

The following message was sent to county commissioners on Thursday, Oct 25th. Below are responses received by MACo.

The Legislative Audit Committee will hear an audit report on DES from the Legislative Auditor's Office and a committee member would like to know if you are receiving your payments in a timely manner and would also like to learn about any problems you may be experiencing with DES.

PONDERA

Thinking about how to reply to the questions. The new DES rules are that the counties are going to be reimbursed on a quarterly basis. No monthly reimbursements for this year's grant. We have 45 days from the end of the quarter to submit the claims. At this time, no award letters have been sent to the counties on the Homeland Security DES Grant with the reimbursement information. It has been recommended to the coordinators that we do not submit the quarterly reimbursement request until the award letters have been sent out. The required 1st quarter reports, due on October 5th, were delayed until we received the format on the new report form. Once the 1st quarter report has been submitted, we are then supposed to receive the award letter. So, to date no EMPG reimbursements have been made and the counties are out the monies until the paper work is figured out.

One issue with submitting the required report information. We are supposed to send all documentation via email to the deshosg@mt.gov. since there is a limit on the size of a file individuals can receive. Very often, these files stay on the website till the allotted time frame goes by then a deletion notice is sent We do not know if they receive them or not. Last year, when the county received the payments, there was no explanation on why the amounts were lower than requested. The state changed what would be allowed costs and then went back into reimbursed amounts to deduct costs that should not have been paid even though they were originally included in the award amount. It is hard to manage grants when the rules change in the third grant quarter.

Another issue is the paperwork required to document the grant. This takes up a third of the time making sure everything is documented. And hopefully the documentation is correct and will be accepted by the grant manager. The policies and procedure manual was just distributed so we have to go back and make sure everything is correct or be threatened with non compliance and grant monies taken away.

Having said all this, I do realize the state is doing catch up because of turnover, hiring and internal issues. They did lose the Homeland Security trainer, Lindsay Schaefer. We were very sorry to see her go as she really did work well with the counties and knew her job.

Mineral

The Emergency Management Preparedness Grant has reimbursed the County 50% of my positions salary and most expenses for 30+ years.

This grant is given to the State DES office who apportions and distributes it to us at the County level. Historically an award letter is issued to the County, at the beginning of the fiscal year, which states the amount of the grant and the rules under which the funds are applied. The Board of County Commissioners and the local DES Coordinator signed this document and the State DES office reimbursed the County 50% of the eligible expenditures.

The State DES office decided, several months ago, to develop a policy and procedures manual relating to this grant. I received the attached document on 9-19-2012 with an email stating "*Here they are....Please read prior to signing your award letters.....I know that you have not received them, but I have been told that they will be out this week.*" We are now past the end of the quarter when I must request reimbursement, under a grant that we have not been awarded. The award letter still has not appeared. I have read most of the attached document and have some questions and comments that I would like to pass on to you and the County Attorney. I am still working on understanding this myself and it may take more than one meeting to sort it out. I will attend the Department directors meeting Monday and hope to set a time for discussion, after you have had a chance to look at the attached.

Rosebud

Monthly reports have always been sent in a timely manner every month but the payments are as much as 5 months late. The grant department at DES wants more and more information; i.e. needing to have all the paperwork instead of allowing us just to show the check number. The salary check has been deposited so the check number should be enough. DES is making it difficult for the local coordinators. Instead of managing their program, they are consumed with needless paperwork.

Hill

From my point of view – They are not consistent. Sometimes they are timely and then they pay April before they pay March and then indicate we didn't submit the March payment and have to resubmit.

When they got audited and results weren't positive on their end, they added a ton of new paperwork that counties have to comply with, when it wasn't our actions/paperwork that was in error.

They have now gone to paying quarterly rather than monthly – putting us once again out four months and possibly longer when they lose our paperwork to get reimbursement.

We are very fortunate here in Hill County. Our DES coordinator is very good at keeping all of the paper work up to date. Joe does a very good job for Hill County; we have most recently got our pre disaster plan updated. The Communications committee has about completed our narrow banding of the radios with our coordinator helping.

The DES is important to the counties and the State needs to continue the funding to support DES.

Roosevelt

Roosevelt County has not been receiving payments in a timely manner. We still have not received our award letter for this fiscal year. Grant management has become a nightmare. Our coordinator estimates he will spend approximately three months out of the year on paperwork.

Teton

I talked to our DES director and she said that our payments have been timely for the most part but her complaint is the constant change in reports she has to turn. She said that she will start to fill out a report based on last years form and before she gets it completed the State sends out a new form. No consistency in the forms.

Fergus

Carl Seilstad asked me to send you additional information on State DES for the Legislative Audit Committee. Central Montana 9-1-1 received a grant from Homeland Security – State DES. This grant was in excess of \$200,000. for upgrade to the dispatch center. Final paperwork on this grant was submitted in June. The financial officer contact the 9-1-1 manager, Dorothy Gremaux, in September and asked why the money had not been received. Dorothy was on the problem immediately. She contact the grants team with DES. At first it was in review, then it seemed an Environmental Historical review needed to be done – this was determined to be needed in July. But State DES never told Dorothy this was needed. Dorothy tried to get information, asked why a previous review for another grant was not acceptable etc. When Dorothy did the review, it took about a day for approval of payment. But this was over a month of telephone calls, emails and being ignored. Central Montana 9-1-1 waited over 4 months for a payment, and would still be waiting if they had not kept on top of the grant. Amount they were waiting for was the \$200,000.

Ravalli

I ran a query on Fiscal 12. The following is a breakdown of the submissions and receipts of DES funds:

<u>Month</u>	<u>Submitted</u>	<u>Received</u>
7/11	10/31/11	1/3/12
8/11	10/31/11	1/3/12
9/11	10/31/11	1/3/12
10/11	11/2/11	1/3/12
11/11	12/6/11	1/3/12
12/11	1/27/12	5/17/12
1/12	2/17/12	5/17/12
2/12	3/8/12	5/17/12
3/12	4/18/12	Did not receive*
4/12	5/29/12	6/27/12

5/12
6/12

6/19/12
7/18/12

8/6/12
8/28/12

*To the best of my recollection, by the time we discovered we had not received payment for March, the year had been closed out.

We cannot file our payment requests at the beginning of the year until we get the appropriate spreadsheet, so it is several months before we get our first reimbursement for the year. It looks like they process them in batches.

I don't believe we have gotten our award letter for FY2013. It would be helpful to have that shortly after the beginning of the fiscal year, if not before.

In response to your email in regards to DES, I have attached a comment letter and a letter to the grant people. Also if you remember in my presentation to the MACo body I gave a report fro the Law and Justice committee. The National Association of Counties passed a resolution that said the following:

NACo is opposing the assignment of final authority of the proposed FY 2013 National Preparedness Grant to the State Administrator. NACo supported Congress/Secretary to ensure commissions consisting of County Emergency Managers and other County Public Safety Agents be established in each State to have a voice in administration of grants and that the State Administrator not be the final decision maker.

September 20, 2012
Angie Mullikin
Program Manager
Disaster and Emergency Services
PO Box 4789
Ft. Harrison, MT 59636
Re: Fergus County EMPG

Dear Ms. Mullikin,

After much consideration and reviewing the requirements of the EMPG grant program, Fergus County wishes to withdraw our grant application. We believe the amount we would receive for this grant does not justify the tracking intensity and workload of the grant.

Areas within the Policy and Procedures also concern us. We understand there will be no changes made to the Policy and Procedures this year, but items like the following limits our coordinator: *The subrecipient understands and agrees that they cannot use any federal funds, either directly or indirectly, in support of enactment, repeal, modifications, or adoption of any law, regulation or policy, at any level of government.*

There are still good programs provided by Montana DES, such as the district representative program, the training program, the PDM program and the recovery program. The EMPG grant program is an important program and Fergus County would have liked to participate this year, but this program needs to be more user friendly and made to work for the local coordinators. The current program does not meet our expectations and needs.

We value the services we receive from Mark Gruener, our district representative, and in no way was he a factor in our decision to withdraw from the EMPG program.

Finally, we want to assure you that Fergus County's dedication to a quality Disaster and Emergency Management Program will be maintained.

DRAFT Policy and Procedure Grant Document

***All red comments are directly from FY2012 Emergency Management Performance Grant Program: The purpose of the EMPG Program is to make grants to States to assist State, local, and tribal governments in preparing for all hazards.

A comprehensive State emergency management system must engage stakeholders at all levels. Local emergency management organizations should remain informed and have the opportunity to provide input to State planning processes.

***Blue letter is my questions or comments on the wording, direction etc.

page	Paragraph	Area of concern/questions
11	4	The SAA will not accept ineligible grant applications for review
12	1.1	The SAA will return incomplete applications
Between the two comments it raises a question. If the application is incomplete is it not ineligible? If the application is incomplete will it be sent back and applicant can complete it? Not sure what these two statements are trying to accomplish		
14	3	Unallowable expenses that have been inadvertently approved within a full executed Grant Award Agreement shall still be considered unallowable. It is the responsibility of the sub-recipient to ensure that all expenditures are made in compliance with federal guidance and regulations.
The wording may also want to be changed to state repayment? Or reference the page 51 – 10.3		
14	5	A sub-recipient cannot encumber funds with an unsigned Grant Award Agreement. A sub-recipient may not request reimbursement if special conditions are not adhered to and are fully responsible for any funds spent prior to fulfilling the Grant Award Agreement special conditions
Working today without a signed award letter. Will the award letter allow for the expenditure from July until September??		
14	2.3	The SAA shall determine the performance period of EMPG sub-recipients based on the State Fiscal Year and FEMA's performance period
If this is the case then what about warranties/ maintenance agreements in this document. Does that still stand?		
15	#3	The sub-recipient understands and agrees that they cannot use any federal funds, either directly or indirectly, in support of enactment, repeal, modifications, or adoption of any law, regulation or policy, at any level of government.
<p>Directly from my county attorney: <i>"You are routinely involved in writing plans or policies. The question will be whether or not the State will change the language. I recommend you bring it to their attention, and ask them to change it. If they claim the Hatch Act requires the language, let me know and I will do some research. I don't think it is that encompassing. "</i></p> <p>This statement limits the coordinators far too much. There are many laws which affect title 10, PPD 8, Stafford Act, County growth, city/county resolutions, policies etc. There have been instances where coordinators have testified before the legislative in support or opposition of a law. There are coordinators involved in drafting legislations, either directly or indirectly.</p>		
16	#8	Sub-recipients are expected to act in accordance with the Montana State Ethics and Public Employee Standards of conduct. Sub-recipients who are not compliant with the above standards of conduct and ethics, and/or refuse repeatedly to comply with quarterly reporting requirements will be considered High-Risk grantees and may not receive future funding from DES.

Two separate, different subjects.		
19	2.9	Sub-recipients are required to submit their final project Scope of Work after the obligation letters have been sent by the SAA. The Scope of Work will detail all funded projects. The timeframe for the submission of these worksheets will be determined by that year's federal guidance and the SAA.....
So does this mean there is a three step process for the application and use of funds? While we await the obligation letter, how many coordinators have spent money on part of their SOW that may not be an allowable cost? How will the corrections be made. I realize this is in part due to the slow movement on the part of the Federal Government, but it affects how we do business today. Expenditures are being made routinely within our offices.		
20	2.11	Grant Revisions – or within the last three months of the performance period of the grant
Many coordinators wait to spend money on equipment and updates, until the end of the fiscal year. This is due to the type of events that could occur in the last quarter of the year. April, May and June hold floods, wildfire and could require additional expenses from the DES office. We need the ability to make changes quickly during the last quarter.		
24	2.20 4	A funder may also restrict a community from counting any money spent before the grant contract was signed as match.
Will we receive a written approval with the grant contract which allows us to capture the match funds. Also is the “funder” the same as the Grant Program Manager???? Do you restrict a community or the sub-recipients?		
	2.20 6	It is recommended that sub-recipients request prior approval of the Grant Program Manager through the District Representative for in-kind contributions/match projects for eligibility
Is this only a recommendation, what if we don't request the prior approval?		
26	2.24	Exercises are encouraged to be capabilities based, in accordance with HSEEP.....
All grantees and sub-grantees are required to develop a Multi-Year TEP that incorporate linkages to the NPG core capabilities and update it annually. The Homeland Security Exercise and Evaluation Program (HSEEP) constitutes a national standard for all exercises. Exercises implemented with grant funds should evaluate performance of the capabilities required to achieve exercise objectives. Exercise activities should align to a current, Multi-Year TEP developed through an annual TEPW		
28	3.4 1.	Supportive of project and listed as a line item within the approved grant application and grant award. The detailed list of equipment must be submitted to the SAA as specified within the terms of the grant agreement.
Does this mean every accountable supply needs to be listed? What form needs to be submitted to DESGP. Who determines if the accountable supply is allowable under the grant program?		
29	3.5	Maintenance and Warranties of Equipment = question is related only to EMPG
The use of FEMA preparedness grant funds for maintenance contracts, warranties, repair or replacement costs, upgrades, and user fees are allowable under all active and future grant awards, unless otherwise noted.		
33	4.10	Disposition of Equipment and Accountable supplies
This entire section is rather confusing. I would like to see a more straight forward wording on this.		
34	4.11	Change in Ownership of Equipment
This entire section is rather confusing. I would like to see a more straight forward wording, it can be much easier to understand.		

35	General	Applicants must utilize the program guidance to determine allowable or unallowable costs.the SAA will only approve expenditures in an application that are allowable per the federal guidelines, are listed in the AEL, and are directly related to the project.
Program guidance is now FOA, the last part should say and/or are directly related to the project. Just a wording problem with this.		
38	5.12	Travel
In our daily work, we may have to travel to a destination to check "something", there is no meeting, there is no minutes, there may only be the coordinator checking. If the county commissioners or other official within the county, citizen or employee would like the coordinator to travel and it relates to the job of the coordinator through their job description, how will this be reimbursed? Basically this section does not allow for the coordinator to do the job of the coordinator		
43	6.3 c)	Monthly Time and Effort Record along with a copy of the agency's payroll records that reflect the amount requested
My objection to this is about the same as the travel. I disagree with this in regards to the EMPG. My entire job is working toward an all hazard approach to emergency management, which is the purpose of the EMPG.		
	e)	Must submit a copy of their travel and reimbursement policy to the SAA with their signed grant agreement
I need to research this, but to make this easier for everyone why not take the information in the OMB Circular A-102 and 2CFR 225 and just condense?		
45	7.1	Travel Support Documentation
Same problem as previously stated		
	7.2	Training and Exercise Records
Totally unbelievable		
	7.3	Accounting for Sub-recipient In-house staff Timekeeping records: Accurate time Records must be maintained that detail hours charged to grant activities.
Same problem as previously stated		
46	7.4	Records Management: Mileage logs and travel support documentation Copy of Time & Effort worksheets Copy of grant related correspondence and documentation
Same problem as previously stated.		
47	3	It should include only actual expenditures made during the quarter, whether or not the related reimbursement have been received
This is confusing? What do we want to accomplish with this paragraph?		
49	9.5	Inadequate time and effort records
Objection previously stated		
51	10.3	The closeout of a grant does not affect the SAA's right to disallow costs and recover funds on the basis of a future audit
How long does this statement remain in effect?		

This grants document was hard to read, confusing because of combining all of the homeland security grants and EMPG. All of the grants are for projects, except for the EMPG. The EMPG is still a program and as such should be considered separately with its own P&P. I do understand the need to better document. The time and the effort to cross check and re-read the P&P, CFR, State Policies, Hatch Act,

and all of the other documents is time consuming and does not enhance the job of the coordinator. The P&P for the EMPG could and should be a simple easy to read, clearly stated:

This is the application

This is allowable

This is not allowable

This is the documentation needed

This how to submitted the documentation

This is the forms required

This is what happens if non compliant

This is what is needed for audits

Cascade

I attended the DES Grants Training at Vince's request last year and it was quite evident that there was a great deal of friction between the new Grants Office and the Regional Coordinator. The messages were mixed and caused a lot of confusion. The Grants Office was very specific that the Counties needed to follow the new procedures, and as you know, Vince and I put a lot of time into preparing his application. To date, we have not received any of the feedback or guidance that they said was forthcoming back in April, and as Vince states there still is no award letter or contract, but he is being asked to report on activities from the grant application in spite of this fact. It doesn't surprise me that this particular office got reprimanded by the federal auditors as it seems there is quite a bit of internal confusion and bickering which ultimately makes it extremely hard for the Counties to 1) know which set of rules they should be following, and 2) proceed with the year's activities with a reasonable assurance the funding is in place.

It's my understanding that the "new" grants office was put into place after the failed federal audit. That the people who work there came from having done grants management in other state agencies, in particular, the division head comes out of the State DOT STEP program office which is funded through the FHWA. From my observations at the training earlier this year, it appeared to me that they were trying to bring this program into compliance with standards that have always been in place, but they seemed to be meeting with resistance to some degree because they had a rather hard lined, "do this or else" approach and they didn't seem to be able to explain why the changes had to be made and provide the kind of reassurance that was needed to move things forward.

I can also tell you that the other program HSGP (Homeland Security Grant Program) which was open at the same time still has not made awards. Cascade County applied on behalf of the Vaughn Water Sewer District and I hear from them about every two weeks inquiring whether there has been an award. The answer from Helena has continued to be exactly what Vince has been hearing on the EMPG – "they are

coming soon and they are working to resolve the problems.” It’s frustrating to VWS because they are not in compliance with DEQ and this source of funding was touted as a way to help them begin working toward compliance this year. They have a ticking clock on their compliance progress, so it is understandable that they are getting antsy for an answer when the deadline for applications was April 12. If memory serves me, we were told at the training there would be initial feedback in May with decisions in late June for both EMPG and HSGP.

The biggest problem with MT DES is with the administration of the grants. We are over a quarter into the grant year and have not received an EMPG award letter. Our district representative tells us they are working to resolve the problems. We were required to submit a quarterly report for a grant that we have not officially received. We were told that everything would be covered, but not to spend any money for equipment until we get our award letter. The EMPG grant process was very difficult and changed quite a few times before we finally submitted our application.

Another issue is with information flow. We were asked to submit our EMPG grant application electronically, but because of the size of the file or e-mail boxes in the grants division being full those e-mails bounced back. I finally had to call the MT DES receptionist and e-mail our application to her instead of to the grants division. We have this same issue with submitting anything electronically to the state office. They blame it on the state e-mail system.

There also seems to be a lot of personnel issues in the state office. I will use this example - They hired a training and exercise coordinator who worked only a short time and left because she said she could not work in that environment. She was well liked in the counties and seemed to be doing a great job.

Liberty

Yes some of the requirements that our VOLUNTEERS have jump though for no pay are just a little overly demanding.

Treasure

Treasure County isn’t participating this Fiscal Year with the EMP Grant. Too much demand for no money. In previous years we were mostly paid on time, but there have been some problems getting paid in a timely manner, which becomes an accounting nightmare.

Yellowstone

MT DES has moved to a quarterly reimbursement schedule. This means that all of our expenses from July 1st on, will not be accepted by the grants program with DES until November 15th. Allowing the 30 days for reimbursement means that a bill that we incurred on July 1st may or may not be reimbursed until as late as December 15th. This is not a terrible hardship in Yellowstone County where we have adequate resources to absorb these costs, but for some of the smaller counties, it might very well be an issue.

Madison

For the FY 2012 EMPG, we are all paid up. Sometimes the payments were not timely due to employee changeovers with the state in the Grant office of DES, also FEMA's vs. state DES grant office interpretations of how our counties should report all our activities and such. On the whole for FY12, I give the timeliness a grade of B (not always consistent but paid up all the same). For the FY13 cycle, I cannot answer on timeliness because the payment and reporting cycle has changed to a quarterly basis and the quarter just ended this September. Madison County has not been paid for the 1st quarter of FY2013, as of this time.

Park

According to accounting they are typically 3 months behind there quarterly payment schedule.