**IMPLEMENTATION PHASE FOR ALL PROJECT TYPES**

**GENERAL GRANTS MANAGEMENT GUIDANCE\**

A. SUB-GRANTEE PERSONNEL NEEDS

Prior to assigning or hiring personnel or contracting for specialized assistance, the chief elected official and/or another appropriate employee of the sub-grantee should thoroughly review this manual. This will help to identify the tasks involved and determine the skills that are necessary to effectively administer the project and ensure compliance with applicable laws and regulations. It is NCDEM’s recommendation, due to the nature of the program, that professional personnel (e.g. accountants, lawyers, engineers, and grant managers) be consulted.

It is important that the sub-grantee's elected officials and chief administrator maintain direct involvement in all facets of grant and project management since the sub-grantee is contractually responsible for the success of the project and for

compliance with grant requirements. The Designated Agent should also work with his/her NCDEM Point of Contact to arrange for an implementation meeting.

1. Administrative/Management Services

An appropriate individual, either on the sub-grantee’s staff or consulting firm, should be assigned as a grant administrator with lead responsibility for overall grant administration. His or her responsibility is to coordinate and direct all grant activities. This person should report directly to the governing body or chief elected official. This person should ensure that a project is successfully completed. The grant administrator also monitors the program budget and promptly alerts proper authorities when problems arise via the Progress Reporting mechanism. This individual is also responsible for maintaining the project files in the offices of the local unit of government and advising the sub-grantee on the means to implement the project pursuant to local, state and federal requirements. These items will be checked for compliance as part as closeout activities.

2. Financial Management

Requirements for Financial Management include accounting and controlling of grant funds to easily and accurately identify project costs and cash balances and to be able to support such costs. It also means that the sub-grantee must have sufficient internal controls to safeguard public funds against fraud, waste, and mismanagement.

The sub-grantee's existing systems, where possible, should be used to account for and control grant funds. If there are existing personnel and systems sufficient to meet the requirements outlined in this Manual, no additional staffing may be necessary. If the review of this Manual and existing systems indicate any weakness in the sub-grantee's financial management system, additional staff or training for existing staff may be necessary.

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3. Compliance Responsibility

Because mitigation is a federally funded program, it is subject to a number of federal laws, directives and regulations between them.

**HMGP is established under the authority of Public Law 93-288 as amended by PL 100-707, Robert T. Stafford Disaster Relief Act. Additional authorities and references incorporated or recognized are as follows**:

* FEMA Regulations 44 Code of Federal Regulations (CFR) parts 80 (all mitigation programs) and 206, the Hazard Mitigation Grant Program
* subparts M and N.
* FEMA Regulations 44 CFR part 13.
* FEMA Regulations 44 CFR part 14.
* Executive Order 11988, Floodplain Management.
* Executive Order 11990. Protection of Wetlands.
* Executive Order 12612. Federalism.
* Executive Order 12898, Environmental Justices in Minority Populations and Low-income Populations.
* Single Audit Act of 1984.
* Freedom of Information Act.
* Statements of North Carolina Division of Emergency Management Policy Per Memorandum and Letters of Correspondence.
* Office of Management and Budget (OMB) A-87
* 49 CFR Part 24 (VRA)
* Statutory Provisions Controlling Purchasing by local Government in North Carolina.
* DMA 2K, Senate Bill 300, 44 CFR Part 11, Other State and Federal Regulations

4. Professional Design and/or Other Technical Services

Most mitigation projects involve construction of some type. Therefore, each requires some level of design, i.e., development of plans and specifications. In most cases, this will necessitate hiring a professional engineer or housing rehabilitation specialist unless the sub-grantee has the required staff expertise and time to provide such services.

Other technical services commonly needed (depending on project activities) include specialized HMGP grants management assistance, real estate appraisals, legal review, income verification, fiscal oversight and site investigation.

B. SUB-GRANTEE PROJECT FILES

Once the skills required to effectively administer the grant have been determined and the necessary staffing needs identified, the sub-grantee should establish a system of files for the HMGP Grant. Records MUST be on file at the sub-grantee's offices to demonstrate compliance with all grant requirements. Records must be maintained for a minimum of three (3) years after Final Closeout or for a period required by any other applicable laws and regulations.

C. GRANT PROCUREMENT POLICIES

It is NCEM's objective to promote open and free competition when making any procurement of goods and services with grants funds. In order to attain this goal, compliance 44 CFR Part 13 and 14 are required and should be stated in writingindicating compliance with this provision. A printed copy of the local procurement practice and guidance will be requested prior to closeout.

D. REQUESTING FUNDS FROM NCEM

Grant funds will be made available once the Grant Agreement has been signed by the appropriate grantee and sub-grantee representatives.

Only individuals duly certified by the sub-grantee as authorized to draw funds will be allowed to sign Grant Reimbursement Requests. Likewise, payments will be sent only to the address certified by the sub-grantee. All payment requests will be checked against the certified signatures, payee and address.

E. PROGRAM BUDGET AND BUDGET REVISIONS

1. Program Budget. During the course of project implementation the program budget is the guide which must be followed in all obligations or outlays of grant funds. Sub-grantees should not deviate from the approved program budget without prior consultation with NCEM.

Due to this restriction, it is essential that the sub-grantee develop accounting and grant management procedures which maintain tight control over obligations and expenditures to assure conformance with the program budget. The program budget should be consulted and tracked on a continual basis.

NCEM will utilize the sub-grantee's program budget as a basis for monitoring project implementation and assessing the sub-grantee's progress. Adherence to the program budget will be assessed during compliance reviews and audits.

**Failure to adhere to the program budget is a violation of the Grant Contract and could result in a requirement for repayment of unauthorized expenses from the sub-grantee's own financial resources.**

2. Program Amendments. During the course of the project, revisions to the program budget may be necessitated by unforeseen factors. Approved amendments are required for the following:

a. Budget revisions which change an approved activity by more than 10% of the total project budget;

b. Budget revisions in more than one activity which total more than 10% of the total project budget;

c. The addition or deletion of an approved activity;

d. A change in the location of activities;

e*.* A change in the project area boundaries;

1. A change in the scope of the project.

 g. A change in the time required to complete scope of work.

Under a Program Amendment, fund transfers MUST NOT significantly affect either the scope or objectives of the project. Scope of the project means the nature, location, or magnitude of the work described in the Grant Proposal. “Objective” means the measurable performance the project is proposed to achieve, and the impact and degree of benefit to the identified population and environment that the project is proposed to provide.

In order to secure an approved Program Amendment the Sub-grantee must submit a written proposal to the State Hazard Mitigation Officer and secure authorization for the requested change(s)prior to any obligation of funds related to the amendment. Depending on the nature of the proposed amendment, a public meeting may be required by the State Hazard Mitigation Officer or by FEMA. Note that guidance for the Pre-Disaster Mitigation Program does not generally allow changes in scope of work for PDM projects.

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The l proposal must include the following:

a. A letter of transmittal from the Designated Agent which describes why the amendment is necessary, describes the proposed changes and their effect on the project.

b. An Application Summary form executed by the Designated Agent which shows the date of the original application and the date of amendment;

c. A revised project description, project budget, project benefit, project schedule form, and project maps if changed (1 copy); and

d. The results of the update to the environmental review record. The State Mitigation Branch environmental review team will assist in this effort if necessary.

The request for a Program Amendment MUST be submitted and approved in writing by NCEM's State Hazard Mitigation Officer prior to any obligation or expenditure of funds by the sub-grantee which exceeds the minimum allowable transfer of 10 percent of the total project budget.