy also includes the Nonprofit Security Grant Program.

II. Applicability

This policy applies to all recipients of a grant and any subrecipients under the State Homeland Security Program (SHSP), Urban Area Security Initiative (UASI), Tribal Homeland Security Grant Program (THSGP), Operation Stonegarden (OPSG), and the Nonprofit Security Grant Program (NSGP).

III. Guidance

A. Overview

1. Section 2008(b)(2)(A) of the *Homeland Security Act of 2002*, as amended, states:
“Not more than 50 percent of the amount awarded to a grant recipient under section 2003 or 2004 [of the *Homeland Security Act of 2002*] in any fiscal year may be used to pay for personnel, including overtime and backfill costs, in support of the permitted uses under [section 2008(a)].”
2. Section 2008(a) states, in part, with respect to permitted uses: “The Administrator shall permit the recipient of a grant under section 2003 or 2004 [of the *Homeland Security Act of 2002*] to use grant funds to achieve target capabilities related to preventing, preparing for, protecting against, and responding to acts of terrorism, consistent with a State homeland security plan and relevant local, tribal, and regional homeland security plans”

B. Clarification of Personnel Costs

1. To comply with section 2008(b)(2) of the *Homeland Security Act of 2002*, as amended,¹ recipients are required to track personnel and personnel-related activities to ensure compliance with the 50 percent cap on personnel costs. In general, costs associated with the following ARE counted against the personnel cap:
 - a. Contracted personnel costs that support operational activities, including general planning, training or exercise activities, or contracted security costs; and
 - b. Work performed by all non-contractor personnel, including for full-time or part-time staff and overtime of any kind
2. Work performed under contract for a specific deliverable IS NOT counted against the personnel cap. Under this provision, the following are examples of contract deliverables that are not counted against the personnel cap:
 - a. Vendor installation of a radio tower;
 - b. Vendor training on new equipment purchased;
 - c. Contractor hired to create an Emergency Operations Plan;

¹“(b) LIMITATIONS ON USE OF FUNDS.—
(2) PERSONNEL.—

(A) IN GENERAL.—Not more than 50 percent of the amount awarded to a grant recipient under section 2003 or 2004 in any fiscal year may be used to pay for personnel, including overtime and backfill costs, in support of the permitted uses under subsection (a).

(B) WAIVER.—At the request of the recipient of a grant under section 2003 or 2004, the Administrator may grant a waiver of the limitation under subparagraph (A).

- d. Contractor hired to provide deliveries of the ICS 400 course; and
- e. Contractor hired to assist with planning, training, developing, and evaluating an exercise.

C. Waiver Requests

1. SHSP, UASI, THSGP, and OPSG Waiver Request Process

- a. Upon written request, the 50 percent personnel cap established by section 2008(b)(2)(A) of the *Homeland Security Act of 2002*, as amended, may be waived at the discretion of the FEMA Administrator pursuant to section 2008(b)(2)(B). Post-award SHSP, UASI, THSGP, and requests to waive the 50 percent personnel cap should be coordinated through the assigned FEMA Program Analyst (PA). Recipients of a grant that request a waiver of the personnel cap are reminded that they may not incur any costs in excess of the 50 percent cap prior to the approval of the waiver request by the FEMA Administrator.
- b. FEMA will prioritize personnel waiver requests that are well justified by threat data. FEMA will also continue to prioritize personnel cap waiver requests for OPSG.

2. NSGP Waiver Request Process

- a. Nonprofit organizations that apply for and are awarded NSGP funds for contracted security personnel, if allowable under the appropriate NSGP Notice of Funding Opportunity, must count such costs toward the nonprofit organization's 50 percent personnel cap.
 - i. Application and Award: If the estimated contract security personnel costs at the time of application exceed 50 percent of a nonprofit organization's total funding amount, the application must include a waiver request. FEMA will review contracted security costs prior to award and, if approved, will waive the 50 percent personnel cap as a term and condition of the award.
 - ii. Post-Award: If the contracted security personnel costs at the time of award do not exceed the 50 percent personnel cap, but a later reprogramming request would cause the nonprofit organization to exceed the 50 percent personnel cap, the nonprofit organization must submit a waiver request with its reprogramming request. See IB 441 for procedures on NSGP reprogramming requests.
 - iii. Justification: FEMA will only approve personnel waiver requests that are well justified based on vulnerability assessment results and how the contracted security personnel will address and mitigate those vulnerabilities.

D. Monitoring and Compliance

GPD will ensure compliance with this policy through its annual financial and programmatic monitoring program. FEMA preparedness grant recipients and subrecipients that fail to comply with this policy may not receive reimbursement through the applicable grant program.

IV. Questions

Questions regarding this IB may be directed to your assigned FEMA program analyst or the Centralized Scheduling and Information Desk (CSID) at askcsid@fema.dhs.gov or (800) 368-6498, Monday through Friday, 9:00 a.m. – 5:00 p.m. ET.

V. Review Date

This IB will be reviewed within five years from date of issuance.